THE STATE HOSPITALS BOARD FOR SCOTLAND

BOARD MEETING

THURSDAY 25 APRIL 2019
9.45am

The Boardroom, The State Hospital, Carstairs, ML11 8RP

A G E N D A

1.	**Apologies**		
2.	**Conflict(s) of Interest(s)** To invite Board members to declare any interest(s) in relation to the Agenda Items to be discussed.		
3.	**Minutes** To submit for approval and signature the Minutes of the Board meeting held on 28 February 2019	For Approval	TSH(M)19/01  03 - Board Minute -Feb 19 - Public Sessi
4.	**Matters Arising:**		
	Actions List: Updates	For Noting	Paper No. 19/24  04 - Actions List from Feb - Public Session.
5.	**Chair's Report**	For Noting	Verbal
	CLINICAL GOVERNANCE		
6.	**Patient, Carer & Volunteer Stories - Carer Story** Report by the Director of Nursing and AHPs	For Noting	Verbal
7.	**Review of Clinical Model - Update** Report by the Medical Director	For Noting	Paper No. 19/25  07 - Clinical Model review 06042019.doc
8.	**Clinical Governance Committee** Draft Minutes – 14 February 2019	For Noting	CG(M)19/01

08 - CG Minute - Feb meeting.docx

STAFF GOVERNANCE

9.	**Attendance Management Improvement Working Group** Report by the Interim Director of HR	For Noting	Verbal
10.	**Staff Governance Committee** Draft Minutes – 7 February 2019	For Noting	S(G)19/01 10 - Staff Governance Minute F

CORPORATE GOVERNANCE

11.	**Finance Report to 31 March 2019** Report by the Director of Finance & Performance Management	For Noting	Paper No. 19/26 11 - Finance Report.doc
12.	**Draft Annual Operational Plan** Report by the Director of Finance & Performance Management	For Approval	Paper No. 19/27 12a - Draft Operational Plan - cov 12b - TSH OPERATIONAL PLAN
13.	**Corporate Governance Blueprint** Report by the Board Secretary	For Approval	Paper No. 19/28 13a - Corporate Governance Blueprint 13b - CG Blueprint Report.doc 13c - Appendix A - Programme.docx 13d - CG Blueprint Improvement Plan.do
14.	**Annual Review of Standing Documentation** Report by the Director of Finance & Performance Management	For Approval	Paper No. 19/29

14a - SBAR Standing Doc.doc

14b - SFI Mar 18.doc

14c - SoD.doc

14d - Standing Orders Mar 18.doc

15. Audit Committee

Approved Minutes – 24 January 2019 — For Noting — A(M)19/01

15 - Audit Committee Minutes Jan 19.doc

Chair's Report - 28 March 2019 — Verbal

16. Chief Executive's Report — For Noting — Paper No. 19/30

16 - CEO Report - April 2019.docx

17. Any Other Business

18. Date and Time of next meeting

20 June 2019, 1pm in the Boardroom
At The State Hospital, Carstairs, ML11 8RP

19. EXCLUSION OF PUBLIC AND PRESS

To consider whether to approve a motion to exclude the Public and press during consideration of the items listed as Part II of the Agenda in view of the confidential nature of the business to be transacted.

THE STATE HOSPITALS BOARD FOR SCOTLAND ***TSH(M)19/01***

Minutes of the meeting of The State Hospitals Board for Scotland held on Thursday 28 February 2019 at 9.45am in the Boardroom, The State Hospital, Carstairs.

Chair:	Terry Currie
Present:	
Non Executive Director	Bill Brackenridge
Chief Executive	James Crichton
Non Executive Director	Nicholas Johnston
Non Executive Director	David McConnell
Finance and Performance Management Director	Robin McNaught
Director of Nursing and AHPs	Mark Richards
Medical Director	Lindsay Thomson
Non- Executive Director	Maire Whitehead
In attendance:	
Head of Social Work	Kathy Blessing
Chair of Clinical Forum	Aileen Burnett [Item 7]
Training and Professional Development Manager	Sandra Dunlop [Item 8]
Health Records	Louise Gray
Vice Chair of Clinical Forum	Sheila Howitt [Item 7]
Director of Regional Services, NHSGGC	Gary Jenkins
Head of Communications	Caroline McCarron
Patient Learning Manager	Julie McDonald [Item 8]
Head of Corporate Planning and Business Support	Monica Merson
Senior Project Manager	Angela Robertson [Item 19]
Senior IT Analyst	Paul Dobbin [Item 19]
Interim Human Resources Director	Kay Sandilands
Board Secretary	Margaret Smith
Director of Security, Estates and Facilities	David Walker
Lead Pharmacist	Morag Wright [Item 10]

1 APOLOGIES FOR ABSENCE AND INTRODUCTORY REMARKS

Mr Currie welcomed everyone to the meeting, and noted apologies from Ms Anne Gillan. He welcomed Mr Gary Jenkins to the meeting noting that Mr Jenkins had been appointed to the role of Chief Executive to the Board with effect from 1 April 2019.

NOTED

2 CONFLICTS OF INTEREST

There were no declarations of conflicts of interests from Members in respect of the business to be discussed at this meeting.

NOTED

3 MINUTES OF THE PREVIOUS MEETING

The Minutes of the previous meeting held on 13 December 2018 were noted to be an accurate record of the meeting.

APPROVED

4 ACTION POINTS AND MATTERS ARISING FROM PREVIOUS MEETING

The Board noted progress on the action points from the last meeting, and received the following updates.

Mr Walker provided the Board with an update on the work progressed to date, focusing on improving the visitor experience at reception. A working group had been formed with Security, the Person Centred Improvement Lead as well as nursing staff. The group were reviewing a number of areas including the possibility of providing a single point of contact for visitors, scheduling of visits as well as the processes in place around the inspection of gifts. The working group would report through the Senior Management Team (SMT).

In response to a request from the Board, Ms Blessing provided further assurance that there were no concerns around the number of referrals to Adult Support and Protection (ASP) within the hospital as well as to the robust procedures in place for these referrals.

Mr McNaught provided the Board with an update in relation to Information Governance, on Board performance benchmarked against other health boards. There were no standardised metrics that provide for a direct comparison between Boards. However, The State Hospital's (TSH) size enabled an agile approach to Information Governance. Participation in national forums suggested that the Board's performance compared favourably with that of other Boards.

NOTED

5 CHAIR'S REPORT

Mr Currie provided Members with an update from the NHSScotland Board Chairs meeting which had taken place on 28 January 2019

The Cabinet Secretary, Ms Jeane Freeman, had asked Chairs to look at processes for responding to family members to ensure that these processes were robust and provided prompt responses.

Ms Freeman highlighted the lessons learned in infection control and cleanliness standards from recent issues found at the Queen Elizabeth University Hospital. She also emphasised the need to engage with the public through the media to place information in the public domain in such a way as to aim to increase public understanding. At the same it was acknowledged that this would be within the context of maintaining patient confidentiality.

The Chief Medical Officer, Dr Catherine Calderwood, had been in attendance at the meeting and outlined the recommendations from the Citizens Jury held in the autumn of 2018. The full list of recommendation would be available to Chairs following the launch event. Once available, Mr Currie would share these with the Medical Director and Director of Nursing and AHPs.

The Cabinet Secretary had advised Chairs that seven new Atlas Maps of Variation had been published on the ISD website on 29 January 2019, to ensure the Medical Directors were making use of these tools. Professor Thomson clarified the use of such tools and confirmed that to date there was no map available in the field of mental health.

Mr Currie advised that the Cabinet Secretary had expressed concern at the dip in waiting time

performance and the need to deliver on agreed trajectories by year end. The Cabinet Secretary emphasised the need to focus on implementing the actions emanating from the Health and Social care and Audit Scotland Report in the short term as well as to include the third and independent sectors within the overall process.

An update was received on EU Exit with a reminder to Chairs to gain assurances that Boards were making all necessary plans on the issues which will impact Board operations.

Chairs had received an update on the Corporate Governance Blueprint and that the Steering Group had prioritised determining the baseline position for Boards' current governance systems. The self assessment survey tool would be sent to all Boards at the beginning of February 2019 for completion during that month. Boards would then hold development sessions and produce an action plan for improvement by the end of March 2019. This should enable a report on the outcome of the self-assessment to be published and discussed by Boards at their meetings in April 2019.

NOTED

6 REVIEW OF CLINICAL MODEL

A report was received from the Medical Director to provide an update on the review of the clinical model, including the significant progress made in consultation activity since the last update to the Board at the December 2018 meeting. This was around three possible models and consultative workshops had taken place with staff and stakeholders. The intention was to continue this iterative process with staff to gain as wide a range of views as possible.

Professor Thomson highlighted the need to clinically manage the options appraisal process to ensure continuation of robust care for patients. Feedback had been received from the Patient Partnership Group (PPG) and overall message were that patients would be open to change. Mr Richards added that draft workforce modelling had been carried out recognising the different shift patterns and the feasibility of modelling. Further detailed work would be required in this area.

Members received this report warmly and were impressed at the level of engagement taking place which it was felt would give ownership of the model. Members who had participated in the stakeholder session had noted the breadth of stakeholders present which had led to an excellent session. A further update would be brought to the Board at their next meeting in April on the evaluation of options.

Action - Professor Thomson

NOTED

7 CLINICAL FORUM - 12 MONTHLY REPORT

A paper was received from the Chair of the Clinical Forum and Dr Burnett and Dr Howitt were in attendance to lead Members through their report, emphasising the future areas of focus of the forum as well as the importance of continuing to develop links with the Board.

Mr Crichton thanked Dr Burnett and Dr Howitt for taking on leadership of the Clinical Forum as an independent advisory committee to the Board, and for their work to date. This was an importance check and balance on the work of the Board. Members noted the connection of the Clinical Forum to front line staff and the opportunities presented to provide advice to the Board independently of the existing management structure.

Mr Currie thanked Dr Burnett and Dr Howitt for their report which was valued by the Board. He highlighted that the Board were keen to develop the link to the Clinical Forum and welcome their input.

NOTED

8 PATIENT LEARNING - 12 MONTHLY REPORT

A paper was received from the Interim Human Resources Director, to provide an update on patient learning services within the hospital, detailing service activity levels and key achievements during 2018. Ms Dunlop and Ms McDonald were in attendance to help provide further background.

Members noted the breadth of work undertaken and the positive nature of engagement with patients which was evidenced in events like the Patient Learning Awards which would take place on 13 March, and the art on display in the Skye Centre. The report was uplifting in providing a summary of the work undertaken.

There was discussion on how to increase uptake of activities from patients - with capacity uptake noted to be at 80%. This was a year on year improvement but Members sought assurance on the reasons that lay behind cancellation of sessions and how to improve uptake further. This was multi-factorial and could depend on patient preferences or well-being. A further factor was in a number of vacancies within the Skye Centre, as well as cancellation of sessions due to staff sickness absence. Mr Richards provided an update on the work ongoing to fill vacancies and referred to ongoing work undertaken to improve attendance across the organisation. .

The Board were content to note the content of the report.

NOTED

9 GLOBAL CITIZENSHIP: LINK WITH PAKISTANI PSYCHIATRIC ASSOCIATION

A paper was received from the Medical Director, outlining the work taken forward by Dr Khuram Khan, the organisation's Champion for Global Citizenship, to establish links between Scottish and Pakistani Psychiatric specialities.

The Board welcomed this report and commended the work to date.

NOTED

10 FALSIFIED MEDICINES DIRECTIVE

A report was received from the Medical Director, which outlined the plan of work taken forward within The State Hospital (TSH) with NHS Lothian Pharmacy Service (as TSH medicine supplier) towards implementation of the False Medicines Directive (FMD). Ms Wright was in attendance to provide a summary of the paper.

The Board noted the recommendations made to add FMD non-compliance to the Corporate Risk Register, noting that the regulator was supportive of a transition period past 9 February 2019 provided planning was in place; to continue to align with NHS Lothian FMD process and options appraisal for software, scanners rather than a TSH stand alone approach; the Health Centre to be used as the central location for verification and de-commissioning and to explore suitable personnel and procedures required for implementation.

NOTED

11 INTERNATIONAL TRAVEL REQUESTS

The Board received a paper from the Chief Executive, requesting international travel for the Head of Corporate Planning and Business Support to attend the International Association of Forensic Mental Health Services 2019 Conference (IAFMHS) in Montreal, Canada. The IAFMHS had accepted a presentation on "Staff and Patient Safety within The State Hospital". Learning would be shared with colleagues in the wider hospital through a Journal Club presentation. The Board received assurance that costs would be met through the 2019/20 training budget.

The Board also received a request for the Clinical Lead for Intellectual Disabilities to attend the Health Care in Secure Settings Conference in Sydney Australia - flights and accommodation would be booked by the conference organisers with no cost to TSH. Attendance at this conference would raise the profile of the work of TSH.

These two requests were approved by the Board.

APPROVED

12 CLINICAL GOVERNANCE COMMITTEE – CHAIR'S REPORT

The Board received the approved minutes of the meeting of the Clinical Governance Committee which took place on the 15 November 2018.

Mr Johnston provided an update on the key issues discussed at the Clinical Governance Committee meeting held on 14 February 2019 and confirmed that the minutes would be available at the next Board meeting. The Committee had focused in particular on the patient active day programme as well as risk reporting. There had been a discussion item on suicide prevention.

NOTED

13 CLINICAL WORKFORCE PLANNING

A report was received from the Interim Human Resources Director to provide the Board with an update in respect of workforce planning at TSH in line with the Workforce Plan for 2017/2022, and taking into account the review of the work progressed in the review of the clinical model and the Common Staffing Method defined by the Health and Care (Staffing) (Scotland) Bill.

Ms Sandilands summarised the report highlighting the interdependency of the Clinical Workforce Plan with the review of the clinical model as well as the Common Staffing Method. It would be the case that any delay in the timing of the either the clinical model or the Common Staffing method would impact on workforce planning.

Members asked for assurance that the new workforce tool would be effective and were assured that this would bring a robustness and rigour, and that it was important to note that it would not prescribe a minimum staffing level. There was an escalation process in place to ensure Board compliance. Support had been agreed through SMT for a new short term post to support implementation.

The Board noted the content of this report.

NOTED

14 ATTENDANCE MANAGEMENT IMPROVEMENT TASK GROUP

A report was received from the Interim Human Resources Director to update the Board on the work of the Attendance Management Task Group including an updated action plan. Ms Sandilands

advised the Board that the group were moving to focus upstream on preventative work to help reduce sickness absence.

The Board were supportive of this work and future focus for further improvement in an essential area of improvement for the Board. .

NOTED

15 INTERNATIONAL TRAINING - JANUARY 2019 - UPDATE

A paper was received from the Interim Human Resources Director to provide feedback in regard to PMVA instructor training delivered in the United Arab Emirates in January 2019.

Ms Sandilands summarised the report, advising that the delivery of the training had been successful. The report also assured the Board that releasing nursing staff for a two week period to assist in the delivery of the training had no adverse impact on care delivery within TSH.

Members welcomed this update especially the positive impacts in reputational and financial gains for the Board, and noted it as an area to be considered in future sustainability planning.

NOTED

16 STAFF GOVERNANCE COMMITTEE

The Board noted the approved minutes of the Staff Governance Committee meeting held on 29 November 2018. The Committee Chair, Mr Brackenridge, provided a verbal update on the meeting which had taken place on 7 February 2019 which had focussed on attendance management and policy compliance within Human Resources which had been subject to internal audit.

NOTED

17 FINANCE REPORT AS AT 31 JANUARY 2019

The Finance Report to 31 January 2019 was submitted to the Board by the Director of Finance and Performance Management, and Members were asked to note the content of this report. Mr McNaught led Members through the report highlighting the key areas of focus.

The Board reported an overspend position of £0.223m to 31 January 2019 with an in–month movement being an under spend of £0.054m. Mr McNaught advised the Board that actions were being identified to alleviate this pressure for the remainder of the year and this enabled the financial forecast to remain a breakeven position for year end. He provided further rationale in the continuation of the forecast of a breakeven position to year end, particularly around the reduction experienced in overspend in the Nursing and AHP budget.

The Board noted in particular the position in respect of the Board's contribution to the National Boards savings, and that it would not be able to contribute the second half of £0.220m during this financial year. Members also discussed the difficulties experienced in identifying recurring savings going into the new financial year.

The Board asked for a further update on the position to the end of month 11 as soon as it was available.

Action – Mr McNaught

NOTED

18 SERVICE SUSTAINABILITY

A paper was submitted to the Board from the Director of Nursing and AHPs, which set out the progress made since the last meeting of the Board against the workstreams previously agreed in pursuit of service sustainability. Mr Richards summarised the paper for the Board.

The report focussed on higher impact actions taken as well as the future focus for 2019/20. The key priorities would be associated workforce planning with the delivery of the clinical model, effective rostering and the expansion of the nursing pool. More widely there would be focus on the maximising efficiencies through Service Level Agreements and scoping opportunities for income generation and the rationalisation of the physical estate.

The Board noted progress made in the area and the future focus.

NOTED

19 BUSINESS INTELLIGENCE AND TABLEAU - PROJECT UPDATE

The Board received a report from the Director of Finance and Performance Management which outlined the progress made to date on this project. Ms Robertson and Mr Dobbin were in attendance to demonstrate Tableau dashboard developed using TSH data. A stakeholder workshop with senior stakeholders would take place on 21 March 2019 and the outcomes would be reported through SMT.

Ms Robertson advised that it was hoped that this system would help reduce the data burden for users and turn data into effective dashboards so that information could be used at the appropriate time thus helping effective decision making. This should create a self-service environment for users of the system which would be more efficient and engaging for users, producing more fluid and better quality reporting. Mr Dobbin provided a practical demonstration of the Tableau dashboards allowing Members to appreciate the practical applications of the system.

Members welcomed this update which had clearly demonstrated the benefits of the system. There was discussion around any need in IT hardware for users as well as training for staff at the point of implementation. The Board noted that this system was widely used by other NHSScotland Boards.

It was noted that further work was ongoing to identify the full scope of data required and the designing of dashboards. A further report would be routed through SMT following the workshop taking place in March with an update to the Board thereafter.

Action – Mr McNaught

NOTED

20 PERFORMANCE REPORT – QUARTER 2 - 2017/18

A report was submitted to the Board by the Director of Finance and Performance Management, which presented a high level summary of organisational performance for Quarter 3 – October to December 2018 and the Board noted the content of the report.

NOTED

21 ANNUAL REVIEW – UPDATE

A report was submitted to the Board from the Board Secretary to provide Members with feedback

on the Annual Review which took place in the hospital ion 14 January 2019.

This had been a Ministerial Visit and had provided an excellent opportunity to demonstrate the wide breadth of care experienced by patients at TSH. The Minister had met with the Clinical Forum and the Partnership Forum as well as meeting with patients, carers and volunteers in the Skye Centre. The Minister had also taken time to visit Lewis hub and to engage in a public question and answer session. There had been a high level of staff engagement in this session.

NOTED

22 AUDIT COMMITTEE

The Chair of the Committee, Mr McConnell provided a verbal update of the meeting which had taken place on 24 January 2019 and had focussed on resilience arrangements, internal audit of attendance management and a review of the Corporate Risk register.

NOTED

23 CHIEF EXECUTIVE'S REPORT

A paper was submitted to the Board by the Chief Executive, which highlighted and provided an update to Members on issues that did not feature elsewhere on the Board's formal agenda.

Mr Crichton provided an update in respect of preparedness for EU Withdrawal, advising that the Board was working closely with Scottish Government colleagues in this regard.

Members were content to note this report.

NOTED

24 REVISED MEETINGSCHEDULE - BOARD BUSINESS 2019

Members noted a minor change to the committee schedule for 2019.

NOTED

25 ANY OTHER BUSINESS

Mr Currie noted that this would be the final Board meeting for Mr Crichton as Chief Executive, as he would retire on 31 March 2019. On behalf of the Board, he thanked Mr Crichton for the major contribution he had made to the Board and wished him well for the future.

Mr Currie also noted that this would be the final Board meeting for Ms Blessing who would be leaving the Board to take up a new post with South Lanarkshire Council. He thanked her for her significant contribution to the hospital and wished her well in her new post.

NOTED

26 DATE AND TIME OF NEXT MEETING

The next meeting would take place on Thursday 25 April 2019 at 9.45am in the Boardroom, The State Hospital, Carstairs.

NOTED

25 EXCLUSION OF PUBLIC AND PRESS

Members approved a motion to exclude the public and press during consideration of the items listed at Part II of the agenda in view of the confidential nature of the business to be transacted.

AGREED

ADOPTED BY THE BOARD

CHAIR _____
(Signed Mr Terry Currie)

DATE 28 February 2019

MINUTE ACTION POINTS
THE STATE HOSPITALS BOARD FOR SCOTLAND
(From February 2019)

ACTION NO	AGENDA ITEM NO	ITEM	ACTION POINT	LEAD	TIMESCALE	STATUS
1	6	Review of Clinical Model	Further update to the nest meeting of the Board.	Lindsay Thomson	April 2019	**On Agenda**
2	17	Finance Report	A further update to Board Members on the position to the end of month 11.	Robin McNaught	March 2019	**Completed**
3	19	Business Intelligence and Tableau	Further update to SMT following March workshop. To be added to Board Workplan for further update.	Robin McNaught	April 2019	**Completed**

Board Paper 19/25

THE STATE HOSPITALS BOARD FOR SCOTLAND

Date of Meeting:	25 April 2019
Agenda Reference:	Item No: 7
Sponsoring Director:	Medical Director
Author(s):	Head of Corporate Planning and Business Support
Title of Report:	Review of Clinical Model
Purpose of Report:	Update the Board on progress

1 SITUATION

This report provides and update to The Board on a review and consultation on The Clinical Model. The consultation on the Clinical Model arose from a presentation to the Board on 28th June 2018 by the Service Transformation and Sustainability Group where comments were expressed by staff on the current structure for the delivery of care.

2 BACKGROUND

The clinical care model describes the way The State Hospital provides high secure services to patients with a mental disorder many of whom have offended. The need to review the Clinical Care Model arose from issues raised through a staff engagement exercise which focused on readiness to change. As part of the Service Transformation and Sustainability projects, this stream of work has focused on the review of the clinical care model. This work is split into three parts:

1. Review of the clinical model principles
2. Review of safety factors
3. Review of the clinical service delivery model.

The Board received an update in October on point 2. Review of the safety factors, and a further update in December on point 1. Review of the Clinical Model Principles and point 3. Review of the clinical service delivery model, which consisted of staff consultation activities via an online questionnaire and staff workshop.

3 ASSESSMENT

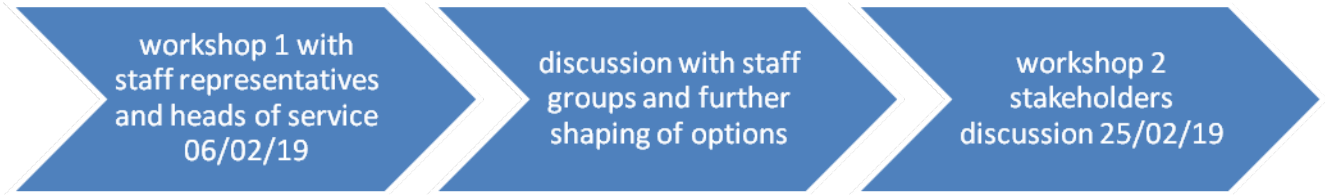
Staff Consultation
All staff were invited to respond to an online questionnaire which was live from 7th December 2018 until 14th January 2019, this questionnaire asked the following:

- What are the strengths with how we deliver our clinical care ?
- What are the current problems with how we deliver our clinical care ?

- What changes would you make to improve how we deliver our current clinical care?
- What would we need to think about to enable your proposed changes to improve how we deliver our clinical care model?
- What else do you need to support you to deliver high quality clinical care?
- Is there anything else you would like to say about how we deliver clinical care?.

Fifty seven responses were received to the above questions and analysis of the feedback was presented to staff via the workshop sessions below

Two workshop sessions were be delivered in February 2019 to develop, consult and test options for delivering clinical care with staff and stakeholders.



Staff Workshop 6th February

Thirty eight staff attended the staff workshop session on the 6th February.

Options form staff workshop
Emerging options form the staff workshop. Throughout the staff workshop session there emerged 2 areas of consensus:

1. Need for change in the TSH culture with a focus on clinical empowerment and strengthened clinical leadership to engage and develop staff

2. Two options for proposed structural change to the configuration of wards.

<u>Option 1</u> for structural change to ward configuration:
3 hubs operating a 3 ward system of progression
- Ward 1 - Admissions and acutely unwell patients
- Ward 2 - Continuing care
- Ward 3 - Rehabilitation and pre transfer

4th Hub -1 or 2 wards accommodating ID patients (if 2 wards then each ward with fewer numbers of patients)

<u>Option 2</u> for structural change to ward configuration:
2 admission wards (may be in 1 hub or spread across 2 hubs)
1 or 2 ID wards
5 (or 4) Continuing Care wards
2 Rehab wards with Skye Centre integration

Requirements for implementation

On further discussion and refinement the importance of culture and the conditions that would support change were more fully explained, these are detailed below;

- Consistency of approach in applying criteria of the admission (+acute care) wards and the rehab ward (e.g. rehab ward only for patients who are not on elevated observations).
- Co – production of the criteria for each ward so that there is clinical cross hub ownership and collaboration on this
- Once criteria and clinical model agreed then enable local governance and implementation so that Hub leadership teams have ownership for implementation – and responsibility for this.
- Create a culture of change and improvement with responsibility locally for implementation and management
- Create a culture of leadership based on competency and enable more effective MDT working
- Wider system leadership to ensure that staff are supported and developed
- Wider system enablement to let the model work with less committee reporting
- Progression for nursing staff and differentiation / specialist areas to operate in
- Potential to have a scheme of working across Forensic Network
- Allow / enable staff to choose their preference of where they work to get greater buy in and greater match of interests and skills to area of work.
- Best use of staff skills and provides opportunity for other disciplines to engage

Patient Workshop 18th February

The Options from the staff workshop were discussed with patients through a dedicated Patient Partnership Group workshop and ward outreach patient conversations. In total 45 patients gave their feedback on potential changes to the clinical model and also considered the status quo as an option.

From this process patients reviewed and discussed the 3 options and for each identified benefits (boats), challenges (pebbles) and obstacles (boulders). From this process it emerged that patients who were engaged in this process were keen for change and that the status quo option was least preferred. There were difference of opinion around the benefits and drawbacks of continuity of RMO and whilst there seemed to be agreement that progression through the hospital was a good thing, that care would need to be taken if patients health deteriorated and they were moved back into a higher dependency ward, that this was not seen as a punitive measure but protective for the mental health.

Stakeholder views on emerging options

The Stakeholder Workshop was attended by 12 stakeholder including the Scottish Prison Service, Mental Welfare Commission, Scottish Government, Scottish Health Council, Volunteers and Careers. Participants were asked to reflect on what they had heard from staff and patients feedback and the emerging options. Feedback from this session included that Stakeholders liked the graduated approach to care, both option 1 and 2 offered this. There were no strong opinions about a favoured option however general agreement on the following:

1. Need for the Clinical Model to be able to flex to the changes in patient numbers
2. Increased engagement for both patients and staff - need further staff engagement in this process
3. Cultural change will be essential to match any structural change in the hospital
4. Opportunity for development of staff skills to specialise in particular areas of care
5. Expansion of opportunities for patients to engage in wider activities

6. Opportunity of development of peer to peer support for patients
7. Opportunity for flexible workforce to ensure the right staff are in the right place at the right time
8. A clear pathway and progression through the hospital would benefit patients
9. Benchmark against other high secure environments to ensure that we learn and share practice.
10. Work towards least restrictive option
11. Good leadership is key to the delivery of any option to ensure that it is implemented and staff and patients are supported through any change process

Emerging Principles

From the staff, patient and stakeholder engagement there are emerging principles that have resonated with all, these are;

- More tailored security based on patients needs, least restrictive where appropriate
- Sense of progression for patients
- Integration between rehab wards and the Skye Centre
- ID patient's needs to continue to be meet in a specialized ID service, possibly with 2 wards
- Patient mix more tailored with admissions and clinical acuity accommodated in specific areas

Staff Engagement Process

Following the Staff Workshop on the 6th February, Stakeholder Workshop on the 25th February and Patient Workshop on the 18th February, there has been an invitation for staff to feedback comments and also a programme of planned engagement with staff groups. To date 97 clinical staff have attended the engagement meetings and 12 individuals have submitted written responses representing Nursing, Social Work, Pharmacy and Psychology.

Hub leadership teams have included discussions of the Clinical Model Review in their team meetings, with Hub Leaders identified as champions for engagement on the review. A presentation has been shared to ensure consistency of message and a staff bulletin has been issued.

The programme of planned engagement is outlined below:

- Meeting with AHP staff – 10 staff attended discussion and feedback
- Meeting with Practice Development Staff – 4 staff attended
- Meeting of RMO's at the MAC – 10 staff attended
- Three meetings arranged with Nursing Staff through Participatory Learning Group
  23/03 – 38 staff attended with all Hubs and wards represented
  06/04 – 31 staff attended with all Hubs and wards represneted
  20/04 – meeting to be held
- Security Staff team meeting - 4 staff attended
- Psychology Staff team meeting – planned for 29/04
- Meeting with Partnership Forum 19/03/19

Reactions from staff groups to the Clinical Model Review

From the Staff Engagement to date there has been consistent agreement and welcoming of change with the principles of:

- More tailored security based on patients needs, least restrictive where appropriate
- Sense of progression for patients
- Integration between rehab wards and the Skye Centre
- ID patient's needs to continue to be meet in a specialized ID service, possibly with 2 wards

- Patient mix more tailored with admissions and clinical acuity accommodated in specific areas

In addition other key messages from Staff Engagement are noted below:

Leadership, culture and team working

- Overall strong leadership needed to take forward and deliver any change, reflection that the current model has not been implemented as was planned e.g. 9-5 shifts and as a result has not worked well and as promised.
- Key focus to remain on addressing cultural change and not focusing all our energy on reorganizing the wards, although this will be helpful
- A consistent approach to communication across the site would be helpful to ensure that all staff have access to the same information
- Affordability of each option is key to ensure that whatever steps are taken next, they can be implemented as planned.
- Concern that we plan on paper an ideal model then cannot implement to specification because we don't have the staff to do it
- Multidisciplinary team working – wider clinical staff teams could be used more effectively to support patient experience. Wider team members could be involved in delivering care beyond 9-5 Mon – Fri and be more engaged in the life of the ward.
- Team working and team culture – there is a need to develop team culture and support staff, feeling that staff 'good will' is depleted and causing difficulties. Need to focus on developing a more supportive culture for nursing staff.
- Clarity on next steps, timeline and plan for implementation would be helpful

Additional structural options to consider

- Change is welcomed – patient mix is a key issue – welcome progression of care pathway and ability to specialise in specific areas of care e.g. admission, rehab, continuity of care, ID.
- Consideration given to reconfiguring one of the wards to accommodate a very small number of patients, possibly maximum 4, major mental illness with higher staffing levels to provide an individualized caring arrangement to patients with higher levels of clinical acuity and aggression/ violence
- Flexible option to open a High Dependency Unit as and when required
- Consideration be given to matching groups of patients in terms of their needs. For example, there are a number of older relatively stable patients who are being cared for in wards with high levels of clinical activity arising from much younger patients who are experiencing active symptoms
- Option 2 – bigger change, continuity need not be lost if all RMO follows patients through to rehab Hub (somehow)
- 2 ID wards would enable that group to have more space. It would require a flexible/revolving door type of approach to enable patients to move between spaces as and when required. Having the right staff in the right place at the right time would allow a consistent staff group of people who have developed their expertise in working with this group over the years. It would allow the hub to be a dedicated ID space with the adaptations/modifications required. It would also allow our patients with ID that are hosed in Iona 1,3 and mull 2 to return to the one hub

- Ward and Hub environment – the current ward lay out is difficult to nurse acute and ID patients as not enough space and limited number of quiet rooms
- Support for admissions ward however we will need to review the ward environment and structure of the ward areas. Is there a possibility to reopen Harris as a clinical area and use this for admission
- Need to demonstrate that TSH operates a recovery model – protect Rehabilitation time, need to consider how we can incorporate recovery language into describing what we do and how we do it.
- There currently are not enough Hub based activities and some patients recognise that if they are on Level 3 observations they have more opportunity for individualised care and are better off – this can operate as a disincentive for patients to have decreased observation levels which impacts on staffing levels
- Transitions – patients experiencing transitions whilst in TSH may be better for them. On transfer/ discharge out of TSH patients experience a transition, therefore moving words and or clinical teams in the hospital can help prepare for discharge

Safety and security

- Safety and Security are key concerns, connection to Police and ensuring we are using latest evidence base on equipment and sharing what works with others

Systemic issues and forensic mental health system

- Nursing staff would like to have better networks across the Forensic Estate to share practical information and experience of delivering care
- Staff shortages are an issue – this will need to be considered in the review of the Clinical Model and any new structure will need to be appropriately staffed and financed.
- Clarity on whether the National Review of Forensic Services will affect the review of the Clinical Model
- Opportunity to share practice across the Forensic Estate and work more closely with medium secure to support patient transitions
- Legislative changes that have impacted on the ID service – the Adult Support and Protection legislation has had an impact on how and where we nurse patients the number of disassociations has increased. This has an impact on the ID service and how it can be configured.
- Nurse recruitment and retention – the crisis of recruitment and retention in mental health nursing was recognised and concern that TSH isn't making enough progress in recruitment. Suggested solutions around increasing the number of health care assistants having opportunity to complete their RMN training through reintroduction of secondment with tie in clause to ensure staff return and are committed to the hospital for a number of years. Also increase the numbers progressing through Open University. Newly qualified RMN's shared experiences of having to be firm with universities about wanting to come to TSH for student experience. Is there more can be done with universities to build relationship and ensure students have opportunity to come as a matter of course. Current pool contracts of 22.5 hours seen as a disincentive as many staff are looking for full time hours. Ensure we recruitment to permanent posts as well as pool posts.

Next Steps

Initial high level financial and workforce planning information for each option will be developed. An options appraisal workshop will be held on 14th May with the staff group who originally developed the options. Feedback will be presented on the engagement process and appraisal criteria will be outlined. Staff will be invited to score each option against the appraisal criteria. Analysis of this will provide an indication of the preferred option for further consideration by the Executive Team and the Board.

A draft timeline is attached as appendix 1

4 RECOMMENDATION

The Board is invited to note progress on the review of the Clinical Model

MONITORING FORM

How does the proposal support current Policy / Strategy / LDP / Corporate Objectives	Corporate objectives of high quality clinical care and staff experience
Workforce Implications	Workforce implications that may arise from the review of the Clinical Model will be formally assessed at options appraisal stage
Financial Implications	Financial implications that may arise from the review of the Clinical Model will be formally assessed at options appraisal stage
Route To Board Which groups were involved in contributing to the paper and recommendations.	Clinical Governance Committee / SMT
Risk Assessment (Outline any significant risks and associated mitigation)	Risks that may arise from the review of the Clinical Model will be formally assessed at options appraisal stage
Assessment of Impact on Stakeholder Experience	Through stakeholder workshop
Equality Impact Assessment	Not formally assessed

Appendix 1

Timeline for Consultation on Clinical Model

Timescale	04/02	11/02	18/02	25/02	04/03	11/03	18/03	25/03	01/04	08/04	15/04	22/04	May	June	July	August
Consultation on the clinical model	***Workshop with staff***	***Feedback to staff on output from workshop***		***Workshop with stakeholder***	***Engagement with staff***											
Development and appraisal of options		***Work up options and criteria***			***Options appraisal – initial high level implications for workforce and financial planning.***								***Workshop with staff to appraise options and score against criteria***			
Board meeting				***28/02 Update Board on consultation process***								***25/04 Update Board on engagement process and plans for options appraisal***		***20/06 Update on evaluation of options against criteria and identification of preferred option***		***22/08***
Partnership discussion							***19/03 Feedback Partnership Forum***				***16/04 Feedback Partnership Forum***		***14/05 Feedback Partnership Forum***			
SMT			***20/02 Update on consultation process***				***20/03 Update on options appraisal and consider any emerging option***				***17/04 Update on staff engagement***		***15/05 Update SMT on options appraisal workshop***			

THE STATE HOSPITALS BOARD FOR SCOTLAND

Minutes of the Clinical Governance Committee Meeting held on Thursday 14 February 2019 at 9.45am in the boardroom, The State Hospital, Carstairs.

CHAIR:	
Non Executive Director	Nicholas Johnston
PRESENT:	
Non Executive Director	Maire Whitehead
IN ATTENDANCE:	
Chief Executive	Jim Crichton
Board Chair	Terry Currie
Chair of Medical Advisory Committee	Khuram Khan
Head of Corporate Planning and Business Support	Monica Merson
Clinical Operations Manager	Brian Paterson [Item 14]
Director of Nursing and AHP	Mark Richards
Board Secretary	Margaret Smith
Clinical Effectiveness Team Leader	Sheila Smith
Chair of MHPSG	Gordon Skilling [Item 7]
Medical Director	Lindsay Thomson
Senior Nurse, Practice Development	Mhairi Ward [item 16]

1 APOLOGIES AND INTRODUCTORY REMARKS

Mr Johnston welcomed everyone to the meeting. Apologies were received from Mr David McConnell, Mr John Marshall and Mr Robin McNaught.

NOTED

2 CONFLICTS OF INTEREST

There were no conflicts of interest noted in respect of the business to be discussed.

NOTED

3 MINUTES OF THE PREVIOUS MEETING

The Minutes of the previous meeting held on 15 November 2018 were approved as an accurate record.

APPROVED

4 PROGRESS ON ACTION NOTES

The Committee was content to note progress on the Minute Action Points from the last meeting.

NOTED

5 MATTERS ARISING

There were no further matters arising.

NOTED

6 PSYCHOLOGICAL SERVICE REPORT

This paper was deferred until the May meeting to allow the Head of Psychological Services to present the report.

NOTED

7 MENTAL HEALTH PRACTICE STEERING GROUP

A paper was submitted by the Director of Finance and Performance Management, which provided a summary of the work of the Mental Health Practice Steering Group (MHPSG). The Co-Chair of the group, Dr Gordon Skilling was in attendance to highlight the key points of the report. The report was received warmly by the Committee.

Dr Skilling acknowledged some difficulty experienced in the monitoring of clinical outcomes, particularly in realising the potential of data application by clinical teams - a wider move within the hospital towards more flexible business intelligence would support this. The direction of travel should be towards practical application of data analysis.

The wide remit of the group was noted, which could become involved in many areas of functioning within the hospital - the focus on realistic medicine was welcomed.

The Committee was asked to approve a change to the sponsoring Director of the group to the Medical Director, and this was agreed along with the recommended activities of work and intended focus of the group over the coming year.

APPROVED

8 FORENSIC NETWORK CQIF ACTION PLAN

An update report was submitted to the Committee by the Medical Director to provide an update on the action plan leading out of the peer review visit which took place on 27 April 2018.

The Committee discussed the deeper nature of this review and reviewed the action plan in detail. A suggested amendment was made in relation to page 1 around staffing levels for accuracy.

Action - Mark Richards

A further suggestion was made in bringing forward the timescale for review of the visitor experience at reception.

Action - Sheila Smith

The Committee was content to note the updated action plan, subject to these amendments.

NOTED

9 CLINIAL GOVERNANCE GROUP REPORT

A report was submitted to the Committee by the Medical Director as a summary of the work of this group during 2018. Professor Thomson led Members through the report highlighting areas of good practice as well as proposed areas of work.

The Committee noted the very comprehensive nature of the report. There was discussion around

observation practice within the hospital and the new national guidelines in this area, as well as how this related to nursing staffing levels. It was noted that this was an area under review with exploration of the data to ensure effective monitoring of this.

The Committee noted the report, and that the group was functioning well within its remit. It was noted that this would be recorded as an area of good practice on this Committee's log.

Action - Sheila Smith

NOTED

10 DUTY OF CANDOUR

A report was submitted by the Head of Corporate Planning and Business Support, and Ms Merson led Members through a summary of the report. This provided an update to the Committee on the implementation of the procedure within the hospital during October to December 2018.

The Committee were content to note the report, and the work undertaken within the organisation.

NOTED

11 LEARNING FROM COMPLAINTS AND FEEDBACK - QUARTER 3 REPORT

A report was submitted to the Committee which provided an overview of activity of complaints and feedback for the third quarter of the current financial year.

Professor Thomson summarised the key points for the Committee, and Members noted the content of the report.

NOTED

12 INCIDENTS AND PATIENT RESTRICTIONS

A report was submitted to the Committee, on behalf of the Medical Director, which provided an overview of activity of incidents and patient restrictions within the third quarter of the current financial year.

It was noted that incidents of self harming should be included in the trend reporting around health and safety incidents going forward.

The Committee remained concerned about reporting timescales for Category 1 and Category 2 Reviews and discussed the difficulties experienced. These included access to staff for interview during the investigation stage, as well as capacity within the Risk Department for these types of reviews. There was agreement that it was important to include witnesses to ensure thorough investigation even though this may slow down the process.

The Committee also considered the process itself for approval of the reviews, and how this compared to other Health Boards. It was agreed that a paper would be brought back to the next meeting of the committee to consider these issues further as well as benchmarking this against practice in other Health Boards.

Action - Monica Merson

NOTED

13 STAFF AND PATIENT SAFETY REPORT ACTION PLAN

A report was received from the Medical Director, to provide the Committee with an update in respect of progress in the implementation of the action plan. Professor Thomson summarised this for Members and also placed this update within the context of the ongoing work on the review of the Clinical Model.

NOTED

14 UPDATE OF PATIENT DAY PROJECT

A report was received from the Director of Nursing and AHPs to provide an update on this project, and Mr Brain Paterson was in attendance to summarise the key points for the Committee. He highlighted the key challenged in implementation as well as progress made to date.

Mr Paterson outlined the key aim of the project was to get to the position where patients were involved in activities for 5 to 7 days a week both within and outside of the Skye Centre. Work was progressing well to ensure that patient timetables could be stored within the RiO system as this would help facilitate patient activity. There was discussion around the importance of clinical staff being involved to help commit patients to participating in activity opportunities.

This work would also be closely linked to the review of the Clinical Model in developing opportunities for patients as well as helping to manage staffing across hub areas.

The Committee were content to note the content of this report.

NOTED

15 CATEGORY 1 REVIEW – 18.01

The Committee reviewed and considered this report. Mr Crichton provided an overview of the report as well as the background to this being conducted as an independent review.

The Committee requested a further update in respect to the action plan being taken forward within the hospital in response to the report.

Action - Monica Merson

NOTED

16 DISCUSSION: SUICIDE PREVENTION

Ms Mhairi Ward was in attendance to present an overview to the Committee on action taken at the hospital in relation to the National Suicide Prevention Leadership Group Delivery Plan. The focus has been on a local prevention plan with the policy and practice plans updated in 2018. It was planned to have an online resource available by May 2019, and further bespoke training initiatives were being planned for this year.

There was discussion around the low rate experienced within the hospital over time, and this was compared with self harming incidents. Ms Ward explained that training on self harm would be included in this programme given its importance as a risk factor.

Members asked about training for staff generally, and Ms Ward confirmed that this was being considered to ensure that all staff had awareness in this area. This would also be in line with public health policy ambition.

The Committee thanked Ms Ward for her attendance and this very helpful update.

NOTED

17 AREAS OF GOOD PRACTICE / AREAS OF CONCERN

The Committee asked that further paper be prepared for the May meeting in relation to the CIR process.

The functioning of the Clinical Governance Group was noted as an area of good practice.

18 WORKPLAN

The Committee agreed with the changes that had been made to the Clinical Governance Committee workplan in relation to the main clinical reports being allocated to separate meetings instead of all coming to the same meeting. It was also agreed that, due to the number of papers that will be submitted to the May meeting, there would be no discussion item.

19 ANY OTHER BUSINESS

The Medical Director led discussion around recent media report and autism within the hospital.

This provided Members with assurance in respect of the governance arrangements at the State Hospital for the well being of patients and to ensure patients are detained within the hospital appropriately.

The Medical Director also highlighted the work of the Patient Advocacy Service in terms of its independence from the organisation, as well as role of the Mental Welfare Commission.

Members were assured in respect of this review of governance within the hospital in view of this recent media interest. They were also in agreement that it would be appropriate to respond to media reports through See Me.

Members asked that a wider scope be taken in terms of update to the Board around media interest and that this should include any enquiries around staff dismissal as recently reported. This would be reported to the next private session of the Board.

Action - Margaret Smith

It was noted that there were no items from this meeting to be shared with the Staff Governance Committee.

20 DATE AND TIME OF NEXT MEETING

The next meeting would take place on Thursday 9 May 2019 at 9.45am in the Boardroom, The State Hospital, Carstairs.

The meeting concluded at 12.15pm

THE STATE HOSPITALS BOARD FOR SCOTLAND

Minutes of the meeting of the Staff Governance Committee held on Thursday 7 February 2019 at 9.45am in the Boardroom, The State Hospital, Carstairs.

Present:

Non Executive Director	Bill Brackenridge ***(Chair)***
Employee Director	Anne Gillan
Non Executive Director	Maire Whitehead

In attendance:

Organisational Development Lead	Jean Byrne [Item 11]
Chief Executive	Jim Crichton
Board Chair	Terry Currie
Training and Professional Development Manager	Sandra Dunlop [Item 9]
Unison Representative	Tom Hair
Occupational Therapist	Sarah Innes [Item 6]
Education & Learning Officer	Donne McBride [Item 5]
Occupational Therapist	Triona O'Sullivan [Item 6]
Deputy HR Director	Kay Sandilands
Board Secretary	Margaret Smith

1 APOLOGIES FOR ABSENCE AND INTRODUCTORY REMARKS

Mr Brackenridge welcomed everyone to the meeting and noted apologies from Mr Nicholas Johnston and Ms Monica Merson.

NOTED

2 CONFLICTS OF INTEREST

There were no conflicts of interest noted in respect of the business to be discussed.

NOTED

3 MINUTES OF THE PREVIOUS MEETING HELD ON 17 AUGUST 2017

The Committee approved the Minutes of the previous meeting held on 29 November 2018 as an accurate record.

AGREED

4 ACTION POINTS AND MATTERS ARISING FROM THE PREVIOUS MEETING

Members noted progress made to date and received a further updates:

Action [1] Training session for line managers/ HR advisors on the Occupational Health (OH) referral process scheduled to be completed by June 2019. Members asked if an earlier date for this could be arranged if possible given the importance of improving attendance management

within the organisation.

Action [3] Ms Sandilands confirmed that the EASY service was an added value to the contract providing OH support and was not paid for by The State Hospital (TSH) on a case by case basis. A wider review of the value this service brings was underway and an update would be brought to the next Staff Governance Committee meeting.

NOTED

5 ATTENDANCE MANAGEMENT STRATEGY

Mr Crichton explained that this item related to the work of the Attendance Management Improvement Task Group, and that Ms McBride had been one of a number of staff members who had engaged with the group to provide feedback. Her presentation had been valuable and for this reason she had been invited to share it with this Committee.

Ms McBride led Members through her presentation which encompassed patterns of absence as well as cultural factors within TSH, and how to drive change within the organisation. She made some suggestions around incentivising good attendance at work, as well as the importance of team work thus helping to create a supportive working atmosphere. She focused on the importance of recognition for staff on a number of levels including long service recognition within the NHS, and individual recognition of staff members who had made particular achievements within the organisation. Ms McBride also made some practical suggestions around re-organising the model of support to staff following an absence, widening contact made from the direct line manager.

Members received the presentation warmly and there was discussion on how consideration of sickness absence when offers of employment were made including for existing members of staff seeking promotion. Ms Sandilands provided assurance that this was the case. The Committee were very supportive of the organisation finding means to support recognition of staff achievements.

The Committee discussed the importance of training for line managers in conducting return to work interviews as these can be difficult especially with colleagues that you know and work with closely.

Mr Brackenridge thanked Ms McBride for her presentation and noted the positive engagement of staff in tackling attendance management across the organisation.

NOTED

6 i MATTER STORYBOARD

Ms Innes and Ms O'Sullivan were in attendance to present their iMatter Storyboard to the Committee as an example of the positive impact of action planning within iMatter. As an introduction they outlined recent development within the AHP cohort and the way that the service was coming together to work as one team, following the recent appointment of the new AHP Lead.

The team had undertaken an Appreciative Inquiry under a 4D model; Discovery, Dream, Design, Desired Outcome. This had enabled the team to focus more clearly on taking positive action rather than on fixating on a problem. Ms Innes and Ms O'Sullivan spoke enthusiastically about the outcomes of this journey for their team and these encompassed improvements to morale and working practices within a more cohesive team.

Members were impressed by this presentation and the demonstration of change carried out successfully within the department. They noted the possibility of transferring these benefits through

shared learning throughout TSH. Members also asked about the benefits for patients in terms of care delivery, and were reassured to learn that joint working had led to more consistency for patients in the delivery of therapy activity.

Mr Brackenridge thanked Ms Innes and MS O'Sullivan for their attendance and presentation which had been of value to the Committee.

NOTED

7 ATTENDANCE MANAGEMENT REPORT

The Committee received the Attendance Management Report for November 2018 and Ms Sandilands was in attendance to summarise the key issues. The absence rate was noted to have been 8.93%, although the reported figure for December 2018 should be confirmed at 7.3% representing a further reduction overall. It was noted that long term absence continued to be of particular concern.

Members requested further information in regard to the numbers of staff on each level of absence i.e. through the stages of the Attendance Management Policy. It was agreed that MS Sandilands would review this data and report this back to the next meeting of this committee in May 2019.

Action – Ms Sandilands

NOTED

8 ATTENDANCE MANAGEMENT IMPROVEMENT WORKING GROUP

Ms Sandilands provided the Committee with an update on the work of this task group since the date of the last Staff Governance Committee meeting and summarising the key priorities of the group.

The Committee discussed the importance of the application of policy through the line manager with support from HR colleagues. This was an area in which it was recognised that there had been specific focus through TSH in terms of strengthening application of the policy. There should be consistency of approach, and it was noted that national 'Once for Scotland' policies would be taken forward within NHSScotland shortly. Members asked for a report on the national policies to be brought to the Committee focusing in particular on what any change to policy would mean for TSH.

Action – Ms Sandilands

NOTED

9 PERSONAL DEVELOPMENT PLANS

A paper was submitted to the Committee to provide a progress update in relation to personal development planning and review staff governance standard and associated compliance. Ms Sandra Dunlop was in attendance to provide an overview to Members. She explained that progress was continuing well and that TSH compliance rate compared favourably against the national position.

The Committee was content to note progress made in this area.

NOTED

10 HR PERFORMANCE – EMPLOYEE RELATIONS ACTIVITY

The Committee received a report which provided an update on employee relations activity up to and including 31 December 2018. Ms Sandilands updated Members on the data in the report to note that the number of suspensions had reduced from four to two.

Ms Sandilands described the work progressing to reduce timeframes around process, as well as bringing more focus to preventative measures e.g. mediation.

The Committee noted the content of the report.

NOTED

11 EVERYONE MATTERS: 2020 WORKFORCE VISION STAFF GOVERNANCE ACTION PLAN

The Committee received a report from the Interim Human Resources Director by way of an update on the 2018/20 action plan. Ms Byrne was in attendance to help summarise this for the Committee.

Members discussed the drop in completion of action plan through the iMatter process noting that whilst the national picture was similar, they would like further detail to be brought back in relation to the areas/ departments within the hospital with low completion rates.

Action – Ms Sandilands

NOTED

12 SICKNESS ABSENCE AUDIT REPORT

The Committee received an update from the Interim Human Resources Director which provided an update on the outstanding actions from the recent internal audit report.

A review by internal auditors was scheduled to commence 25 February 2019. And the Committee were content to note progress made in this area.

NOTED

13 HEALTH, SAFETY AND WELFARE COMMITTEE, DRAFT MINUTES - 4 DECEMBER 2018

Members received and noted the draft minutes of the Health, Safety and Welfare Committee which had taken place on 4 December 2018.

NOTED

14 PARTNERSHIP FORUM – MINUTES OF MEETINGS HELD IN NOVEMBER AND DECEMBER 2018

Members received and noted the minutes from each meeting.

NOTED

15 HEALTH AND SOCIAL CARE STAFF EXPERIENCE REPORT 2018

The Committee received this report and Ms Sandilands summarised the content. Members agreed that there were many positives to be taken from the report as well as recognising the need for continue improvement.

NOTED

16 ANY OTHER BUSINESS

Mr Brackenridge noted that this would be the final attendance at the Committee by Mr Crichton, Ms Gillan and Mr Currie and thanked them for their contributions over the years.

17 DATE AND TIME OF NEXT MEETING

The next meeting would take place on Thursday 30 May 2019 at **9.45am** in the boardroom, The State Hospital, Carstairs.

The meeting concluded at 11.40am

THE STATE HOSPITALS BOARD FOR SCOTLAND

Date of Meeting:	25 April 2019
Agenda Reference:	Item No 11
Sponsoring Director:	Director of Finance and Performance Management
Author(s):	Head of Management Accounts
Title of Report:	Financial Position as at 31 March 2019
Purpose of Report:	Update on current financial position

1 SITUATION

1.1 The Senior Team and the Board consider the Revenue and Capital plans, and financial monitoring. This report provides information on the financial performance to 31 March 2019, which is also included in the Partnership Forum agenda.

1.2 Scottish Government requested a 1 Year Operational Plan (this was narrative only – with a financial template forecast submitted for a 3-year period). This was approved by the April 2018 Board Meeting. (The format had changed from previous years' Local Delivery Plans that covered 3-5 Years).

1.3 This Plan sets out a balanced budget for 2018/19 based on achieving £1.484m efficiency savings, as referred to in the table in section 4.
Recognition of recurring posts, saved through recent workforce reviews, and utilities efficiency savings, amounting to £0.280m have already been realised in the 2018/19 base budget. In effect, that brings the total savings target to £1.765m.

2 BACKGROUND

2.1 Revenue Resource Limit Outturn

The annual budget of £35.708m is the Scottish Government Revenue Resource Limit / allocation and anticipated monies.

The Board is reporting an under spend position of £0.025m to 31 March 2019, with the in-month movement an under spend of £0.210m, primarily due to:-

- Further review of centrally held monies and benefit of delays in projects
- RHI income for the last quarter 'accrued' in to March (due to be paid April)
- Year-end accruals scrutiny giving benefit in month
- Income from overseas training
- Pharmacy SLA benefit year-end invoice (staff saving)
- Anticipated income for exceptional circumstance patients
- Estates backlog maintenance spend held back at year-end
- Pressure in Social Work year-end invoice (pay awards)
- Increase in Nursing overtime

2.2 **Forecast Outturn**

The forecast outturn trajectory for the year-end was breakeven, however the year-end position is £0.025m underspent, therefore a favourable movement of £0.025m.

We have had late notification that HMRC has settled in our favour to reduce VAT on utilities to 5% from 20%, this windfall will benefit TSH in 2019/2020, but noted in the table at 2.3.

As reflected and noted in the November return, we will not be in a position to contribute the second £0.220m to the National Boards savings, as that would adversely have affected our ability to achieve breakeven for 2018/19.

Previous Year to Mth 12	**33,396,081.27**	**33,396,081.27**	**33,391,252.22**	**4,829.05**
Spent Type	Annual Budget £'s	Year to Date Budget £'s	Year to date Actuals £'s	YTD Variance (budget less actuals) for period 12
Other Operating Income	(589,051.00)	(589,051.00)	(944,363.83)	355,312.83
Pay	28,572,676.14	28,572,676.14	29,311,580.69	(738,904.55)
Savings	27,174.83	27,174.83	0.00	27,174.83
Purchase Of Healthcare	820,585.00	820,585.00	796,424.31	24,160.69
Non Pay	4,907,518.00	4,907,518.00	4,621,846.70	285,671.30
Hch Income	(790,537.00)	(790,537.00)	(882,919.82)	92,382.82
Capital Charges	2,760,123.00	2,760,123.00	2,778,183.35	(18,060.35)
Sale Of Assets	0.00	0.00	2,988.18	(2,988.18)
	35,708,488.97	**35,708,488.97**	**35,683,739.58**	**24,749.39**

The table below notes areas that should be brought to the attention of the Board – although at this stage they are unquantified.

2.3

PRESSURES
National Pay Deal (only AFC funded)
Increase in sup'ers 19/20 (clarification on funding pending)
Holiday Pay (and possible retrospection) - Locke v British Gas
Rebandings (HR to advise)
Perimeter Fence - FBC - Additional Staff
Double Running costs for senior managers resilience
DOCAS (SLA for Union dues)
POSSIBLE BENEFITS
VAT element on Utilities in our favour (v HMRC)

3 ASSESSMENT

YEAR TO DATE POSITION – BOARD FUNCTIONS

Directorates	Annual Budget 1819 £'k	YTD Budget Mar 19 £'k	YTD Actuals Mar 19 £'k	YTD Variance (budget - actual) (adverse) / favourable Mar 19 £'k	Budget wte	Actual WTE
Cap Charges	2,760	2,760	2,781	(21)	0.00	0.00
Central Reserves	381	381	219	162	-4.80	0.00
Chief Exec	1,887	1,887	1,885	2	23.67	23.61
Finance	2,830	2,830	2,772	58	37.33	36.74
Human Resources Directorate	787	787	749	38	13.33	12.76
Medical	3,452	3,452	3,209	243	34.63	35.52
Misc Income	(130)	(130)	(154)	24	0.00	0.00
Nursing And Ahp's	18,154	18,154	18,725	(571)	378.82	389.50
Security And Facilities	5,586	5,586	5,498	89	123.63	117.71
Under / (over) spend	**35,708**	**35,708**	**35,684**	**25**	**606.61**	**615.84**

3.1 **Capital Charges** pressure.

3.2 **Central Reserves / unidentified savings** – Sit centrally (phased to Month 12) until released to match appropriate spend, however an element of this (the benefit arising from delays in planned projects) has been phased to January and February from Month 12. Spend for apprenticeship levy; carry forward annual leave for Nursing is coded here.

Chief Executive –

3.3 HR Director secondment only being filled 0.50wte.
2/5ths of Finance Director recharged to Golden Jubilee (this ceased at the end of December 2018).

Forensic Network & School of Forensic Mental Health sits within this Directorate, for which the Scottish Government earmark this funding. Some income has also been deferred from 2017/18, and there are fluctuations due to timing of course income and expenditure, both being accrued monthly - pending spend - to reflect projected breakeven.

3.4 **Finance –** benefit recognised from vacancy management and research under spent.

3.5 **Human Resources** – some part time posts against full time establishment.

3.6 **Medical Services**
Medical - Recharges to other Boards are higher than was planned in base budgets, also benefits from earlier vacancies.
Psychology – vacancies (due to continued closure of two wards).
Pharmacy – currently reflects an under spend on drugs, and a saving on the SLA due to staff movement.

3.7 **Miscellaneous Income** – this includes RHI Income, part has been released to match related spend in Estates.

3.8 **Nursing and AHPs**

Further detail has been provided, in table below, on this Directorate.

Nursing & AHP's	Annual Budget £'k	Year to Date Budget £'k	Year to date Actuals £'k	YTD Variance (budget less actuals) for	Budget WTE	Actual WTE
Advocacy	147	147	147	0	0.00	0.00
AHP's & Dietetics & SLA'S	607	607	465	142	13.38	10.52
Hub & Cluster Admin & Clinical Operations	762	762	785	(23)	23.17	21.24
PCI & Pastoral	193	193	162	31	3.40	2.45
NPD & Infection Control & Clin Gov	386	386	371	15	5.80	4.66
Skye Centre	1,518	1,518	1,391	127	38.33	32.63
Ward Nursing	14,541	14,541	15,404	(863)	294.74	318.00
Total Nursing and AHP's	**18,154**	**18,154**	**18,725**	**(571)**	**378.82**	**389.50**

Advocacy – additional RRL now received from SG, therefore no issues.

AHP's (Dietetics and OT) – beneficial effect of vacancies.

Hub & Cluster Admin & Clinical Ops – overtime and earlier double running.

PCI & Pastoral - beneficial effect of vacancies, and underspend in patients visitors travel.

NPD etc. – Seconded posts from Nursing, offsetting vacancies.

Skye Centre – beneficial effect of vacancies**.**

Ward Nursing Overtime, detailed in following table, and under achieved savings.

The £s/hours is for the previous month's overtime/excess, e.g. April pay relates to March hrs

The £'s includes NI'ers @ 11%

2018/19 Ward Nursing Hours		
Period	Overtime Hours	Excess Hours
APR	1,645	503
MAY	3,900	485
JUN	5,310	531
JUL	5,027	536
AUG	6,330	765
SEPT	6,781	665
OCT	4,838	479
NOV	4,347	322
DEC	3,101	756
JAN	3,540	712
FEB	4,039	661
MAR	4,188	816
TOTAL	**53,046**	**7,231**

The £'s includes NI'ers @ 11%

2017/18 Ward Nursing Hours		
Period	Overtime Hours	Excess Hours
APR	3,732	734
MAY	3,010	707
JUN	4,046	464
JUL	5,144	568
AUG	6,822	848
SEPT	6,885	496
OCT	6,694	552
NOV	6,587	377
DEC	5,433	472
JAN	6,628	366
FEB	6,532	431
MAR	2,181	209
TOTAL	**63,694**	**6,224**

2018/19 Ward Nursing £s		
Period	Overtime £	Excess £
APR	41,056	7,981
MAY	100,150	7,945
JUN	136,449	8,164
JUL	131,193	8,683
AUG	165,734	12,590
SEP	178,136	10,905
OCT	129,588	7,794
NOV	113,828	5,059
DEC	78,946	11,066
JAN	90,787	9,419
FEB	105,243	9,034
MAR	107,425	11,373
TOTAL	**1,378,535**	**110,013**

2017/18 Ward Nursing £s		
Period	Overtime £	Excess £
APR	93,077	11,283
MAY	75,198	10,553
JUN	100,626	7,136
JUL	130,226	8,526
AUG	174,100	12,473
SEPT	177,335	7,781
OCT	177,187	8,072
NOV	168,648	6,058
DEC	137,775	7,646
JAN	175,417	5,768
FEB	172,113	7,046
MAR	56,952	3,446
TOTAL	**1,638,654**	**95,788**

YTD Mar '19 - cumulatively £63k overtime is charged to Nursing from Skye Centre this is not reflected in the above table (table is Ward staff only)

3.9 Security and Facilities

Security & Facilities	Annual Budget £'k	Year to Date Budget £'k	Year to date Actuals £'k	YTD Variance (budget less actuals) for	Budget WTE	Actual WTE
Facilities	4,065	4,065	3,910	155	83.86	74.80
Security	1,521	1,521	1,588	(67)	39.77	42.91
Total Security & Facilities	**5,586**	**5,586**	**5,498**	**89**	**123.63**	**117.71**

Facilities – Mainly under spends in catering and housekeeping, which are due to ward closures and the effect of vacancies. Utilities significantly under spent due to the mild winter.

Security – Sickness cover, acting posts, staff for perimeter fence project.

4 EFFICIENCY SAVINGS TARGET

4.1 To balance the financial plan in 2018/19 the Board was required to release £1.765m of cash from budgets through efficiency savings. As noted in 1.3 above, £0.280m was recognised in the recurring base budgets, with £1.484m savings still to be realised in year.

4.2 The following table shows the annual savings, achieved to date, and balance for year-end.

Vacancies contribution has far surpassed the projection.

Savings Annual Target LDP	Savings Annual Target LDP			Savings (Achieved) YTD, as at Mar 19			Savings still to be achieved by year end (n/a Mar)		
	2018-19			2018-19			2018-19		
	Rec £'k	Non-Rec £'k	Total £'k	Rec £'k	Non-Rec £'k	Total £'k	Rec £'k	Non-Rec £'k	Total £'k
Efficiency & Productivity Workstreams:									
Service redesign (Clinical)	5	0	5	0	0	0	5	0	5
Drugs & Prescribing	20	20	40	0	10	10	20	10	30
Workforce	244	588	832	270	902	1,172	(26)	(314)	(340)
Procurement	0	0	0	0	0	0	0	0	0
Financial management / corporate initiatives (Non Clinical)	29	47	76	19	6	25	10	41	51
Financial management / corp init (Non Clinical) - Estates	133	65	198	82	20	102	51	45	96
Other	0	100	100	0	0	0	0	100	100
Unidentified Savings	0	515	515	0	483	483	0	31	31
Total In-Year Efficiency Savings	**431**	**1,334**	**1,765**	**371**	**1,421**	**1,792**	**60**	**(87)**	**(27)**
£280k already achieved in base	Trajectory (1/12ths of LDP)			**431**	**1,334**	**1,765**			
	(under) / over achieved			**(60)**	**87**	**27**			

5 CAPITAL RESOURCE LIMIT

Capital allocations anticipated from Scottish Government amount to £0.303m, spend now matches.

This does not recognise any specific funding yet for the Perimeter Security Project, there has been a slight delay to the start of this.

	Annual Plan £'k	YTD Plan £'k	YTD Actual £'k	YTD Variance £'k
Estates	30	30	30	-
IM&T	212	212	212	-
Vehicles	-	-	-	-
Other equipment	27	27	27	-
Security Fence Dvpt	34	34	34	-
TOTAL	**303**	**303**	**303**	**-**

6 RECOMMENDATION

6.1 **Revenue: Under spend of £0.025m.**

Assumed Tranche 2 savings is not returned. Vacancies continue to contribute to over achieved savings, albeit non recurrently. Overtime in Nursing is still considerably higher than budget.

Quarterly Financial Review meetings, over and above the monthly Management Accounts meetings, help eliminate any surprises in the accounts and aids forecasting the year-end outturn. Savings are realised monthly and are slightly higher than planned.

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

6.2 **Capital: Breakeven.**

Data Centre Replacement spend go through March 2019.

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

MONITORING FORM

How does the proposal support current Policy / Strategy / LDP / Corporate Objectives	Monitoring of financial position
Workforce Implications	No workforce implications – for information only
Financial Implications	No financial implications – for information only
Route to Board Which groups were involved in contributing to the paper and recommendations?	Head of Management Accounts
Risk Assessment (Outline any significant risks and associated mitigation)	No significant risks identified
Assessment of Impact on Stakeholder Experience	None identified
Equality Impact Assessment	No identified implications

THE STATE HOSPITALS BOARD FOR SCOTLAND

Date of Meeting:	25 April 2019
Agenda Reference:	Item No: 12
Sponsoring Director:	Director of Finance and Performance Management
Author(s):	Director of Finance and Performance Management
Title of Report:	Annual Operational Plan
Purpose of Report:	For approval

1 SITUATION

Until 2018/19, the Local Delivery Plan ("LDP") was a high level strategic plan submitted by each NHSScotland Board to SG covering a 3 or 5-year period. In February 2018, instruction was received from SG that these individual board LDPs were to be replaced by draft Annual Operational Plans ("AOP"), to support Boards in their delivery of safe and accessible treatment and care, and this has continued for 2019/20.

2 BACKGROUND

The instruction received in late February 2019 confirmed the continuation of the submission of a draft AOP for 2019-20 (where relevant shared and aligned with the strategic plans of IJBs). This was to focus primarily on operational performance to provide the foundations for delivering the Cabinet Secretary's priorities on waiting times improvement; investment in mental health; and greater progress and pace in the integration of Health and Social Care

3 ASSESSMENT

A first draft AOP was submitted on schedule to the Scottish Government in March 2019, with the final submission due by the end of April with the support of the Board. It is anticipated that the Chief Executive and the Finance and Performance Management Director will then be engaged for feedback as part of SG's programme to discuss the key aspects of all Operational Plans with each individual board.

4 RECOMMENDATION

The Board is asked to note the draft Annual Operational Plan, to highlight any comments or revisions, and to approve its submission to SG Health Performance and Delivery Directorate.

MONITORING FORM

How does the proposal support current Policy / Strategy / LDP / Corporate Objectives	Draft Operational Plan has replaced the LDP document to communicate the Board's strategy to SG.
Workforce Implications	Noted in the draft Plan.
Financial Implications	No direct financial implications from the draft Plan – the draft Plan is however supported by the 2019/20 budget.
Route To Board Which groups were involved in contributing to the paper and recommendations.	Directors; Senior Management Team Members; Clinical and Risk Governance representatives; Finance representatives.
Risk Assessment (Outline any significant risks and associated mitigation)	No significant risks identified.
Assessment of Impact On Patient Experience	None identified.
Equality Impact Assessment	No identified implications.

The State Hospitals Board for Scotland

Annual Operational Plan

2019 – 2020

(Final Draft 18 April 2019)

1. Introduction

The State Hospitals Board for Scotland (TSH) is a forward-thinking collaborative national board providing clinical care for the population of Scotland and Northern Ireland. We provide specialist individualised assessment, treatment and care in conditions of high security for male patients with mental disorders. The patients, because of their dangerous, violent or criminal propensities, cannot be cared for in any other setting.

TSH has a reputation for delivering world class forensic mental health care. Visitors and stakeholders both from home and abroad have been hugely positive about the patient centred approach and focus on recovery. Working with partners in our Forensic Network, we have established a reputation for high standards of care and treatment, innovative research and education and wish to build on this in 2019/20 and beyond.

The vision of TSH is to:

- excel in the provision of high secure forensic mental health services;
- promote collaboration across social care, health and justice services;
- strive to be an exemplar employer;
- achieve positive patient outcomes;
- ensure the safety of our staff, patients and the public

Our service has embraced the ambitions of the Scottish Patient Safety Programme and have been a key contributor to improvements in patient safety both locally and on the national stage. Work undertaken through this programme has led, for example, to a reduction in incidents of violence or aggression (check this is statistically accurate). We will further develop our programme of patient safety work over the next year focusing on the safety principles of communication, risk management, least restrictive practice, leadership and culture, and physical health.

TSH is fully committed to the principles, values and objectives articulated in *Everyone Matters: 2020 Workforce Vision*. We continue to set out our commitment to our staff in implementing this vision and making real improvements to the health of our organisation as a whole, and to the health of the people who work within it. We recognise that it is the people in our organisation who deliver the service and that the support, engagement and contribution of our employees is paramount in delivering the objectives in this plan. We are committed to working in partnership and place significant emphasis on maintaining and improving staff health and wellbeing and ensuring that our NHS values and behaviours are clearly visible to everyone who is part of our service. We will continue to invest in our staff's access to training in improvement methodology, building capacity and expertise. The introduction of the EASY service (Early Access to Support for You, an absence support tool) is helping us direct staff who are unwell to sources of help support rapidly and effectively.

Given the unique nature of the service TSH provides, we are committed to working in partnership with the Justice Service, Police Scotland and Integration Authorities. We aim to explore areas of collaboration that enable the specialist expertise of TSH to be shared with partnership agencies for the overall betterment of seamless patient care in mental health.

Despite the successes of TSH, there is much still to do. As a no-smoking facility and illicit drug and alcohol free area, the twin challenges of smoking and substance misuse are areas of existing success. However, addressing health and social inequalities for our patient group is a major challenge.

Our primary challenge is patient obesity and its related physical health problems. TSH is building on existing measures to promote healthier choices for patients and will be delivering an agreed programme of initiatives over the coming year aimed at improving the physical wellbeing and health of patients in our care. People with life-long mental illness are likely to die 15- 20 years prematurely because of physical ill-health related issues. We are aligned to the Mental Health Strategy; there should be parity of esteem between physical and mental health and we wish to realise this aim. We recognise our patients as equal partners in their own healthcare and their expectation of good physical health.

Many of our patients have limited educational attainment linked to a range of factors in their lives prior to admission. This can lead to social exclusion and difficulty attaining employment in future years. Patients benefit from access to recreational and educational facilities on site and are supported to develop their skills and educational attainment during their stay.

We are strongly committed to maintaining and improving opportunities for our patients to access both physical and educational activities as part of their care programme.

Our plan for 2019/20 builds on a shared vision with our staff around our key priorities and how we wish to achieve these now and in the future.

We aim to realise our ambitions of continuous improvement through working effectively not just as a local team, but across NHS Scotland and our wider stakeholder partners. We are committed to that aim and ensuring that we are deploying our resources as effectively as we can to meet our patients' needs, driving out inefficiencies and improving the quality and standards of the care and treatment we deliver.

2. Vision, Service and Clinical Strategy

2.1 Vision

The vision of TSH is to:

- excel in the provision of high secure forensic mental health services;
- promote collaboration across social care, health and justice services;
- strive to be an exemplar employer;
- achieve positive patient outcomes;
- ensure the safety of our staff, patients and the public

2.2 Values and Aims

The State Hospital shares the same core values of NHS Scotland which are:

- Care and compassion;
- Dignity and respect;
- Openness, honesty and responsibility;
- Quality and teamwork

Our primary twin aims are:

- Maintenance of a safe and secure environment that protects patients, staff and the public;
- Provision of high quality, person centred, safe and effective care and treatment

2.3 Service Strategy

TSH is committed to fostering a forward-looking positive "can do" organisational culture. We will ensure that a focus on continuous improvement underpins all of our activities and that our working environment is rich in educational and staff development opportunities. We are committed being a progressive organisation that values and develops collaborative leadership and strategic capacity.

Quality care will be underpinned by person centred values and placing a high value on research and audit. We aim to attract and develop a highly skilled and resilient workforce; where the role of the multi-disciplinary team is central to delivery of high quality care, and the experience and feedback of our patients, visitors and staff actively shapes our service.

There are a number of challenges that TSH are addressing:

Health Inequalities

- Physical health inequalities for our patient group is significant; reducing obesity and increasing physical activity are key outcomes in addressing this issue.

Workforce

- Higher than average levels of sickness absence, particularly in nursing, can risk impacting on staff morale, have a detrimental effect on staff training and development and create unnecessary financial pressures. This challenge could also divert resources away from direct patient care and service development opportunities.

- A large proportion of staff are approaching retirement age which presents risks to the sustainability of our workforce and service if not proactively addressed.

Efficient Use of Our Resources

- We need to deploy our workforce more effectively if we are to continue to meet patients' needs and drive out unnecessary waste.

- We must ensure that we are working collaboratively and efficiently with other National and Territorial Boards to optimise opportunities for improved quality, reduced costs and enhanced resilience and shared knowledge.

- We will assess and refresh our alignment with the Health and Social Care health and wellbeing outcomes and indicators.

- We welcome the opportunity to participate with partners in shaping the future model for Forensic Mental Health Services in Scotland, in line with terms of reference of the national review process.

- We will work in collaboration with the Mental Health and Justice Directorates on the review process of the Mental Health (Care and Treatment) (Scotland) Act 2003, where the specialist expertise of TSH can be utilised.

In order to ensure that we fulfil our vision for the service, it is essential that everyone at TSH has a clear understanding of our mission, our values and our organisational priorities. TSH will aim to ensure that front line managers are empowered to communicate and lead change, keep their teams well informed and engaged and display exemplar partnership approaches.

2.4 Productivity and Benchmarking

TSH is committed to supporting the drive for efficiency and productivity. Savings targets have been met in each of the recent years.

The Hospital's strategy, which us under review currently, will incorporate the essential elements of the Sustainability & Value Programme, 2020 Vision, the Mental Health Strategy and the Health and Social Care Delivery Plan.

In future years, it is very likely that the Hospital will have increasing challenges generating the same level of cash releasing savings. In order to ensure that service delivery can continue to improve and develop, our focus will need to move to improvements in operational productivity. This will require new approaches to driving and monitoring efficiency and productivity.

In 2019/20, review work will be undertaken with regard to costs in order to benchmark how the tariff based commissioning system works in the high secure hospitals in NHS England. It is important for TSH to benchmark how these organisations manage their efficiency and cost variation models and brings any potential learning or development opportunities forward for consideration.

3. A Person Centred, Safe and Effective Organisation

Performance targets have been aligned with the three quality ambitions in the NHS Scotland Healthcare Quality Strategy; person centred, safe and effective. Outcomes will be measured against agreed targets, and achieved through an incremental continuous improvement approach by way of the existing governance structure, e.g. the Board and associated committee structures.

3.1 Safe

Security

The Hospital's secure environment is provided by three domains of Security:

- Physical security
- Procedural security
- Relational security

Physical security is provided through high quality physical barriers and sophisticated electronic detection and observation systems.

Procedural security is provided through Policies, Procedures and working practice.

Relational security is provided by clinical staff working closely with patients to deal with risk, illness and offending behaviours. The Clinical Model sets out how the hospital delivers safe and effective relational security as an integral part of its clinical work. The Security Department has Clinical Security Liaison Managers working as an integral part of Clinical Team.

The Hospital has its own Security Standards, which are aligned to the national High Secure Care Standards produced by the Forensic Network and adopted as national policy.

Compliance with Security Standards was audited by the Forensic Network in April 2018 and an external advisor review which was completed in June 2018. At the time of these audits a small

percentage of non-compliant areas were identified, for which actions have been taken to address; at the time these did not present any significant risk to the security or safety of TSH.

3.2 Person Centred

The ultimate aim is to meet patients' mental health needs, enabling, when appropriate, the patient to move onto another setting. Patients often have very significant physical health needs (related to risk taking behaviours such as substance misuse; or consequences of treatment over a prolonged time in institutional care); or are living with the effect of long term conditions. There are many contributory factors involved such as: lack of exercise, obesity, complications of psychotropic medication, and the consequences of a self-selected poor diet. For some years now, the Hospital has been a smoke free environment. The hospital has an 8 item outcome report which can be used on an individual, ward, hub or hospital wide basis to chart improvements.

Mental Health

The Hospital uses a variety of measures to indicate the effective management of mental health at an individual patient level:

- The ability to agree discharge or transfer safely to another setting.
- Patterns and trends of historic risk information such as violent and aggressive behaviour.
- Improvement in the PANSS (Positive and Negative Syndrome Scale for psychotic symptoms), BEST (Behavioural Status) nursing index score, and in the PECC (Psychosis Evaluation tool for Common use by Caregivers).
- Improvement in the formulation and management of risk profile of patients. Reduction in dynamic risk factors can be demonstrated on the clinical and risk items of the regularly updated HCR-20 assessments. (HCR-20 is a tool to manage risk of violence assessment and planning (Historical Clinical Risk -20)).
- The use of DASA (Dynamic Appraisal of Situational Aggression) scores on a regular to inform the approach to care delivery.
- For intellectual disability patients a more dynamic measurement of progress in relation to the management of risks is evidenced through the DRAMS (Dynamic Risk Assessment and Management System) tool. This assessment should be reviewed at minimum, monthly, by the key worker.
- The psychological therapy service is utilising the CORE (Clinical Outcomes for Routine Evaluation) system which is a short self-report measure of mental health and wellbeing outcomes that will be used nationally to evaluate psychological therapies.
- Reduction in frequency and intensity of levels of observation.
- Individual patients being assessed fit for grounds access whether full or partial.
- Activity levels – all forms
- Social interaction with external visitors
- Treatment engagement
- Monitoring of agreed mental health outcome measures.

Physical Health

The Hospital remains committed to ensuring that patients are encouraged and supported to adopt a healthy lifestyle particularly in relation to smoking, activity, and nutrition. Proactive assessment of significant risk factors can lead to improved outcomes for long term conditions. An approach which supports self-management is crucial to a better long term outcome, which means that education plays an important part in improving health. The hospital uses the following measures routinely – BMI and physical activity – reporting on these on a quarterly basis with the Hospital's Key Performance Indicators.

Safe use of medicines is an important focus as it relates to physical health, with monitoring and continuous improvement driven through the Scottish Patient Safety Programme.

An Effective Clinical Strategy

Diagnosis is through assessment and formulation of patient risks and needs (psychological, physical, functional, social and spiritual). Each member of the multidisciplinary clinical team contributes. The aim is to address identified treatment needs to support recovery from mental disorder and reduce the risk of future offending. When appropriate, the aim will be for the patient to move on, whether that is return to prison, transfer to a lower security hospital, or, in rare cases, discharge into the community. This takes on board best practice recovery models and approaches. Risk assessment and management is integral.

Services for patients with an intellectual disability tend to be more intensive, at a slower pace, and have a greater need for consistency, communication and engagement.

A significant number of patients have one or more risk factors for cognitive impairment, secondary to longstanding severe schizophrenic illness, substance misuse (including alcohol) and acquired brain injury. Such impairment may impact on patients' understanding of, and compliance with, treatment. Assessments are carried out on admission and include specialist assessments for areas of specific identified difficulties. This should lead to care and treatment being completely tailored to meet individual need.

The need for processes to be in place to support early detection of dementia is addressed through cognitive screening as part of the psychology assessment undertaken on admission; and by clinical teams being alert to patients who present a reasonably high index of suspicion (certain patient groups are more susceptible). When required, a specialist neuro-psychology assessment is conducted.

Treatments and activities are provided within high secure conditions, and are tailored to meet the requirements of individual patient risk assessment and management plans.

The following 7 goals ensure the organisation remains focussed on delivering our quality vision:

i. Setting and delivering ambitious quality goals to support the provision of high quality care and services to our patients and carers;
ii. Engaging staff, patients, carers, volunteers and other stakeholders in improving our quality of care;
iii. Ensuring that everyone in the organisation understands their accountability for quality and are clear about the standards expected of them;
iv. Gaining insight and assurance on the quality of our care;
v. Ensuring access to and understanding of improvement data to build a positive momentum in relation to quality improvement;
vi. Evaluating and disseminating our results;
vii. Building improvement knowledge, skills and capacity.

A strategic quality improvement and assurance work plan will be developed and published setting out the key actions for the delivery of the seven goals. In addition to this, each clinical area will publish a work plan that will be owned by them, drawing on specialist support where required. The delivery of the work plans will engage staff, patients, carers and volunteers. The State Hospital will build commitment to this agenda and create a culture of accountability for continuous quality improvement. During 2019, the Hospital's Clinical Service Delivery Model will be under review, with the aim of ensuring the most efficient, effective and person centred option is taken forward. This process is now underway including engagement with staff, stakeholders, patient groups at all levels throughout the organisation.

Over the course of this strategy, a quality improvement education and learning framework will be further developed and implemented to improve knowledge and skills across all staff groups within the Hospital.

Through this, the Board will aim maximise the use of quality improvement methodologies, using data for improvement as well as assurance, and will strive to learn from experience. It will instil ownership for delivery of safe, effective, person centred care, encouraging staff to manage local responses to feedback, raising issues and concerns, learning from adverse events and sharing learning with others.

Assurance that clinical service delivery is safe, effective and person centred will be enhanced in 2019/20 through the introduction of Excellence in Care. Core and mental health specific nursing quality measures will be introduced as part of a national assurance framework, focusing on areas such as culture, leadership, safety, effectiveness, person centredness and quality improvement.

4. Strategic Objectives

TSH has established a set of Strategic Objectives:

- Reduce obesity and increase physical activity.
- Implementation of the "Patients' Day" project.
- Reduce the use of additional hours.
- Optimise efficiency in clinical practice and clinical service delivery.
- Transform services to optimise efficiency whilst maintaining quality.
- Identify ways of generating more income.
- Promote attendance and reduce sickness absence.
- Support a forward looking culture.
- Create conditions for supporting quality assurance, quality improvement and change.
- Look at ways of better utilising technology to support the national digital agenda.
- Explore more cost effective stewardship of assets and resources.
- Develop effective workforce and succession planning strategies and measures that will address identified rapid turnover in the future.
- Explore options for effective shared services and resilience building through enhanced collaborative working both internally and externally.
- Ensure opportunities to develop the whole workforce are maximised; focussing on leadership development and the review of workforce models to ensure a sustainable, skilled and competent workforce.

These are detailed in the Hospital's Service Strategy, along with detail of delivery, lead responsibility and alignment to our quality ambition. A strategy session will take place annually to review and re-confirm or amend the long-term direction of the Hospital. In 2018/19, the State Hospital developed its Strategy Map for 2018-2020, which is attached as Appendix 1.

Monitoring systems are in place to review progress with these objectives through our governance framework.

5. Operational Delivery

Improvements in the quality of clinical care are best led by multi-disciplinary teams providing front line services. By providing accessible information relating to the quality of care (on a close to real

time basis) we can support clinicians to focus their improvement activity in response to 'live' challenges and monitor the impact of changes made.

During 2019/20, the Board will introduce the tableau platform to staff in front line roles, ensuring real time data for high quality service delivery and to drive service improvement.

Whilst the clinical workforce is key to the provision of safe, effective and person-centred patient care, their role and contributions are only enabled with the support of the wider workforce. There is an absolute recognition that safety, quality and person centeredness is everyone's responsibility, and therefore every member of The State Hospital staff has a role to play.

Leaders and managers in all areas have particular responsibility as role models and enablers in the promotion of safety, quality and person centeredness and must demonstrate this through their everyday actions and behaviours. Investment in our leaders is important, and we will focus on providing development opportunities for our staff ranging from promoting Project Lift through to delivery of local programmes aimed at staff moving into their first leadership role.

Internal links and partnership working to support clinical quality are extensive. A number of specialist groups and committees have been set up to share and develop good practice and deliver elements of clinical quality. These committees and specialist groups have a dual reporting line: an operational management route to the Clinical Governance Group, and a governance route to either the Staff Governance Committee, Clinical Governance Committee, or Audit Committee.

Evidencing that we have workforce capacity matched to clinical need will be supported through work we will progress in 2019/20 in response to safe staffing legislation. Working collaboratively with workforce leads at National Services Scotland, we will deliver on activities related to the common staffing method, as well as a focus on excellence in rostering practice.

Although service leads for quality assurance and improvement are in place, all individuals and teams are responsible for applying quality assurance and improvement into practice. This responsibility is demonstrated through:

- Professional Codes of Practice;
- Continuous professional development;
- Performance and appraisal review process;
- Revalidation;
- Improvement activity and measurement;
- Audit;
- Evidence Based Practice;
- Personal Reflection;
- Learning from adverse events, complaints and feedback.

6. Collaborative Working

National Health Boards have again been tasked by the Scottish Government Health and Social Care Directorate (SGHSCD) to work together to identify ways to collectively standardise and share services with a target to reduce the operating costs of National Boards by £15m in 2019/20, the aim being that this revenue can be reinvested in frontline NHS Scotland priorities.

The National Boards have agreed that:

- There is an absolute commitment to deliver the target on a sustainable basis

- There is scope to do this by continuing to develop collaborative working to create improved quality and efficiency
- There is further scope to develop the 'Once for Scotland' approach and our work could be shared wider within the other Boards
- Rather than delivering this saving through a pro-rata share of the £15m apportioned in terms of the RRLs of each Board (or other arbitrary allocations), which was enacted in 2017/18; the plan is to deliver it through targeting real change in the way we deliver support services and providing a true and measurable once for Scotland basis

The work in delivering the target has therefore focused on four key work streams: HR, Procurement, Finance and Estates.

In 2019/20, TSH will assess the opportunities to work with the West of Scotland territorial Boards and National Board Collaborative to assess all opportunities for TSH in the regional and national planning agenda.

Collaboration for the provision of a number of administrative services is being taken forward with local authorities and other NHS boards including South Lanarkshire Council (Social Services, HR services); NHS Greater Glasgow and Clyde (payroll); NHS NSS (finance, procurement); and NHS Lothian (prescribing).

TSH is also an active participant in the NHS Scotland Global Citizenship programme, with direct involvement included at a senior level with the medical directorate.

7. Responsibility and Accountability

Individual directors have lead responsibility for specific elements relating to the Health and Social Care Standards and the Mental Health Strategy, including the development of strategies, policies and plans for their delivery.

Each lead Director is responsible for progress reports to the Board within their area of responsibility, including principle risks to achieving their objectives, their impact on the Board's objectives and plans for the year ahead. This is performance-managed through the Directors' objectives by the Chief Executive, followed by the Remuneration Committee.

The Clinical Governance Group, chaired by the Medical Director, has a standing agenda section devoted to action plans in order to ensure that continuous quality improvement is embedded within the organisation.

The Medical Director has Executive responsibility for Clinical Quality. The Medical Director attends and provides assurance to the Clinical Governance Committee, which monitors this Strategy, through regular reports including an annual Clinical Governance Report to the Board.

The Clinical Governance Committee ensures actions arising from clinical quality activities are implemented. The Committee has a comprehensive, rolling plan of work which ensures that all aspects of clinical governance are scrutinised by this group, and the Chair of the Clinical Governance Committee provides a progress report to the Board.

We have established a Clinical Forum; this is an independent advisory committee that reports directly to the Board.

Elements of practice relating to staff professional development and support are reported to the Staff Governance Committee. However, arrangements are in place to ensure that issues impacting on

patient care and treatment arising from staff governance arrangements are reported and managed through the clinical governance structure. These arrangements are reviewed annually.

The Board is responsible for ensuring that adequate resources are committed to deliver the strategic goals for clinical quality.

8. Financial Plan

Financial Planning is an integral part of the Operational Planning process. As part of this process each Board is required to submit an Operational Plan to Scottish Government by 30th April 2019.

TSH is forecast to meet their statutory financial targets as set out for March 2019 financial year end with no significant risks highlighted. These include the following limits which must not be exceeded:

1. Revenue Resource Limit (RRL) – resource funding for net revenue expenditure allocated by the Scottish Government for ongoing operations
2. Capital Resource Limit (CRL) – resource funding for net capital expenditure allocated by the Scottish Government for investment in fixed assets
3. Cash Requirement – cash required to fund the net payments for all ongoing operations and capital investment

In addition to this there is a requirement to generate efficiency savings year on year both in terms of cash releasing savings to match the increased costs and productivity savings to deliver against the increased demands of patient care including complexity, activity increases and the requirement to continually invest in technology and quality improvements.

Year on year the Board has successfully achieved or delivered in excess on its challenging Efficiency targets and for 2018/19 Efficiency savings delivered were £1.792m against an Operational Plan target of £1.765m.

8.1 2019/20 Scottish Government Budget

The financial plan incorporates the Scottish Government Pay Policy which recommends a 9% pay increase for public sector workers across 2018/19-2020/21. There will be a cap on pay applied for highest paid (those earning above £80,000). The final pay settlement for NHS staff will of course be subject to the NHS pay reviews process as in previous years.

The Scottish Government Budget reflects the commitment that more than half of frontline spending will be in community health services by the end of this parliament. The 2019-20 funding is designed to support a further shift in the share of the frontline NHS budget dedicated to mental health and to primary, community and social care. It is expected that NHS Boards and Integration Authorities contribute to this Programme for Government commitment and it will be essential that this is clearly evidenced as part of plans for 2019-20. Whilst this is not directly relevant to this Board any opportunity to support this will be included within the Board financial and local delivery plans.

The key points from the Scottish budget announced that are reflected within the Board financial plans for 2019/20 are:

- The State Hospitals Board for Scotland will receive an uplift of 1%, similar to the other national ‘patient facing’ Boards

- The National Board savings requirement of £15 million in 2018-19 will be made recurring in 2019-20, together with any under-achieved carry-forward from 2018-19; the allocation of this to be agreed in new financial year.

8.2 Financial Planning 2019/20

The financial plan sets out the resources available to the Hospital and how these will be used, and includes regular funding planning assumptions as follows;

- Scottish Government RRL baseline budget as described within RRL allocation letter and 2019-20 Scottish Budget
- Scottish Government RRL budget includes the baseline funding uplift of 1%
- Reflects proposed change to Scottish Government Outcomes Framework funding with the continuation of the e-health associated element through a revised funding model with separate in-year allocation
- Planning assumption that central funding support will be provided above the first 1% of pay award for Agenda for Change grades only
- Savings contribution towards National Boards' £15m requirement continuing at a level to be confirmed
- Continued support towards eHealth leads and eHealth allocation from former Outcomes Framework allocation
- Consultant Distinction award funding reflecting submission to the Scottish Advisory Committee on Distinction Awards (SACDA)
- Funding to support Implementation of Excellence in Care, MH (Mental Health) Secondment and Disabled Graduate scheme

The table below contains an extract of the three year financial plan – and the main assumptions, pressures and risks behind the plan are in the following section.

Operational Plan	**2019/20**	**2020/21**	**2021/22**
Income	**£'k**	**£'k**	**£'k**
Core RRL	33,972	35,070	36,058
Non-core RRL - Capital Charges	2,857	2,857	2,857
Non-core RRL AME*	112	112	112
Total Income	**36,941**	**38,039**	**39,027**
Expenditure			
Pay			
Capital Charges	2,857	2,857	2,857
AME* Provisions	112	112	112
Non-Pay	5,858	5,933	6,033
Income	(1,142)	(1,176)	(1,205)
Savings	(2,103)	(1,972)	(1,861)
Total Expenditure	**36,941**	**38,039**	**39,027**

*Annually Managed Expenditure

8.2.1 Overall position

The financial plan is balanced and delivery of a breakeven position during 2019/20 remains dependent upon realisation of the savings plan. Financial risks remain very high around the workforce plan skill mix and staff rostering, with significant risk also around the currently high level of 2019/20 savings unidentified, which contributes to a high risk of financial shortfall should these be unachieved.

The plan is based on the indicative budgets set by the Scottish Government.

Savings targets continue to be extremely challenging – both for the Board individually, and collaboratively along with the other seven National Boards.

8.2.2 Funding

As the public sector as a whole face funding cuts, the NHS has had some protection. This year the recurring increase in funding equates to 1%, with an additional contribution from UK consequential to an element of the proposed pay uplift. With planned payroll increases, incremental drift, and previous unfunded increases in NI (National Insurance) contributions, continued close budgetary scrutiny is required in order to cover the inflationary increases in costs and the required savings.

On the basis of informal guidance received, it is assumed for 2019/20 that any increased level of Employer's Superannuation contribution – currently noted as a 6% uplift – will be fully funded.

8.2.3 Savings

At this draft stage the savings have not yet been split by detail, only by total and Recurring or Non Recurring, as meetings with individual directorates to negotiate savings are currently being held.

Planned Savings	**2019/20**			**Risk Rating**		
	Rec	Non-rec	**Total**	**High**	**Med**	**Low**
	£000s	£000s	**£000s**	**£000s**	**£000s**	**£000s**
Service redesign	22	95	117			117
Drugs and prescribing		20	20			20
Workforce	57	480	537			537
Procurement		0	0			0
Infrastructure	56	306	362			362
Other		100	100		100	
Total Efficiency Savings workstreams	135	1,001	1,136		100	1,036
Financial management / corporate initiatives						
Unidentified savings assumed delivered by y/e		967	967	967		
Total Core NHS Board Savings	135	1,968	2,103	967	100	1,036
Savings delegated to Integration Authorities	*0*	*0*	*0*	*0*	*0*	*0*

There are continued efficiency and productivity improvements sought which will be identified, managed and implemented through this period. Savings targets for 2019/20 are particularly challenging as the Hospital manages the pressures noted in the next section.

8.2.4 Pressures

There are a number of pressures facing the Hospital over the coming year:

- Increased Employer's Superannuation costs – 6% uplift from 14.9% to 20.9%
- Payroll impact from the expected outcome of the legal case "Locke vs British Gas" and the potential liability for additional shift payments required.
- Workforce Plan Numbers and Skill mix – due in part to the fall in staff turnover, it has not yet been fully possible to achieve the planned workforce. The issues relate mainly to nursing costs. The full workforce plan and clinical service delivery model are currently under review, and may also be influenced by the safe staffing legislation.
- Pressure from any unfunded element of increased payroll costs, e.g. executive pay.
- Potential increases in rates.

- Utility costs continuing to rise, giving both a price and usage pressure in 2019/20.
- Associated costs related to the Perimeter Security and Enhanced Internal Security Systems Project – e.g. cost of staff escorting contractors. Recent advice has indicated that these may be included in the capital project funding, which is to be confirmed in 2019/20.
- A number of costs associated with the upkeep of the Hospital estate, which are monitored closely and outturns adjusted accordingly. Ongoing evaluation of this impact over the coming years is assessed in order that budgetary pressures can be controlled.

There are also a number of specific risks associated with the plan:

- As noted above, the requirement for the National Boards to provide additional savings of £15m (plus any unachieved savings carried forward from 2018/19) on a recurring basis in 2019/20.

- Savings plans – as stated above the operational running costs of the site are more than planned. A savings plan around the workforce, capital charges and supplies is followed; however additional savings may need to be made if the on-going costs are more than forecast. Also year on year it gets harder to identify workforce savings without impacting on patient care or security. If plans fall behind the financial balance could be at risk unless other non pay savings can be found, and currently a high proportion of the savings for 2019/20 is still to be identified.

- The lack of any increase in capital funding potentially leaves equipment replacement at risk, as the formulae allocation will require close control and review to be able to cover any major equipment replacement programmes.

8.2.5 Capital – Property and Assets

The performance of assets is seen as critical by the Hospital. In order for the Hospital to meet its strategic objectives it is essential that existing and planned investment is targeted and effectively utilised. The Property and Asset Management Strategy (PAMS) reflects the following aims:

- To maintain and develop a high quality, sustainable site and assets that support the provision of high quality forensic mental health care in appropriate and secure facilities.
- To ensure that the operational performance of assets is appropriately recorded, monitored, reported and reviewed and, where appropriate improved.
- To ensure an effective asset management approach to risk management and service continuity.

The significant capital item forthcoming is the Perimeter Security and Enhanced Internal Security Systems Project in 2019/20-2021/22 – estimated at £8.6m. This is currently at the tendering stage – with submissions received in April 2019 and an anticipated tender award in May 2019 – and the associated projected level of available revenue resource required for contractor escorting and project management will continue to present a major challenge for implementation of the Property and Asset Management Strategy, together with regular estates and security work, and IM&T (Information Management & Technology) equipment replacement programmes. Further work has taken place internally to re-examine security threats to the hospital and additional work commissioned to establish how those threats may be mitigated, including review of CCTV requirements, which will be reflected in the business case. The split of the funding across the three years is currently subject to the outcome of the tender process, with an estimate noted below.

	2019-20 £000s	2020-21 £000s	2021-22 £000s	2022-23 £000s	2023-24 £000s
Capital Resource Limit (CRL)	269	269	269	269	269
Other centrally provided capital funding	4,313	2,965	1,302	-	-
Total Capital Resource Limit	4,582	3,234	1,571	269	269

9. Governance

The governance and management landscape is increasingly complex both nationally and locally. One of the Hospital's local quality commitments is to improve meeting effectiveness but this is only a small part of what is required. The national Outcomes Framework and the national Quality Strategy are twin drivers towards more outcome based approaches rather than process based approaches.

9.1 Governance and Management Arrangements:

There are three statutory governance strands for Boards and the governance structure is set up to deal with these through the Clinical Governance, Staff Governance and Audit Committees. Management is based around the clinical teams, reporting to the senior management team.

Leadership walkrounds will continue in 2019/20 – involving the Executive Directors, the Senior Management Team, the Patient Safety Steering Group, and the non-executive Directors by invitation. Actions arising are followed up, and reviewed at later walkrounds and at SMT (Senior Management Team).

Corporate document standards are in place to help streamline the flow of documentation, and the group and committee structures within the Hospital are regularly reviewed to streamline, rationalise and simplify meeting arrangements so that these are fit for purpose.

The corporate risk register is reviewed annually by the Board and quarterly by the Audit Committee. A full review of the Risk Register was undertaken in 2018/19, in consultation with executive directors and senior management staff. In addition, local departmental risk registers are now in place and are being evaluated in 2019/20, from which any identified high risk item is given consideration for the requirement to be reflected in the corporate register.

The establishment of the Risk, Finance and Performance Group has provided the Hospital with an improved focus on risk monitoring and appraisal, with all corporate risks fully reviewed now on an annual rolling basis, including monthly updates on any assessed as high risk.

9.1.2 Staff Governance

The Staff Governance Standard provides the organisation with a platform to drive improvements in the management of staff. Our staff governance action plan identifies important actions we plan to take to ensure that the five objectives of the standard are met.

The staff governance action plan includes plans to achieve national targets such as:

- Management of sickness absence within 5% (4% national standard).
- All staff will have an annual Personal Development Planning and Review meeting with their line manager.

In addition to working towards the achievement of these standards, there are a number of local priorities which are important for 2019/20.

The Board developed a workforce plan for 2017/2022 however it is anticipated that this will be updated in September 2019. The revised workforce plan will take into account the Board revised clinical model and the outcomes from the Common Staffing Method.

The development of the TSH revised clinical model is expected to be complete in May 2019. This is based on:

- Consultation on the clinical care delivery model (February / March 2019)
- Development, appraisal and testing of options (March / April 2019)
- Identification of preferred option (May 2019).

With reference to workforce planning activities, the planned stages are:

- Development of draft headline multi professional staffing model and projected costs based on clinical service delivery model options (May 2019).
- Ensuring the common staffing method is embedded in practice. This includes development and co-ordination and implementation of an annual plan to run WFP tools for nursing across all of our areas (July 2019)
- Ensuring a consistent approach to analysis of workload and workforce info, quality measures and high secure context to inform nursing staffing requirements on site (July 2019).

The outputs from the application of the Common Staffing Methods is proposed to be available from July 2019. This work will be conducted in collaboration with the National Workforce Advisors hosted through Healthcare Improvement Scotland. We will also take an improvement based approach to ensure that the availability of the nursing workforce is responsive to the needs of our patients.

The interdependency of these three work streams; Clinical Service Delivery Model Review, Common Staffing Method and Workforce Plan, should be noted. Time delays in either the Clinical Service Delivery Model Review or the Common Staffing Method will have a knock on effect and ultimately delay production of the Workforce Plan.

9.1.3 Staff Experience and Engagement

<u>iMatter</u>

The Board continues to fully implement the iMatter Staff Engagement Tool achieving a participation rate of 77% and an aggregated Board EEI (Employee Engagement Index) score of 77% in 2018/19. 12 weeks post completion, a fall in the number of action plans (23%) completed was acknowledged and local support provided to increase this to 60%. On-going support will be provided during 2019/20 to encourage participation, action plan completion and Directorate stories.

The Board will continue in 2019/20 to embed the NHS values through an established Values and Behaviours group. There is a key organisational objective to focus on staff recognition; introducing both staff awards and service recognition schemes in 2019.

There is ongoing work to support a healthy work-life balance (Healthy Organisational Culture), care delivery and staff rostering/shift arrangements (Sustainable Workforce). In addition there has been a focus on working across boundaries, sharing learning and good practice. This has been achieved in 2018/19 through the annual learning plan underpinned by OD, investment in our PDP process and Turas appraisal system as well as encouraging a collegiate approach to learning through initiatives like Greatix and TSH 30:30.

National work around more effective collaboration between national and regional NHS Boards is fully supported by The State Hospital. Collaborative working with the other national boards to develop joined-up approaches continues in a number of key areas e.g. leadership development, OD

plan, HR, procurement. The organisation already works closely with other boards to deliver some essential services e.g. primary care and social work.

Leadership development is supported at all levels across the organisation, with a particular emphasis in the past year on more senior leaders e.g. Project Lift, 'New Horizons' programme, SCN development programme, new executive level appraisal documentation, Board Assessment Tool and 360 degree appraisal.

Partnership Working

The Board continues to support effective Partnership arrangements, which have been developed over many years, and are embedded throughout the organisation to overcome workforce issues and deliver key outcomes. Partnership working is supported through the State Hospital's Partnership Forum and a range of partnership groups including Attendance Management Task Group, Values and Behaviours programme, WF Transitions.

APPENDIX 1

The State Hospital Strategy Map 2019 – 2020

NHS Scotland aims to:

Provide high quality health care | Have financial sustainability | Improve population health

The State Hospital mission:

To excel in the provision of high quality, safe and secure forensic mental health treatment and care and to strive to be an exemplar employer

The State Hospital values are at the heart of what we do:

Care and compassion | Dignity and respect | Openness, honesty and accountability | Quality and teamwork

The State Hospital Strategic objectives:

Safety | Security | Effective care and treatment | Quality Improvement | Person centred

Outcomes, by 2020 The State Hospital will have:

- reduced staff absence levels to 5% and increased workforce resilience
- reduced the proportion of patients with a BMI in the overweight and obese category and increased access to physical activity
- embedded a culture of continuous quality improvement and assurance to deliver excellent care
- the right staff are in the right place at the right time

Board Paper 19/28

THE STATE HOSPITALS BOARD FOR SCOTLAND

Date of Meeting:	25 April 2019
Agenda Reference:	Item No: 13
Sponsoring Director:	Chief Executive
Author(s):	Board Secretary
Title of Report:	Corporate Governance Blueprint
Purpose of Report:	For Discussion and approval

1 SITUATION

Following development of the Corporate Governance Blueprint, the Board took part in a self-assessment survey between 15 February and 1 March 2019. A Board Development Session took place on 28 March to review the results.

2 BACKGROUND

The Board Development Session allowed consideration of the results of the self- assessment against the five functions described in the Corporate Governance Blueprint, as well as identifying the key factors driving the results.

3 ASSESSMENT

This process has clarified the key corporate governance priorities for the Board in the coming year and an improvement plan has been developed to support this work in the five key areas outlined.

- Setting the Direction
- Holding to Account
- Assessing Risk
- Engaging Stakeholders
- Influencing Culture

The Board is required to submit its report and improvement plan to Scottish Government by 30 April 2019.

4 RECOMMENDATION

The Board is asked to:

- Discuss and approve each point outlined in the improvement plan.
- Reach consensus on any suggested additions to the improvement plan.
- Discuss the implementation and monitoring framework for the improvement plan.

A revised document will be circulated to the Board on noon on Friday 26 April 2019 for agreement.

Any further suggested revisions should be submitted by noon on Monday 29 April 2019.

The final agreed document will be submitted to Scottish Government on 30 April 2019.

MONITORING FORM

How does the proposal support current Policy / Strategy / LDP / Corporate Objectives	To implement the Corporate Governance Blueprint
Workforce Implications	None identified
Financial Implications	None identified
Route To Board Which groups were involved in contributing to the paper and recommendations.	In compliance with Scottish Government directive, and in response to Board request.
Risk Assessment (Outline any significant risks and associated mitigation)	None Identified
Assessment of Impact on Stakeholder Experience	As outlined within the report
Equality Impact Assessment	None Identified
Fairer Scotland Duty	None identified

THE STATE HOSPITALS BOARD FOR SCOTLAND

CORPORATE GOVERNANCE BLUEPRINT SELF-ASSESSMENT AND ACTION PLAN

1 BACKGROUND

The State Hospitals Board for Scotland (TSH) is one of four high secure forensic mental health hospitals in the U.K. and is sited on a 60 acre campus. The hospital provides high quality forensic mental health assessment care, treatment and rehabilitation.

The Board reviewed its Service Strategy in October 2017, agreeing a State Hospital Service strategy 2017/20. This established three strategic priorities critical to the success of the organisation to ensure the delivery of high quality care; health inequalities, staff attendance and resilience and efficient use of resources. A delivery plan mapping timescales and governance arrangements for assurance on delivery was agreed by the Board. The key priorities and challenges as set out in the Service Strategy have not changed.

The Board undertook a Board Effectiveness Assessment in January 2018, with recommendations based on the results of the diagnostic tool agreed by the Board in April 2018.

The Board Chair advised Members to note the development of the Corporate Governance Blueprint at their meeting in October 2018, and then received a report to outline the development and introduction of the Blueprint for Good Governance at the private session in December 2018. The self -assessment was completed between 15 February and 1 March 2019.

A Board Development Session was arranged for 28 March for Board Members with supporting Directors, and facilitators. A briefing pack was issued in advance to ensure that the participants were aware of the survey results. The Programme for this event is attached at Appendix A.

2 SELF- ASSESSMENT

The Board Development Session allowed consideration of the results against the five functions of governance described in the Blueprint, as well as identifying the key factors that influenced the results. The session clarified the key priorities for the Board in the coming year, and an action plan to take these forward effectively. There was no significant variance in results between the respondent groups, with a similar range of views drawn from each.

Setting the Direction
What is working well Provision of leadership, support and guidance to the organisation including determining the organisation's purpose and ambition. Consideration and approval process around the strategic and operational policies and plans to deliver the policies and priorities of the Scottish Government. Agreement of the aims, objectives, standards and targets for service delivery in line with the Scottish Government's priorities.
Focus for improvement Allocation of budgets and approval of capital investments to deliver strategic and operational plans.

Key drivers

- Financial Savings Plan in 2017/18 as part of emergency savings action planning.
- Recognition of need for more robust processes to compare planned and actual spend and account for any variance.
- Re-start of tender process in capital project

Holding to Account

What is working well

That the Non-Executive Directors are able to monitor, scrutinise, challenge and then, if satisfied, support the Executive Leadership Team's day to day management of the organisation's activities. Effective safeguarding and accountability for public money to ensure resources are used in accordance with Best Value principles. Compliance with the requirements of relevant regulations or regulators.

Focus for improvement

Performance in ensuring oversight of the equitable systems for the pay arrangements for the Executive Leadership Team.

To ensure that continuous improvement is embedded in all aspects of service delivery.

Key drivers

- Possibility considered of lack of visibility in the process for Executive pay arrangements.
- Lack of opportunity to contribute or lead continuous improvement projects
- Attendance Management

Assessing Risk

What is working well

Effective identification of current and future corporate, clinical, legislative, financial and reputational risks.

Focus for improvement

Considering and approving risk management strategies and ensuring they are communicated to the organisation's staff.

Considering and agreeing the organisation's risk tolerance as well as for oversight of an effective risk management system that assesses level of risk, identifies mitigation and provides assurance that risk is being considered effectively.

Key drivers

- Period of reduced capacity within Risk Management
- Timescales for completion of risk reviews
- Internal audit 2018/19

Engaging Stakeholders

What is working well

Reporting on stewardship and performance and publishing an Annual Report and Accounts.

Contribution to the development of Scottish Government policies.

Focus for improvement Ensuring that priorities are clear, well communicated and understood by all stakeholders. Establishing and maintained public confidence in the organisation as a public body.
Key drivers o High level internal communication through bulletins and intranet to all staff not matched at local levels resulting in variance across the organisation. o Adverse media coverage experienced during 2018/19

Influencing Culture
What is working well Demonstrating the organisation's values and exemplifying effective governance through Board Members' individual behaviours.
Focus for improvement Promoting shared values that underpin policy and behaviours throughout the organisation and consistent with the organisation's purpose and ambition and creating cultural blueprint.
Key drivers o Differing cultural bias found across the hospital o Significant turnover in senior management team

3 RECOMMENDATIONS AND ACTIONS

The Board's Improvement Plan is attached at Appendix B which summarises the improvement actions being taken forward, as well as identifying the timescale and assurance arrangements for monitoring progress on delivery. The plan is linked to the five functions of the Corporate Governance Blueprint and identifies the key areas for improvement.

Governance assurance arrangements for regular and effective reporting on progress are outlined in the plan. Each governance route leads to the Board through clearly defined corporate governance structure of the Board.

The following areas are highlighted as key areas of focus and development with the anticipated benefits to be achieved through implementation of these recommendations.

Setting the Direction

The Board's Service Strategy and Strategy Map clearly define its mission statement and work will continue to actively cascade these priorities throughout the organisation to generate shared purpose and direction of travel. The Board will define its purpose as a strapline, to be used on corporate documentation, to encapsulate the essence of TSH and its values.

The Board will continue to ensure a coherent, whole system approach to strategic planning for delivery of care to our patients, workforce planning and effective use of the hospital estate.

The Board achieved breakeven position in 2018/19 financial year due to a range of actions taken throughout the year. A key pressure was overspend by the Nursing and AHP Directorate. This has been a major area of risk and concern albeit within the context of near 50% improvement on the

previous year. It is recognised that a high impact area of change was process controls such as limiting weekly overtime hours and the introduction of the nursing pool.

Introduction of the Health and Care (Staffing) (Scotland) Bill and the Nursing and Midwifery Workload and Workforce Planning Tools as part of a 'Common Staffing Method' will be implemented in collaboration with the National Workforce Advisors hosted through National Services Scotland. This will include review of nurse rostering and a focus on increasing workforce resilience. Workforce planning is an iterative process and the TSH Workforce Plan ought to be reviewed and updated however this should be timed in line with the development of the clinical model and application of the Common Staffing Method. With this in mind, it is anticipated that a new workforce plan should be produced by September 2019.

The Board will develop further robust processes to assist in the comparison of planned and actual spend and to account for any variance. A key driver in this was the financial savings plan was put into place for the final 6 weeks of the financial year 2017/18 as part of emergency savings action planning for year end. This was coordinated through engagement with joint staff side to ensure successful delivery of safe and effective are for patients during a short, clearly defined period of time. Although it was not necessary to take similar type of action during 2018/19, the continuing financial pressures underline the need to review existing practice and systems.

Holding to Account

The Board will continue in its drive to improve attendance management. This has been an area of key focus for the Board over the past 12 months through the Attendance Management Improvement Task Group (AMITG) which was reconvened in August 2018. The AMITG have progressed the implementation of an agreed action plan. There was significant early improvement, however, performance has been variable overall and it is recognised that focus must be maintained to achieve the target level consistently. There will be continued implementation of the plan alongside implementation of the Once for Scotland policies, with support from Human Resources to line managers to identify and act upon patterns of absence.

The Board will review the performance management framework including the assurance information systems in place to support review of performance. The Board will implement the updated guidance for Executive and Senior Management Performance Appraisal Arrangements - PCS (ESM) 2019/1 - with the stated aim to ensure standardised, consistently applied processes to enable a formal and honest assessment of performance as well as a wider contribution within the organisation in the development and wellbeing of staff in the context of valuing and leading people

A key focus will be the embedding a culture of quality across the organisation through project management. One of the key feedbacks from the TSH3030 - a quality improvement project which took place in November 2018 - was that often front line staff felt that they were being "given permission" to act in a way that they had not previously felt. The project was inclusive to all staff in all areas of the organisation and also engendered patient involvement in some projects.

Assessing Risk

An advisory review of risk management was carried out as part of the approved internal Audit Plan for 2018/19. This indicated that further work is required to ensure that risks and mitigating controls are properly defined and linked the appropriate strategic objective, to give focus on key areas of risk. This will be taken forward through staff training to ensure that risk management is embedded in day to day operations. Local risk registers will be developed with clear escalation lines defined for relevant risks to be transferred from the local registers to the corporate risk register.

There will be continued robust reporting of the risk register to the Audit Committee through the Risk, Finance and Performance Group. Each corporate risk has a nominated executive director

who is accountable for that risk, as well as a nominated manager who is responsible for ensuring adequate control measures are implemented.

Engaging Stakeholders

There are effective arrangements in place to ensure that patients, carers and volunteers have a direct link to the Board as it actively seeks feedback from these groups during Board meetings throughout the year. There will be continued emphasis on this as it is recognised as a highly effective way to remind the Board of its key purpose.

The State Hospital's role as a national board for providing care in a high secure setting differentiates it from any other NHSScotland Board, and presents distinctive challenges in relation to engaging with the public. There will be particular focus on increasing understanding of and engagement in the work of the organisation.

The Board has historically always promoted Board meetings and the Annual Review to the local population - but rarely experiences attendance. TSH is a national board and in the past Board Meetings took place in different locations across Scotland. A key action is to commit to holding two meeting a year in another area - this could be at little cost by requesting use of facilities by other NHSScotland Boards. In future the Board will commit to holding the public part of the Annual Review in a local town hall in an attempt to engage the public and increase attendance.

The State Hospital has been the focus of negative publicity during the past year, particularly from September 2018 to date. These articles have focused around key areas: workforce planning, staff disciplinary process, clinical care of ID patients as well as security arrangements. This has included breach of confidentiality of patient and staff information with notification made to Information Commissioner Office (UK) as well as Police Scotland. The Board will review its communications strategy in relation to media engagement. This is recognised to be a challenging area on a number of levels. The media may not be a willing or reliable witness in presenting stories about the positive nature of the work undertaken within the hospital. The protection of patient confidentiality is of paramount importance. Further, even if information about individual patients is in the public domain the effect of any feature on the state hospital may have on the carers, families and friends involved in a wider sense must also be recognised.

The Board does not provide care to the local population in the way the territorial boards do, and this means that engagement locally cannot be promoted in the same way. However, the Board does play a key role in the local area as an employer and promotion of this is a key action which will also lend strength to the recruitment drive of the organisation overall particularly within nursing.

Influencing Culture

Consideration of the culture of the organisation points to pockets of differing cultural bias being found across the hospital. The month of November 2018 seemed to demonstrate this through the co-existing experiences of TSH3030 with a week of unofficial action which impacted upon the delivery of patient care as well as staff morale.

The Board has key objectives in place as part of staff recognition. A working group was set up meeting for the first time in April 2019, to take forward an action plan for a staff awards scheme. It is planned to have the process in place with nominations sought in June 2019 and the first ceremony in September 2019. In conjunction with this, it was agreed by the Senior Management Team in March 2020 that a recognition scheme for NHS Service should be implemented.

One of the key ways in which The State Hospital differs from other NHSScotland Boards is in the small size of the organisation based wholly in a single location. The advantages to this should be more fully realised. In November 2018, the Chief Executive held a series of staff engagement

sessions with staff throughout the hospital with a particular focus on attendance management. These were open informal sessions to encourage dialogue and feedback from staff on how to improve the Board's experience in this key area. In 2019/20 a programme of similar events will be plotted throughout the year led by the senior team. This will ensure regular, open, informal engagement on key areas of focus in the organisation throughout the year.

There will be focus on senior management visibility at key events in the hospital throughout the year - whether the events are patient or staff focussed. Examples include the Patient Learning Awards and Staff Awards. Senior medical staff presence will be encouraged at patient focussed events. During the course of the past year there has been significant turnover within the senior team including key post of Chief Executive, Security Director and Human Resources. Less turnover is expected in the coming year and this will support resilience and continuity in this area.

The Board notes the Scottish Government intention to appoint an Independent National Whistleblowing Champion and will ensure that links are established and grown as this new role develops.

The Improvement Plan will be added to the Board's workplan and submitted for review to each meeting of the Board.

BOARD DEVELOPMENT SESSION

28 March 2019
In the Boardroom at The State Hospital

The overall purpose of the board Development Session is to enable board members to:

- Understand the NHS Scotland Blueprint for Good Governance and what it means for us;
- Consider the outcomes of our recent self-assessment against the Good Governance Blueprint;
- Highlight areas of strength, challenge and identify any improvement actions to take forward;
- Consider how the enablers and support described in the blueprint can help us deliver the recommendations for improvement and board development;
- Reflect on and discuss the priorities, actions and how they will inform the Corporate Governance Report.

PROGRAMME

1.	**Introduction and setting the scene** • Purpose and format of the session • The Corporate Governance Blueprint and what it means for us	Chair
2.	**Results of the survey** • Themes • Agreement between results of both groups • Variance in results of groups • Anything unexpected • Factors driving the results	Organisational Development Lead
3.	**Recommendations for improvement** • What are your thoughts on the results? • What would you like to add/change? • How do we build on and maintain what we do well? • What are the areas where we need to focus for improvement and what benefits do we expect? • What are our priorities and why? • Feedback and discussion	Table discussion 1

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4.	**Moving to action** • How do we action these priorities? • What are the enablers and support required for your priorities? • How will you ensure you have the right information? • Who leads on which priority and when? • How will we monitor progress/what is our assurance?	Table discussion 2
5.	**Review of the session and next steps**	Chair

APPENDIX B - THE STATE HOSPITALS BOARD FOR SCOTLAND - IMPROVEMENT PLAN

BLUEPRINT FUNCTION		ACTION	LEAD	ASSURANCE SYSTEM	TIMESCALE
SETTING THE DIRECTION	1	Reconfirm the Board's strategic direction and communicate through the Strategy Map and development of strapline statement for corporate documents.	CEO	Senior Management Team (SMT)	June 2019
	2	Review of effective rostering system within nursing as component of focus on effective workforce utilization and safe staffing legislation.	Director of Nursing and AHPs	SMT/ Business Objects Reports	March 2020
	3	Development of more robust processes to compare planned and actual spend and to account for any variance.	Director of Finance	SMT /Board	September 2019
HOLDING TO ACCOUNT	4	Ensure compliance with national guidelines in management of Executive pay and performance through remuneration Committee approval for annual ESM pay and performance cycle.	Chair /Interim HR Director	Remuneration Committee	Ongoing
	5	Ensure implementation of attendance management policy through support from HR to line managers help identify and act upon patterns of absence. Continued implementation of the action plan developed through the Attendance Management Improvement Task Group (AMITG).	Interim HR Director	AMITG/ SMT	October 2019
	6	Implementation and compliance with Once for Scotland HR policies within TSH. Focus on policy awareness through completion of metacompliance / staff bulletins/ staff training in Single Investigatory process.	Interim HR Director	Partnership Forum/SMT	December 2019
	7	Review performance framework and assurance information systems to support review of performance.	CEO	SMT	July 2019
ASSESSING RISK	8	Further development of risk management with focus on risk register to ensure this is clearly defined with set of mitigating measures against each risk which also have a focus on improvement actions.	Director of Finance	Audit Committee / Board	December 2019

ENGAGING STAKEHOLDERS	9	Review and develop the Communications Strategy to include proactive engagement with aim of addressing dissonance between strategic aims of the hospital and public perception of these aims.	CEO	Board	March 2020
	10	Promotion of The State Hospital as an employer in the local area. Increase number of modern apprenticeships. Participate in local school careers events, local and university recruitment fairs	Interim HR Director	SMT	March 2020
	11	Encourage carers / volunteers /staff / local population to attend public Board Meetings through additional promotion and links with local community.	Board Secretary	Board	June 2019
	12	Hold two Board Meeting each year at external locations to promote role as national Board.	Board Secretary	Board	April 2020
	13	Annual Review - Public Meeting to be held outside of the hospital to help engage public engagement and attendance.	Board Secretary	Board	April 2020
INFLUENCING CULTURE	14	Implement a Staff Recognition Scheme for long service as well as individual contribution to the organisation.	Interim HR Director	SMT	September 2019
	15	Embed a culture of quality across the organisation through initiatives such as TSH3030, Quality Forum and sharing our work more widely.	CEO	SMT	March 2020
	16	Senior Management visibility through regular front line staff engagement meetings with CEO / Directors' Group through a calendar of events to ensure regular engagement.	CEO	SMT	June 2019
	17	Senior Team / RMO presence at key events in hospital calendar e.g. patient learning awards/ sportsman dinner. Promote this through management structures.	CEO / Medical Director	SMT	June 2019
	18	Link in with Scottish Government once appointment of the Independent National Whistleblowing Champion has been appointed.	CEO	Board	April 2020
	19	Non Executive Director informal visits across TSH to help promote the values and behaviours of the organisation.	Chair	Board	June 2019

THE STATE HOSPITALS BOARD FOR SCOTLAND

Date of Meeting:	25 April 2019
Agenda Reference:	Item No: 14
Sponsoring Director:	Finance & Performance Management Director
Author(s):	Acting Head of Financial Accounts
Title of Report:	Annual Review of Standing Documentation
Purpose of Report:	For review and approval

1 SITUATION

This report provides an update on proposed changes to Standing Documentation.

2 BACKGROUND

The Board is required, on an annual basis, to review and adopt any changes to Standing Documentation i.e. Standing Financial Instructions, Scheme of Delegation and Standing Orders. The Audit Committee reviewed the documents at their meeting on 28 March 2019 and their recommendation was then noted for the Board's adoption.

3 ASSESSMENT

3.1 Standing Financial Instructions

There are no amendments proposed to the Standing Financial Instructions.

3.2 Scheme of Delegation

There are no amendments proposed to the Scheme of Delegation.

3.3 Standing Orders

There are no amendments proposed to the Standing Orders.

4 RECOMMENDATION

The Board is asked to approve the review of Standing Documentation.

MONITORING FORM

How does the proposal support current Policy / Strategy / LDP / Corporate Objectives?	Ensures that the Board's standing documentation is up to date in respect of Scottish Government guidance and possible changes to Senior staff's portfolios.
Workforce Implications	None
Financial Implications	None
Route to the Board (Committee) Which groups were involved in contributing to the paper and recommendations?	Audit Committee
Risk Assessment (Outline any significant risks and associated mitigation)	No significant risks identified
Assessment of Impact on Stakeholder Experience	None identified
Equality Impact Assessment	No identified implications.

THE STATE HOSPITALS BOARD FOR SCOTLAND

STANDING FINANCIAL INSTRUCTIONS

VERSION 14

Version Control Log		
Version	Date	Description
1		Approved by Board
2	11 May 06	Approved by Audit Committee on May 2006
2.1	5 June 06	Approved by the Board on June 2006
3.1	21 June 07	Above changes approved by Board June 2007
4.0	24 April 08	Approved by the Board June 2008
5.0	30 April 09	Annual review of SFIs
5.1	16 July 09	Approved by the Board June 2009
5.2	24 Sep 09	Changed to reflect portfolio changes. Approved by Audit Committee September 2009.
6	15 Apr 10	Approved by Board 17 June 2010
7	Apr 11	Approved by audit committee 7/4/11
8	19 Apr 12	Update all references with regard to circulars issued in year Update for SGHD name change to SGHSCD Update for revised CFS partnership agreement Update for key procurement principles Updated for staff title changes Update of SIC to Governance Statement
9	4 April 13	Approved by Audit Committee 25 April 2013 after removal of reference to Vice Chair
9.1	29 April 13	Approved by Board 2 May 2013
10	April 14	Annual review of SFI's – no changes made. Approved by Audit Committee 24 April 2014. Approved by Board 26 June 2014
11	April 15	Updated section 4.1.4 to include additional report. Updated section 16.1.3 from Finance Director to Security Director. Updated section 9.5.3 re authorisation of payroll change forms. Approved by Audit Committee 2 April 2015 after changes to reflect that Remuneration Committee is no longer a sub committee and changed section 14.3.1 & 14.3.5 to Public Sector Internal Audit Standards.
11.1	May 15	Added section 15.7 as per SG guidance re CFS
12	March 16	Updated section 2.6.2 from Nursing Director to Finance Director. Updated Section 4.1.4(c) to reflect changes in Annual Accounts reports. Updated section 9.7 to reflect updated guidance from SG. Approved by Audit Committee 24 March 2016.
12.1	June 16	Amended section 10.3 re tender waiver limit from £3k to £5k. Approved by Audit Committee & Board 23 June 2016.
13	March 17	Approved by Audit Committee 23 March 2017 subject to inclusion of statement re secondment of HR Director – see section 1.3.15 Approved by Board 4 May 2017

14	March 18	Updated section 2.6.2 to reflect depute Accountable Officer as being Nursing & AHP Director and not Finance Director. Updated section 3.6 to change Monitoring Returns to Financial Performance Returns. Updated section 5 in relation to Project Bank Accounts. Updated section 9.6 to reflect that payments to employees would be by bank credit only. Updated section 13.1.1 to include reference to General Data Protection Regulations. Updated section 16.1.10 to include new rules imposed in October 2017 around patient gambling. Approved by Audit Committee 5 April 2018. Approved by Board 28 June 2018

TABLE OF CONTENTS

TABLE OF CONTENTS *continued*

1 INTRODUCTION

1.1 General

1.1.1 These Standing Financial Instructions (SFIs) are issued in accordance with the Financial Directions issued by the Scottish Ministers under the provisions of the National Health Service (Scotland) Act 1978, the National Health Service (Financial Provisions) (Scotland) Regulations 1974, Section 4, together with the subsequent guidance and requirements contained in The Health Act 1999, NHS Circular No 1974 (GEN) 88 and Annex, and NHS MEL 1994 (80) for the regulation of the conduct of the Board, its members and officers, in relation to financial matters they shall have effect as if incorporated in the Standing Orders (SOs) of the Board.

1.1.2 These SFIs detail the financial responsibilities, policies and procedures to be adopted by the Board. They are designed to ensure that its financial transactions are carried out in accordance with the law and Scottish Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness. They should be used in conjunction with the Reservation of Powers to the Board and the Scheme of Delegation adopted by the Board.

1.1.3 These SFIs identify the financial responsibilities that apply to everyone working for the Board. They do not provide detailed procedural advice. These statements should therefore be read in conjunction with the detailed departmental and financial operating procedures.

1.1.4 Statutory Instrument (1974) No 468 requires Finance Directors to design, implement and supervise systems of financial control and NHS Circular 1974 (Gen) 88 requires the Finance Director to:

- approve the financial systems;
- approve the duties of officers operating these systems; and
- maintain a written description of such approved financial systems, including a list of specific duties

1.1.5 As a result, the Finance Director must approve all financial procedures. Should any difficulties arise regarding the interpretation or application of any of the SFIs then the advice of the Finance Director must be sought before acting. The user of these SFIs should also be familiar with and comply with the provisions of the Board's SOs.

1.1.6 Failure to comply with SFIs and SOs is a disciplinary matter that could result in dismissal.

1.2 Interpretation

1.2.1 Any expression to which a meaning is given in Health Service legislation, or in the Financial Directions made under the legislation, shall have the same meaning in these instructions.

1.2.2 Wherever the title Chief Executive, Finance Director, or other nominated officer is used in these instructions, it shall be deemed to include such other director or employees who have been duly authorised to represent them.

1.2.3 Wherever the term "employee" is used, and where the context permits, it shall be deemed to include employees of third parties contracted to the Board when acting on behalf of the Board.

1.3 Responsibilities and Delegation

1.3.1 The Board exercises financial supervision and control by:

a) Formulating the financial strategy with due regard to Local Delivery Plans
b) Monitoring performance against plans and budgets by regular reports at Board meetings
c) Requiring the submission and approval of budgets within resource limits
d) Defining and approving essential features in respect of procedures and financial systems
e) Defining specific responsibilities placed on directors and employees as indicated in the Scheme of Delegation document.

1.3.2 The Board has resolved that certain powers and decisions may only be exercised by the Board in formal session. These are set out in the "Reservation of Powers to the Board".

1.3.3 The Board will delegate responsibility for the performance of its functions in accordance with the Scheme of Delegation document adopted by the Board.

1.3.4 The Chief Executive of the NHS in Scotland shall appoint an Accountable Officer, accountable to the Scottish Parliament for the proper use of public funds by the Board. The Chief Executive of The State Hospital is the designated Board's Accountable Officer. The Chief Executive's duties as Accountable Officer are set out in Section 2.

1.3.5 The Chief Executive is ultimately accountable to the Board, and as Accountable Officer for the Board, to the Scottish Parliament, for ensuring that the Board meets its obligation to perform its functions within the available resources. The Chief Executive has overall Executive responsibility for the Board's activities, is responsible to the Board for ensuring that its financial obligations and targets are met and has overall responsibility for the Board's system of internal control.

1.3.6 The Chief Executive shall be responsible for the implementation of the Board's financial policies and for co-ordinating any corrective action necessary to further these policies, after taking account of advice given by the Finance Director on all such matters. The Finance Director shall be accountable to the Board for this advice.

1.3.7 The Chief Executive may delegate such of his/her functions as Accountable Officer as are appropriate and in accordance with these Standing Financial Instructions and Accountable Officer Memorandum.

1.3.8 The Chief Executive will be responsible for signing the 'Statement of the Chief Executive's Responsibilities as the Accountable Officer of the Board' as part of the Board's Annual Accounts.

1.3.9 The Chief Executive must ensure that existing directors and employees and all new appointees are notified of and understand their responsibilities within these Instructions.

1.3.10 The Finance Director is responsible for:

a) Implementing the Board's financial policies and for co-ordinating any corrective action necessary to further these policies
b) Maintaining an effective system of internal financial control including ensuring that detailed financial procedures and systems incorporating the principles of separation of duties and internal checks are prepared, documented and maintained to supplement these instructions

c) Ensuring that sufficient records are maintained to show and explain the Board's transactions, in order to disclose, with reasonable accuracy, the financial position of the Board at any time

and, without prejudice to any other functions of directors and employees to the Board, the duties of the Finance Director include:

d) Providing financial information to the Board and the Scottish Government Health and Social Care Directorate (SGHSCD)
e) Setting the Board's accounting policies consistent with SGHSCD and Treasury guidance and generally accepted accounting practice
f) Preparing and maintaining such accounts, certificates, estimates, records and reports as the Board may require for the purpose of carrying out its statutory duties.

1.3.11 All directors and employees, severally and collectively, are responsible for:

a) The security of the property of the Board
b) Avoiding loss
c) Exercising economy and efficiency in the use of resources
d) Conforming with the requirements of:

- Standing Orders
- Standing Financial Instructions
- Scheme of Delegation
- Financial Operating Procedures

1.3.12 No action should be taken in a manner devised to avoid any of the requirements of, or the financial limits specified in, these governance documents.

1.3.13 Any contractor or employee of a contractor, who is empowered by the Board to commit the Board to expenditure or who is authorised to obtain income, shall comply with these instructions. It is the responsibility of the Chief Executive to ensure that such persons are made aware of this.

1.3.14 For any and all directors and employees who carry out a financial function, the form in which financial records are kept and the manner in which directors and employees discharge their duties must be to the satisfaction of the Finance Director.

1.3.15 For the period of the appointment of Interim Human Resources Director, responsibilities assigned to Human Resources Director within these Standing Financial Instructions and the Scheme of Delegation will be delegated to Chief Executive.

2 RESPONSIBILITIES OF CHIEF EXECUTIVE AS ACCOUNTABLE OFFICER

2.1 Introduction

2.1.1 Under the terms of Sections 14 and 15 of the Public Finance and Accountability (Scotland) Act 2000, the Principal Accounting Officer for the Scottish Government has designated the Chief Executive of The State Hospitals Board for Scotland as Accountable Officer.

2.1.2 Accountable Officers must comply with the terms of the Memorandum to National Health Service Accountable Officers, and any updated issued to them by the Principal Accountable Officer for the Scottish Government. The Memorandum was updated in July 2009.

2.2 General Responsibilities

2.2.1 The Accountable Officer is personally answerable to the Scottish Parliament for the propriety and regularity of the public finances for The Board. The Accountable Officer must ensure that The State Hospitals Board for Scotland takes account of all relevant financial considerations, including any issues of propriety, regularity or value for money, in considering policy proposals relating to expenditure, or income.

2.2.2 It is incumbent upon the Accountable Officer to combine his/her duties as Accountable Officer with their duty to The Board, to whom he/she is responsible, and from whom he/she derives his/her authority. The Board is in turn responsible to the Scottish Parliament in respect of its policies, actions and conduct.

2.2.3 The Accountable Officer has a personal duty of signing the Annual Accounts of the Board for which he/she has responsibility. Consequently, he/she may also have the further duty of being a witness before the Audit Committee of the Scottish Parliament, and be expected to deal with questions arising from the Accounts, or, more commonly, from reports made to Parliament by the Auditor General for Scotland.

2.2.4 The Accountable Officer must ensure that any arrangements for delegation promote good management and that he/she is supported by the necessary staff with an appropriate balance of skills. This requires careful selection and development of staff and the sufficient provision of special skills and services. He/she must ensure that staff are as conscientious in their approach to costs not borne directly by their component organisation (such as costs incurred by other public bodies, or financing costs, e.g. relating to banking and cash flow) as they would be were such costs directly borne.

2.3 Specific Responsibilities

2.3.1 The Accountable Officer must:

- Ensure that from the outset, proper financial systems are in place and applied, and that procedures and controls are reviewed from time to time to ensure their continuing relevance and reliability, especially at times of major changes
- Sign the Accounts and the associated Governance Statement assigned to him/her, and in doing so accept personal responsibility for ensuring that they are prepared under the principles and in the format directed by Scottish Ministers
- Ensure that proper financial procedures are followed, incorporating the principles of separation of duties and internal check, and that accounting records are maintained in a form suited to the requirements of the relevant Health Board Manual for Accounts
- Ensure that the public funds for which he/she is responsible are properly managed and safeguarded, with independent and effective checks of cash balances in the hands of any official

- Ensure that the assets for which he/she is responsible, such as land, buildings or other property, including stores and equipment, are controlled and safeguarded with similar care, and with checks as appropriate
- Ensure that, in the consideration of policy proposals relating to the resources for which he/she has responsibilities as Accountable Officer, all relevant financial considerations, including any issues of propriety, regularity or value for money, are taken into account, and where necessary brought to the attention of the Board
- Ensure that any delegation of responsibility is accompanied by clear lines of control and accountability, together with reporting arrangements
- Ensure that effective management systems appropriate for the achievement of the organisation's objectives, including financial monitoring and control systems have been put in place
- Ensure that risks, whether to achievement of business objectives, regularity, propriety, or value for money, are identified, that their significance is assessed and that systems appropriate to the risks are in place in all areas to manage them
- Ensure that arrangements have been made to secure Best Value as set out in the Scottish Public Finance Manual
- Ensure that managers at all levels have a clear view of their objectives, and the means to assess and measure outputs, outcomes or performance in relation to these objectives
- Ensure managers at all levels are assigned well defined responsibilities for making the best use of resources (both those assumed by their own commands and any made available to organisations or individuals outside The State Hospitals Board for Scotland) including a critical scrutiny of output and value for money
- Ensure that managers at all levels have the information (particularly about costs), training and access to the expert advice which they need to exercise their responsibilities effectively regarding regularity and propriety of expenditure

2.3.2 The Accountable Officer has a responsibility to ensure that the Board achieves high standards of regularity and propriety in the consumption of resources. Regularity involves compliance with relevant legislation (including the annual Budget Act), relevant guidance issued by the Scottish Ministers - in particular the Scottish Public Finance Manual - and any framework document (e.g. Management Statement / Financial Memorandum) setting out the accountability arrangements and other relevant matters. Propriety involves respecting the Parliament's intentions and conventions and adhering to values and behaviours appropriate to the public sector.

2.3.3 The Accountable Officer has a responsibility for ensuring compliance with parliamentary requirements in the control of expenditure. A fundamental requirement is that funds should be applied only to the extent and for the purposes authorised by Parliament in Budget Acts (or otherwise authorised by section 65 of the Scotland Act 1998). Parliament's attention must be drawn to losses or special payments by appropriate notation of the organisation's Accounts. In the case of expenditure approved under the Budget Act, any payments must be within the scope and amount specified in that Act.

2.3.4 In his/her stewardship of public funds all actions must be able to stand the test of parliamentary scrutiny, public judgements on propriety and professional codes of conduct. The Accountable Officer must not misuse his / her official position to further his / her private interests and care should be taken to avoid actual, potential, or perceived conflicts of interest.

2.4 Advice to the Body

2.4.1 In accordance with section 15(8) of the PFA Act the Accountable Officer has particular responsibility to ensure that, where he / she considers that any action that he / she is required to take is inconsistent with the proper performance of his / her duties as Accountable Officer, he / she obtain written authority from the body for which he / she is designated and to send a copy of this as soon as possible to the Auditor General. A copy of such written authority should also be sent to the Clerk to the Public Audit Committee.

The Accountable Officer should ensure that appropriate advice is tendered to the body on all matters of financial propriety and regularity and on the economic, efficient and effective use of resources. The Accountable Officer will need to determine how and in what terms such advice should be tendered, and whether in a particular case to make specific reference to his / her own duty as Accountable Officer to seek written authority and notify the Auditor General.

2.4.2 The Accountable Officer has particular responsibility to see that appropriate advice is tendered to the body on all matters of financial propriety and regularity and on the economic, efficient and effective use of resources. If he / she considers that the body is contemplating a course of action which is considered would infringe the requirements of financial regularity or propriety or that could not be defended as representing value for money within a framework of Best Value he / she should set out in writing the objection to the proposal and the reasons for this objection. If the body decides to proceed, he / she should seek written authority to take the action in question. In the case of a body sponsored by the Scottish Government the sponsor Directorate should be made aware of any such request in order that, where considered appropriate, it can inform the relevant Scottish Government Accountable Officer and Cabinet Secretary / Minister. Having received written authority he / she must comply with it, but should then, without undue delay, pass copies of the request for the written authority and the written authority itself to the Auditor General and the Clerk to the Public Audit Committee.

2.4.3 If because of the extreme urgency of the situation there is no time to submit advice in writing to the body in either of the eventualities referred to in paragraph 2.5.2 before the body takes a decision, the Accountable Officer must ensure that, if the body overrules the advice, both his / her advice and the body's instructions are recorded in writing immediately afterwards.

2.4.4 If the Accountable Officer is also a member of the Management Board of the body, he / she should ensure that his / her responsibilities as Accountable Officer do not conflict with those as a Board member. For example, if the body proposes action which as Accountable Officer he / she could not endorse and would therefore advise against he / she should, as a Board member, vote against such action, or ensure that opposition as a Board member as well as Accountable Officer is clearly recorded if no formal vote is taken. It will not be sufficient to protect his / her position as a Board member merely by abstaining from a decision which cannot be supported.

2.5 Appearance before the Public Audit Committee

2.5.1 Under section 23 of the PFA Act the Auditor General may initiate examinations into the economy, efficiency and effectiveness with which any part of the Scottish Administration, or certain other bodies, have used their resources in discharging their functions. The Accountable Officer may expect to be called upon to appear before the Public Audit Committee to give evidence on reports arising from any such examinations involving his / her body. The Accountable Officer will also be expected to answer the questions of the Committee concerning resources and accounts for which he / she is Accountable Officer and on related activities. He / she may be supported by other officials who may, if necessary, join in giving evidence or the Committee may agree to hear evidence from other officials in his / her absence.

2.5.2 He / she will be expected to furnish the Committee with explanations of any indications of weakness in the matters covered by paragraphs 2.3 above, to which their attention has been drawn by the Auditor General or about which they may wish to question him / her.

2.5.3 In practice, the Accountable Officer will have delegated authority widely, but cannot on that account disclaim responsibility. Nor, by convention, should he / she decline to answer questions where the events took place before his / her designation.

2.5.4 The Accountable Officer must make sure that any written evidence or evidence given when called as a witness before the Public Audit Committee is accurate. He / she should also ensure that he / she is adequately and accurately briefed on matters that are likely to arise at the hearing. He / she may ask the Committee for leave to supply information not within his / her immediate knowledge by means of a later note. Should it be discovered subsequently that the evidence provided to the Committee has contained errors, he / she should let this be made known to the Committee at the earliest possible moment.

2.5.5 In general, the rules and conventions governing appearances of officials before Committees of the Scottish Parliament apply, including the general convention that officials do not disclose the advice given to the body. Nevertheless, in a case where he / she was overruled by the body on a matter of propriety or regularity, his / her advice would be disclosed to the Committee. In a case where he / she were overruled by the body on the economic, efficient and effective use of resources the Auditor General will have made clear in the report to the Committee that he / she was overruled. He / she should, however, avoid disclosure of the precise terms of the advice given to the body or disassociation from the decision. Subject, where appropriate, to the body's agreement he / she should be ready to discuss the costs, benefits and risks of options considered and explain the reasoning for the decision taken. He / she may also be called on to satisfy the Committee that all relevant financial considerations were brought to the body's attention before the decision was taken.

2.6 Absence of Accountable Officer

2.6.1 The Accountable Officer should ensure that he / she is generally available for consultation, and that in any temporary period of unavailability due to illness or other cause, or during the normal period of annual leave, there will be a senior officer in the body who can act on his / her behalf if required.

2.6.2 In the event of the Accountable Officer not being available the Nursing & AHP Director shall deputise in any required capacity, as authorised to do so.

2.6.3 If it becomes clear to the body that he / she is so incapacitated that he / she will not be able to discharge these responsibilities over a period of four weeks or more, it should notify the Principal Accountable Officer of the NHS in Scotland so that he / she can appoint an Accountable Officer, pending return. The same applies if, exceptionally, he / she plans an absence of more than four weeks during which he / she cannot be contacted.

2.6.4 Where the Accountable Officer is unable by reason of incapacity or absence to sign the accounts in time for them to be submitted to the Auditor General the body may submit unsigned copies pending his / her return.

3 ALL LOCATIONS, ESTIMATES, PLANNING, BUDGETS, BUDGETARY CONTROL AND MONITORING

3.1 Preparation and Approval of the Financial Plan and Budgets

3.1.1 The Chief Executive will compile and submit to the Board for approval annually a strategic plan covering a three/ five year period (as specified by SGHSCD). This shall include financial targets and spending proposals and forecast limits of available resources. The annual strategic plan will contain:

a) A statement of the strategies and significant assumptions on which the plan is based
b) Details of major changes in workforce, delivery of services or resources required to achieve the plan
c) Details of the performance management arrangements in place, including national and local targets.

3.1.2 The Finance Director will, on behalf of the Chief Executive, prepare and submit budgets for approval by the Board before the start of the financial year. Where it is not possible to agree a full budget, a roll forward budget will be approved prior to the start of the financial year, with a full budget approved by end June. Such budgets will:

- Be in accordance with the aims and objectives set out in the strategic plan
- Accord with workload and workforce plans
- Be produced following discussion with appropriate budget holders
- Be prepared within the limits of available funds
- Identify the assumptions used in their preparation and potential risks
- Reflect SGHSCD indicative budgets

3.1.3 The Finance Director will monitor financial performance against budget and strategic plan, periodically review them, and report to the Board.

3.1.4 All budget holders must provide information as required by the Finance Director to enable budgets, plans, estimates and forecasts to be compiled.

3.2 Budgetary Delegation

3.2.1 The Chief Executive may, within limits approved by the Board, delegate the management of a budget to permit the performance of a defined range of activities. This delegation must be in writing and be accompanied by a clear definition of:

a) Amount of the budget
b) Purpose(s) of each budget heading
c) Individual and group responsibilities
d) Authority to exercise virement
e) Achievement of planned levels of service
f) The provision of regular reports.

3.2.2 The Chief Executive and delegated budget holders must not exceed the budgetary total or virement limits set by the Board in the Scheme of Delegation.

3.2.3 Any budgeted funds not required for their designated purpose(s) revert to the immediate control of the Chief Executive, subject to any authorised use of virement.

3.2.4 Non-recurring budgets should not be used to finance recurring expenditure without the authority in writing of the Chief Executive.

3.2.5 Expenditure for which no provision has been made in approved plans and budgets and outwith delegated virement limits may only be incurred after authorisation by the Chief Executive or the Finance Director acting on their behalf, or the Board, dependant on the nature and level of expenditure.

3.3 Budgetary Control and Reporting

3.3.1 The Finance Director shall monitor financial performance against budget and plan, periodically review them, and report to the Board. There should be a locally agreed mechanism for the early identification and reporting of exceptional financial pressures that cannot be managed.

3.3.2 The Finance Director will devise and maintain systems of budgetary control. These will include:

a) Financial reports to the Board at each meeting in a form approved by the Board containing:

- Revenue resource and expenditure to date showing trends and forecast year-end position against budget
- Performance against statutory targets
- Capital project spend and projected outturn against plan
- Explanations of any material variances from plan
- Where necessary, details of any corrective action and the Chief Executive's and/or Finance Director's view of whether such actions are sufficient to correct the situation
- Changes in the resources available to the Board
- Report on budgetary transfers.

b) The issue of timely, accurate and comprehensible advice and financial reports to each budget holder, covering the areas for which they are responsible
c) Investigation and reporting of variances from financial, workload and workforce budgets
d) Monitoring of management action to correct variances
e) Arrangements for the authorisation of budget transfers.

3.3.3 Each Budget Holder is responsible for ensuring that:

a) Any likely overspending or reduction of income which cannot be met by virement is not incurred without prior consent
b) The amount provided in the approved budget is not used in whole or in part for any purpose other than that specifically authorised subject to the rules of virement
c) No permanent employees other than those provided for in the budgeted establishment as approved by the Board are appointed without the approval of the Senior Management Team and signed off by the Finance Director.

3.3.4 The Finance Director has a responsibility to ensure that adequate training is delivered on an on-going basis to budget holders to help them manage successfully.

3.4 Cost Improvements and Income Generation

3.4.1 The Chief Executive is responsible for identifying and implementing cost improvements and income generation initiatives in accordance with the requirements of the strategic plan and a balanced budget.

3.5 Capital Expenditure

3.5.1 The general rules applying to delegation SFI 3.2 and reporting SFI 3.3 also apply to capital expenditure. (The particular applications relating to capital expenditure are in SFI 7).

3.6 Financial Performance Returns

3.6.1 The Chief Executive is responsible for ensuring that the required financial performance returns are submitted to the SGHSCD.

4 ANNUAL ACCOUNTS AND REPORTS

4.1.1 The Board is responsible for ensuring proper accounting records are maintained which disclose with reasonable accuracy, at any time, the financial position of the Board and enable the Board to ensure that the accounts comply with the National Health Service (Scotland) Act 1978 and the requirements of the SGHSCD.

4.1.2 The Board, in regard to the preparation of accounts, is required to:

a) Select suitable accounting policies and then apply them consistently
b) Make judgements and estimates that are reasonable and prudent
c) State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts
d) Prepare the accounts on the going concern basis unless it is inappropriate to assume that the Board will continue to operate.

4.1.3 The Finance Director, on behalf of the Board, will:

a) Prepare, for the Board, periodic and annual financial reports in accordance with the accounting policies and guidance given by the SGHSCD and the Treasury, the Board's accounting policies, and generally accepted accounting practice
b) Prepare and submit annual financial reports to the Scottish Ministers certified in accordance with current guidelines
c) Submit financial returns to the Scottish Ministers for each financial year in accordance with the timetable prescribed by the SGHSCD.

4.1.4 The following statements will be completed and attached to the annual accounts:

a) Statement of the Chief Executive's Responsibilities as the Accountable Officer of the NHS Board
b) Statement of NHS Board Members' Responsibilities in Respect of the Accounts
c) A management commentary comprising of an Annual Report which includes a Performance Report and Accountability Report
d) Remuneration and Staff Report
e) Governance Statement

4.1.5 The Board's audited annual accounts must be presented to a public meeting, not later than 6 months after the Board's accounting date. The audited annual accounts shall not be presented until the Audit Committee has approved them in the first instance and then the Board and thereafter laid before the Scottish Parliament.

4.1.6 The Board will publish an annual report after the Annual Accounts have been laid before the Scottish Parliament in accordance with guidelines on local accountability, and present it at a public meeting, (MEL(1994) 80, Guidance to NHS Scotland, Preparation of Local NHS Annual Reports 2001-2002). The document will comply with the Boards Manual for Accounts.

5 BANK AND GOVERNMENT BANKING SERVICE (GBS)

5.1 General

5.1.1 The Finance Director is responsible for managing the Board's banking arrangements and for advising the Board on the provision of banking services and operation of accounts. This advice will take into account guidance/directions issued from time to time by the SGHSCD.

5.1.2 The Board will implement Project Bank Accounts (in construction contracts) where the project value is greater than the monetary limits detailed within Scottish Government guidance "Implementing Project Bank Accounts in Construction Contracts" dated 20 December 2016. This guidance applies to relevant bodies in scope of the Scottish Public Finance Manual (SPFM).

5.1.3 No employee shall hold Board monies in any Bank accounts outwith those approved by the Board. The Finance Director shall be notified of all funds held on behalf of the Board. This should be taken to include Exchequer Funds, Patients Private Funds and Project Bank Accounts.

5.1.4 Banking arrangements shall comply with current guidance as in MEL (2000)39, HDL (2001) 49 and subsequent guidance.

5.2 Bank and GBS

5.2.1 The Finance Director is responsible for:

a) Establishing bank account(s) for the Board's exchequer funds
b) Establishing separate bank accounts for the Board's non-exchequer funds (including Project Bank Accounts)
c) Ensuring payments made from bank accounts do not exceed the amount credited to the account except where arrangements have been made
d) Reporting to the Board all arrangements made with the Board's bankers for accounts to be overdrawn.

5.3 Banking Procedures

5.3.1 The Finance Director will prepare detailed instructions on the operation of bank accounts, which must include:

a) The conditions under which each account is to be operated
b) The limit to be applied to any overdraft
c) Those authorised to sign cheques or other orders drawn on the Board's bank accounts, and the limits of their authority.

5.3.2 The Finance Director must advise the Board's bankers in writing of the conditions under which each account will be operated, including the Board's resolution. No other officer than the Finance Director shall open an account in the name of The State Hospital.

5.3.3 The Scottish Minister will be able to direct where Boards may invest temporary cash surpluses. This in practice will be restricted to GBS accounts with the effect of reducing overall exchequer borrowing. Temporary cash surpluses shall only be held in GBS account. Required amounts will be transferred to the commercial bank account as required to cover any salary or creditor payments. The amount of working cash held in commercial accounts should be limited to no more than £50,000. Any excess funds should be invested with the GBS accounts.

6 INCOME, FEES AND CHARGES AND SECURITY OF CASH, CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS

6.1 Income Systems

6.1.1 The Finance Director is responsible for designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, collection and coding of all monies due.

6.1.2 The Finance Director is also responsible for the prompt banking of all monies received.

6.2 Fees and Charges

6.2.1 The Board shall follow the SGHSCD's guidance in setting prices for services.

6.2.2 The Finance Director is responsible for approving and regularly reviewing the level of all fees and charges other than those determined by the SGHSCD or by Statute. Independent professional advice on matters of valuation shall be taken as necessary.

6.2.3 All employees must inform the Head of Financial Accounts promptly of money due arising from transactions which they initiate/deal with, including all contracts, service agreements, leases, tenancy agreements, private patient undertakings and other transactions.

6.3 Debt Recovery

6.3.1 The Finance Director is responsible for the appropriate recovery action on all outstanding debts and overpayments.

6.3.2 Income not received should be dealt with in accordance with losses procedures.

6.3.3 Overpayment when detected should be recovered.

6.3.4 The Finance Director shall establish procedures for the write-off of debts after all reasonable steps have been taken to secure payment.

6.4 Security of Cash, Cheques and Other Negotiable Instruments

6.4.1 The Finance Director is responsible for:

a) Approving the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable
b) Ordering and securely controlling any such stationery
c) Provision of adequate facilities and systems for employees whose duties include collecting and holding cash, including the provision of safes or lockable cash boxes, the procedures for keys, and for coin operated machines and for absence cover
d) Prescribing systems and procedures for handling cash and negotiable securities on behalf of the Board.

6.4.2 All officers whose duty it is to collect or hold cash shall be provided with a safe or with a lockable cash box, which will normally be deposited in a safe. The officer concerned shall hold only one key and all duplicates shall be lodged with the Finance department or other officer authorised by the Finance Director, and suitable receipts obtained. The loss of any key shall be reported immediately to the Finance Director. The Finance Director, on receipt of a satisfactory explanation, shall authorise the release of the duplicate key. The Finance Director shall arrange for all new safe keys to be dispatched directly to him/her from the manufacturers. The Finance Director shall be responsible for maintaining a register of authorised holders of safe keys.

6.4.3 The Finance Director shall prescribe the system for the transporting of cash and un-crossed pre-signed cheques and shall approve, where appropriate, the use of the services of a specialist security firm.

6.4.4 During the absence (e.g. on holiday) of the holder of a safe key or cash box key, the officer who acts his/her place shall be subject to the same controls as the normal holder of the key. There shall be written discharge for the safe and/or cash box contents on the transfer of responsibilities and the discharge document must be retained for inspection.

6.4.5 Any loss or shortfall of cash, cheques or other negotiable instruments, however occasioned, shall be reported immediately in accordance with the agreed procedure for reporting losses. (See Section 15 – Disposals and Condemnations, Losses and Special Payments).

6.4.6 Official money shall not under any circumstances be used for the encashment of private cheques.

6.4.7 All cheques, postal orders, cash etc, shall be banked intact and promptly. Disbursements shall not be made from cash received, except under arrangements approved by the Finance Director.

6.4.8 The holders of safe keys shall not accept unofficial funds for depositing in their safes unless such deposits are in special sealed envelopes or locked containers. It shall be made clear to the depositors that the Board is not to be held liable for any loss, and written indemnities must be obtained from the organisation or individuals absolving the Board from responsibility for any loss.

6.4.9 Large sums of cash collected for unofficial purposes (e.g. for retirements, leavers) should not be retained at ward / department level. Such funds should be passed to the finance department for lodgement in the safe. Once the collection is complete the cash will be returned to the collector.

7 CAPITAL INVESTMENT, FIXED ASSET REGISTERS AND SECURITY OF ASSETS

7.1 Capital Investment

7.1.1 The Chief Executive:

a) Shall ensure that there is an adequate appraisal and approval process, detailed in the Financial Operating Procedures, in place for determining capital expenditure priorities and the effect of each proposal upon service plans. These should form part of the Boards' Property and Asset management strategy.
b) Is responsible for ensuring that a Capital programme, showing the full, lifetime cost of each project, is brought to the Board for approval at the start of each financial year, in a format agreed by the Board
c) Is responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost
d) Shall ensure that the capital investment is not undertaken without confirmation of Board support and the availability of resources to finance all revenue consequences, including capital charges.

7.1.2 For every capital expenditure proposal over £2,000,000 (£1,000,000 if IM&T project) the Chief Executive shall ensure:

a) That a business case (in line with the guidance contained within the Scottish Capital Investment Manual) is produced, for the approval of the Board, setting out:

- An option appraisal of potential benefits compared with known costs to determine the option with the highest ratio of benefits to costs
- Appropriate project management and control arrangements

b) That the Finance Director has certified professionally to the costs and revenue consequences detailed in the business case.

7.1.3 For capital schemes where the contracts stipulate staged payments, the Chief Executive will issue procedures for their management.

7.1.4 The Finance Director shall issue procedures for the regular reporting of expenditure and commitment against authorised expenditure, including reporting to the Board.

7.1.5 The approval of a capital programme shall not constitute approval for expenditure on any scheme.

7.1.6 The approval of the Chief Executive shall be required for any variations which exceed the lower of £25,000 or 10% of approved expenditure of any scheme.

7.1.7 The Chief Executive shall issue to the manager responsible for any scheme:

a) Authority to proceed to tender
b) Approval to accept a successful tender within established limits
c) Guidance on relevant legislation, SGHSCD requirements, Board procedures etc.

7.1.8 The Chief Executive will issue a scheme of delegation for capital investment management in accordance with Scottish Capital Investment Manual guidance and the Board's Standing Orders.

7.1.9 The Finance Director shall issue procedures governing the financial management, including variations to contract, of capital investment projects and valuation for accounting purposes.

7.2 Asset Registers

7.2.1 The Chief Executive is responsible for the maintenance of registers of assets, taking account of the advice of the Finance Director concerning the form of any register and the method of updating, and arranging for a physical check of assets against the asset register to be conducted once a year. The minimum data set to be held within the registers shall be as specified in CEL (2010)35 as issued by the SGHSCD.

7.2.2 Additions to the fixed asset register must be clearly identified and be validated by reference to:

a) Properly authorised and approved agreements, architect's certificates, supplier's invoices and other documentary evidence in respect of purchases from third parties
b) Stores, requisitions and wages records for own materials and labour including appropriate overheads
c) Lease agreements in respect of assets held under a finance lease and capitalised.

7.2.3 Where capital assets are sold, scrapped, lost or otherwise disposed of, their value must be removed from the accounting records and each disposal must be validated by reference to authorisation documents and invoices (where appropriate).

7.2.4 The Finance Director shall approve procedures for reconciling balances on fixed asset accounts in ledgers against balances on fixed asset registers.

7.2.5 The value of each asset shall be revalued or indexed and depreciated in accordance with guidance issued by the SGHSCD.

7.3 Security of Assets

7.3.1 The overall control of fixed assets is the responsibility of the Chief Executive.

7.3.2 Asset control procedures (including fixed assets, cash, cheques and negotiable instruments, and also including any donated assets) must be approved by the Finance Director. This procedure shall make provision for:

a) Recording managerial responsibility for each asset
b) Identification of additions and disposals
c) Identification of all repairs and maintenance expenses
d) Physical security of assets
e) The express prohibition of any unauthorised use or disposition of Board assets
f) Periodic verification of the existence of, condition of, and title to, assets recorded
g) Identification and reporting of all costs associated with the retention of an asset
h) Reporting, recording and safekeeping of cash, cheques, and negotiable instruments.

7.3.3 The Finance Director shall prepare procedural instructions on the security and checking and disposal of assets (including cash, cheques and negotiable instrument, and also including donated assets).

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

7.3.5 Each employee has a responsibility for the security of property of the Board and it is the responsibility of directors and senior employees in all disciplines to ensure appropriate routine security practices in relation to NHS property as may be determined by the Board are applied. Any breach of agreed security practices must be reported in accordance with instructions.

7.3.6 The Chief Executive is responsible for the maintenance of registers of assets, taking account of the advice of the Finance Director concerning the form of any register and the method of updating.

7.3.7 Any damage to the Board's premises, vehicles and equipment, or any loss of equipment, stores or supplies must be reported by directors and employees in accordance with the procedure for reporting losses.

7.3.8 Registers shall be maintained by the responsible officer for:

- Equipment on loan;
- Leased equipment.

7.3.9 Where practical, assets should be marked as Board property.

7.4 Sale of Property, Plant and Equipment,

7.4.1 There is a requirement to achieve best value for money when disposing of property, plant and equipment assets belonging to the Board. Competitive tendering should normally be undertaken in line with the requirements of SFI 10.3.

7.4.2 Competitive Tendering or Quotation procedures shall not apply to the disposal of:

a) Any matter in respect of which a fair price can be obtained only by negotiation or sale by auction as determined (or pre-determined in a reserve) by the Chief Executive or their nominated officer
b) Obsolete or condemned articles and stores, which may be disposed of in accordance with the supplies policy of the Board
c) Items to be disposed of with an estimated sale value of less than £5,000 this figure to be reviewed annually
d) Items arising from works of construction, demolition or site clearance, which should be dealt with in accordance with the relevant contract
e) Land or buildings concerning which SGHSCD guidance has been issued but subject to compliance with such guidance.
f) Assets that can be transferred to another NHS body at their Net Book value.

7.4.3 Managers must ensure that:

a) All assets are be disposed of in accordance with MEL(1996)7 'Sale of surplus and obsolete goods and equipment'
b) The Finance Director is notified of the disposal of any such assets
c) All proceeds from the disposal of such assets are notified to the Finance Director.

8 SERVICE LEVEL AGREEMENTS (SLAs)

8.1.1 Service Level Agreements between two NHS organisations, for example by Health Boards with Boards for the supply of healthcare services, are subject to the provisions of the NHS and Community Care Act 1990. Such contracts do not give rise to legal rights or liabilities but a dispute may be referred to SGHSCD.

8.1.2 Service level agreements provided by the independent healthcare sector on behalf of the NHS are subject to the provisions of HDL (2005) 41. This letter sets out the arrangements that should apply for ensuring the quality of services and identifies that the Chief Executive should ensure the necessary contracting and clinical governance arrangements are put in place.

8.1.3 The Chief Executive is responsible for ensuring Service Level Agreements are agreed and in place before 1 April each year, following discussion between the relevant Boards. The following areas should be covered:

a) Costing and pricing of services
b) Tendering of services
c) Terms and conditions for funding
d) Monitoring of service provision, quality and performance.

8.1.4 Service Level Agreements for The State Hospital providing services to other Boards should be so devised as to minimise risk whilst maximising the Board's opportunity to generate income. Any pricing at marginal cost must be undertaken by the Finance Director and reported to the Board where material. Non-recurrent income should not be used for recurrent purposes without the authority in writing of the Chief Executive.

9 TERMS OF SERVICE AND PAYMENT OF EXECUTIVE DIRECTORS AND EMPLOYEES

9.1 Remuneration and Terms of Service

9.1.1 The Board has established a Remuneration Committee, with clearly defined terms of reference, specifying which posts fall within its area of responsibility, its composition, and the arrangements for reporting (MEL(94) 80).

9.1.2 The Board will remunerate the Chairperson and Non-Executive Directors in accordance with instructions issued by Scottish Ministers.

9.1.3 The Remuneration Committee will:

a) Advise the Board about appropriate Remuneration and Terms of Service for the Chief Executive and other Executive Directors (and other senior employees), including:

- All aspects of salary (including any performance related elements/bonuses)
- Provisions for other benefits, including pensions and cars
- Arrangements for termination of employment and other contractual terms.

b) Make such recommendations to the Board on the Remuneration and Terms of Service of Executive Directors (and other senior employees) to ensure they are fairly rewarded for their individual contribution to the Board – having proper regard to the Board's circumstances and performance and to the provisions of any national arrangements for such staff where appropriate.

c) Monitor and evaluate the performance of individual Executive Directors (and other senior employees)

d) Advise on and oversee appropriate contractual arrangements for such staff including the proper calculation and scrutiny of termination payments taking into account such national guidance as is appropriate.

9.1.4 The Remuneration Committee shall report in writing to the Board the basis for its recommendations. The Board shall use the report as the basis for its decisions, but remain accountable for taking decisions on the Remuneration and Terms of Service of Executive Directors. Minutes of the Board's meetings should record such decisions.

9.1.5 The Board will approve proposals presented by the Chief Executive for setting of Remuneration and Terms and Conditions of service for those employees not covered by the Committee.

9.2 Funded Establishment

9.2.1 The workforce plans incorporated within the annual budget will form the funded establishment.

9.2.2 The funded establishment of any department may not be varied, after approval of the annual budget, without the approval of the Chief Executive through the Senior Management Team subject to section 3 of the Scheme of Delegation.

9.3 Staff Appointments

9.3.1 No director or employee may engage, re-engage, or re-grade employees, either on a permanent or temporary basis, or hire agency staff, or agree to changes in any aspect of remuneration:

a) Unless given delegated authority to do so by the Chief Executive
b) Within the limit of his/her approved budget and funded establishment
c) In accordance with procedures approved by the Human Resources Director.
d) In accordance with the relevant pay scales / Terms and Conditions of service.

9.3.2 The Board will approve procedures presented by the Chief Executive for the determination of commencing pay rates, condition of service, etc, for employees.

9.3.3 The budget impact of all staff appointments must have the authorisation of the Finance Director or his/her delegated officer, before appointment.

9.4 Contracts of Employment

9.4.1 The Human Resources Director will be responsible for:

a) Ensuring that all employees are issued with a Contract of Employment in a form approved by the Board and which complies with employment legislation
b) Dealing with variations to, or termination of, contracts of employment.

9.5 Pay and Payroll Documentation

9.5.1 The Human Resources Director is responsible for ensuring that proper arrangements are in place for:

a) The final determination of pay and expenses
b) Verification authorisation and documentation of payroll data
c) Verification and authorisation of expenses payments
d) Prescribing the form of appointment, notification of change and termination forms
e) Prescribing the form of completion of time records and other payroll notifications
f) Prescribing the form for claiming expenses
g) Ensuring the arrangements for the determination, verification and notification of pay and payroll data are supported by appropriate (contract) terms and conditions of service, adequate internal controls and audit review procedures.

9.5.2 Each Director and employee is responsible for complying with the systems in place in the Board for the prompt and accurate provision of information related to the verification of their personal entitlement to pay and expenses and for complying with appropriate Terms and Conditions of Service.

9.5.3 All payroll change forms must be authorised by the Finance Director.

9.6 Processing of Payroll

9.6.1 The Finance Director is responsible for:

a) Specifying timetables for submission of properly authorised time records, other payroll notifications and authorised expense claims
b) Making payment on agreed dates
c) Agreeing method of payment to be by bank credit (BACS).

9.6.2 The Finance Director will issue instructions regarding:

a) The timetable for receipt and preparation of payroll data and the payment of employees
b) Maintenance of subsidiary records for superannuation, income tax, social security benefits, arrestments and other authorised deductions from pay
c) Security and confidentiality of payroll information
d) Checks to be applied to completed payroll after processing
e) Authority to release payroll data under the provisions of the Data Protection Act
f) Method of payment to employees will be bank credit (BACS)
g) Procedures for payment by bank credit to employees
h) Procedures for the recall before payment of bank credits
i) The collection of payroll deductions and payment of these to appropriate bodies
j) Pay advances and their recovery
k) Maintenance of regular and independent reconciliation of pay control accounts
l) Separation of duties of compiling payroll and checking of payroll after processing
m) A system to ensure the recovery from employees or leavers of sums of money and/or property due by them to the Board
n) Ensuring payroll processing is supported by adequate internal controls and audit review procedures.

9.6.3 Appropriately nominated managers have delegated responsibility for:

a) Completing accurate roster records consistent with approved conditions of service, and other notifications in accordance with agreed timetables
b) Completing roster records and other notifications in accordance with the Human Resources Director's instructions and in the form prescribed by the him/her
c) Submitting commencement, change or termination forms in the prescribed form immediately upon knowing the effective date of the relevant date. Where an employee fails to report for duty in circumstances that suggest they have left without notice, the Human Resources Director must be informed immediately.

9.7 Settlement Agreements, Early Retirement and Redundancy

9.7.1 The Human Resources Director, jointly with the Finance Director is responsible for:

a) Ensuring compliance with the guidance issued by the Health Workforce and Performance Directorate in the situations described above.
b) Ensuring that detailed, accurate costings are produced showing the impact of any instances of early retirement/redundancy on the financial performance of the Board.

9.8 Relocation Expenses

9.8.1 The Human Resources Director is responsible for:

a) Preparing a policy relating to the payment of removal expenses and presenting it to the Board for approval
b) Maintaining detailed procedures for the implementation of this policy
c) Ensuring that monitoring and tracking arrangements are in place for the payment of such expenses.

9.9 Non Salary Rewards

9.9.1 The Scottish Public Finance Manual sets out arrangements for establishment of non salary reward schemes, and provides the following examples:

- Cash bonuses
- Amenities and recreational facilities

- Gifts, vouchers, and entertainment offered as rewards under recognition schemes
- Payment by the employer of its staffs' personal subscriptions to sports or leisure clubs
- Rewards leading to donations to a charity or other external body
- Provision of cars where they are needed for official purposes and are covered by an existing and agreed scheme which includes charging for any private use.

9.9.2 The Scottish Government Finance Pay Policy Team should be consulted prior to the implementation of any non-salary reward scheme to determine whether it will require approval under the Public Sector Pay Policy for Staff Pay Remits or Senior Appointments.

9.9.3 The tax implications for both employers and employees of the provision of all non-salary rewards – cash and non-cash – should be carefully considered. In considering such schemes, it may be appropriate for the Finance Director to seek expert PAYE advice.

9.9.4 When consulting about a proposed scheme, or advising employees of a scheme to be implemented, the Human Resource Director should ensure that mechanisms are in place to advise employees of the tax implications for recipients and how these are to be handled.

10 NON-PAY EXPENDITURE

10.1 Delegation of Authority

10.1.1 The Board will approve the total level of non-pay expenditure on an annual basis and the Chief Executive will determine the level of delegation to budget holders.

10.1.2 The Finance Director will identify:

a) Managers who are authorised to place requisitions for the supply of goods and services
b) The maximum level of each requisition and the system for authorisation above that level.

10.1.3 The Finance Director shall set out procedures on the seeking of professional advice regarding the supply of goods and services.

10.2 Choice, Requisitioning, Ordering, Receipt and Payment for Goods and Services

10.2.1 The requisitioner, in choosing the item to be supplied (or the service to be performed) shall always seek to obtain the best value for money for the Board through the application of these SFIs, and of all relevant Financial Operating Procedures. In so doing, the advice of the Board's Procurement Manager shall be sought.

10.2.2 National contracts agreed by National Procurement, should be used wherever possible, HDL (2006)39, updated by CEL 05(2012). The Accelerated Procurement initiative was established by the NHS Chief Executive Officers' Group in August 2010. The group recognised the essential nature of the engagement between procurement professionals and the wider Health Board teams to maximise the delivery of benefits for NHSScotland, and to ensure that appropriate professional input from across the service is provided to assist in Best Value outcomes for procurement activity. This work was developed further and is now controlled within the NHSScotland Procurement Steering Group. The key principles of this engagement are set out below:

a) National, regional & local contracts: Where national, regional or local contracts exist (including framework arrangements) the overriding principle is that use of these contracts is mandatory. Only in exceptional circumstances and only with the authority of the Board's Procurement Manager or the Finance Director, based on existing schemes of delegation, shall goods or services be ordered out-with such contracts. Procurement leads will work with National Procurement and other national contracting organisations to ensure best value decisions are made, and that a record of exceptions is maintained for review.
b) Engagement: Technical User Groups (TUGs) should be established by each Health Board for key projects with decision making powers from their Executive Board through a scheme of delegation. Each TUG will be responsible for supplier award and product selection decision making within their Board for local contracts and will provide representation to national CAP (Clinical/Commodity Advisory Group) panels for national contract activity. The decision of the TUG will be mandatory across the Board and will be made prior to development of national contract tendering activities.
c) CAP Panel Membership: CAP panels will have a membership consistent with the principle of decision making based on the consensus of the majority of informed users. Boards should ensure that appropriate representation, based upon the clinical or commodity area concerned is released to and provided with the appropriate authority to input on behalf of a Board and/or clinical specialism.
d) Commitment Contracts: The CAP and TUG groups will work to the principle of seeking to award Commitment based contracts. This means where possible a supplier(s) will be selected for an agreed volume of business by each Board and such volumes aggregated to provide a national commitment level.

Where commitment cannot be provided, CAP and TUG groups will support the principles of reduced variation and increased consistency, commensurate with clinical and operational requirements.

e) eCommerce Systems: In support of governance and transparency each Board should adopt the Scottish Government national eCommerce solutions and associated business processes for all procurement activity. These solutions will include Public Contracts Scotland, Public Tenders Scotland, Collaborative Content Management and Pecos. Use of alternative or local systems for procurement activity must be approved by the Board's Procurement Manager or the Finance Director, based on existing schemes of delegation. Procurement leads will work with National Procurement and any other relevant bodies to ensure appropriate decisions are made.

f) Transparency: All awards whether from existing framework contracts or local tender processes will be established following the principles of openness and transparency. This requires clear specifications of need and award criteria against which competing offers can be assessed. All members of evaluation panels must confirm that they have no conflict of interest in relation to the specific procurement activity. Any individual wishing to challenge an award decision must also confirm likewise. Any member of staff who confirms a conflict of interest will not be able to be involved in such panels or challenges.

g) No Purchase Order */* No Payment: Each Board must implement a policy where no payment shall be made to any supplier where there is no pre-let purchase order. Only if a separately agreed payment mechanism has been pre-arranged should direct payments be made. Each supplier should be formally notified of this and the limit of the Board's liability if they proceed with supply without such order cover.

10.2.3 The Finance Director shall be responsible for the prompt payment of accounts and claims. Payment of contract invoices shall be in accordance with contract terms, or otherwise, in accordance with national guidance.

10.2.4 The Finance Director will:

a) Advise the Board regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds should be incorporated in SFI 10.3 and reviewed regularly

b) Prepare procedural instructions where not already provided in the Scheme of Delegation or procedure notes for budget holders on the obtaining of goods, works and services incorporating the thresholds

c) Be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable. The system shall provide for:

- A list of directors/employees (including specimens of their signatures) authorised to order goods/certify invoices and the limits of that authority.
- Certification that:

  - ✓ Goods have been duly received, examined and are in accordance with specification and the prices are correct
  - ✓ Work done or services rendered have been satisfactorily carried out in accordance with the order, and, where applicable, the materials used are of the requisite standard and the charges are correct
  - ✓ In the case of contracts based on the measurement of time, materials or expenses, the time charged is in accordance with the time sheets, the rates of labour are in accordance with the appropriate rates, the materials have been checked as regards quantity, quality, and price and the charges for the use of vehicles, plant and machinery have been examined
  - ✓ Where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained

- ✓ The setting of thresholds for matching invoices to orders and good received notes – above which additional budget holder authorisation is required
- ✓ The account is arithmetically correct
- ✓ The account is in order for payment

- A timetable and system for submission to the Finance Director of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment.
- Instructions to employees regarding the handling and payment of accounts within the Finance Department

d) Be responsible for ensuring that payment for goods and services is only made once the goods and services are received, (except as below).

10.2.5 Prepayments are only permitted where exceptional circumstances apply. In such instances:

- Prepayments are only permitted where the financial advantages outweigh the disadvantages and the intention is not to circumvent cash limits.
- The appropriate Director must provide, in the form of a written report, a case setting out all relevant circumstances of the purchase. The report must set out the effects on the Board, if the supplier is at some time during the course of the prepayment agreement, unable to meet his commitments. The report must include a statement of support from the Procurement Manager for the proposed prepayment agreement.
- The Finance Director will need to be satisfied with the proposed arrangements before contractual arrangements proceed.
- The budget manager/holder is responsible for ensuring that all items due under a prepayment contract are received and he/she must immediately inform the appropriate Director or the Chief Executive if problems are encountered.
- Regardless of the arrangements for paying suppliers, the Finance Director shall ensure that the chosen method is supported by appropriate (contracted) terms and conditions, adequate internal controls and audit review procedures and that suitable arrangements are made for payment.

10.2.6 Official Orders must:

a) Be consecutively numbered
b) Be in a format approved by the Finance Director
c) State the Board's terms and conditions of trade
d) Only be issued to, and used by, those duly authorised by the Chief Executive.

10.2.7 Managers must ensure that they comply fully with the guidance and limits specified by the Finance Director and that:

a) All contracts, leases, tenancy agreements and other commitments which may result in a liability are notified to the Finance Director in advance of any commitment being made
b) Contracts above specified thresholds are advertised and awarded in accordance with EU and GATT rules on public procurement and comply with the White Paper on Standards, Quality and International Competitiveness (CMND 8621)
c) Officers are also expected to use their discretion in obtaining more than the minimum number of quotations if they have doubts about the competitiveness of those obtained
d) Where consultancy advice is being obtained, the procurement of such advice must be in accordance with guidance issued by the SGHD – MEL (1994)4
e) No order shall be issued for any item or items to any firm which has made an offer of gifts, reward or benefit to directors or employees, other than:

- Isolated gifts of a trivial character or inexpensive seasonal gifts, such as calendars; conventional hospitality, such as lunches in the course of working visits
- Any officer who receives an offer shall notify his/her manager as soon as practicable. The manager will consult with the Finance Director (and/or Chief Executive) on what action is to be taken

- Visits at suppliers' expense to inspect equipment etc. must not be undertaken without the prior approval of the Chief Executive

f) No requisition/order is placed for any item or items for which there is no budget provision unless authorised by the Finance Director on behalf of the Chief Executive
g) All goods, services, or works are ordered on an official order except works and services executed in accordance with a contract and purchases from petty cash
h) Verbal orders must only be issued very exceptionally – by an employee designated by the Chief Executive and only in cases of emergency or urgent necessity. These must be confirmed by an official order and clearly marked "Confirmation Order"
i) Orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds
j) Goods are not taken on trial or loan in circumstances that could commit the Board to a future uncompetitive purchase
k) Advice is sought from the appropriate supplies advisor, and the Finance Director (and/or the Chief Executive) is consulted if this advice is not acceptable
l) Changes to the list of directors/employees authorised to certify invoices are notified to, and agreed with, the Finance Director
m) Purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the Finance Director
n) Purchases via Purchasing Cards are in accordance with instructions issued by the Finance Director
o) Petty cash records are maintained in a form as determined by the Finance Director.

10.3 Tendering Procedures

10.3.1 The procedure for making all contracts by or on behalf of the Board shall comply with these Standing Financial Instructions.

10.3.2 Directives by the Council of the European Union prescribing procedures for awarding all forms of contracts shall have effect as if incorporated in Standing Orders and Standing Financial Instructions.

10.3.3 The Board shall comply as far as is practicable with the requirements of the "Scottish Capital Investment Manual". In the case of management consultancy contracts the Board shall comply as far as is practicable with SGHSCD guidance "The Use of Management Consultants by Scottish Health Authorities" (MEL (1994) 4).

10.3.4 Where the estimated value of the contract is £10,000 or greater (exclusive of VAT), competitive tenders will be invited for:

- The supply of all goods, materials and manufactured articles not available to the Board through national contracts
- For the rendering of services including all forms of management consultancy services (other than specialised services sought from or provided by the SGHSCD)
- For the design, construction and maintenance of building and engineering works (including construction and maintenance of grounds and gardens)
- For disposals of assets.

10.3.5 The Chief Executive and Finance Director may dispense with the requirements for competitive tendering or quotations if they jointly agree that it is not possible or desirable to undertake or obtain having regard for all the circumstances. Such decisions and their reasons must be recorded. Formal tendering procedures may be waived with the approval of the Chief Executive and Finance Director where:

a) The time scale genuinely precludes competitive tendering. Failure to plan the work properly is not a justification for single tender; or
b) Specialist expertise is required and is available from only one source; or
c) The task is essential to complete the project, and arises as a consequence of a recently completed assignment and engaging different consultants for the new task would be inappropriate; or
d) There is a clear benefit to be gained from maintaining continuity with an earlier project. However in such cases the benefits of such continuity must outweigh any potential financial advantage to be gained by competitive tendering;
e) The Product has been used within the hospital or other secure units and meets a security need. You must provide evidence of other similar products and the reason why these will not suit. (statement from Security Director is required)or
f) As provided for in the Scottish Capital Investment Manual.

10.3.6 The limited application of the single tender rules should not be used to avoid competition or for administrative convenience or to award further work to a consultant originally appointed through a competitive procedure.

10.3.7 Where it is decided that competitive tendering is not applicable and should be waived by virtue of the above, the fact of the waiver and the reasons must be documented and reported by the Chief Executive to the Board in a formal meeting and recorded in a register kept for that purpose.

10.3.8 Except where 10.3.5 or a requirement under 10.3.2, applies, the Board shall ensure that invitations to tender are sent to a sufficient number of firms/individuals to provide fair and adequate competition as appropriate. This would normally comprise no less than three, firms/individuals, having regard to their capacity to supply the goods or materials or to undertake the services or works required.

10.3.9 The Board shall ensure that normally the firms/individuals invited to tender (and where appropriate, quote) are among those on approved lists. Where in the opinion of the Finance Director it is desirable to seek tenders from firms not on the approved lists, the reason shall be recorded in writing to the Chief Executive. Suppliers shall normally be chosen in rotation from the list unless the approval of the Chief Executive or nominated officer is given.

10.3.10 Tendering procedures are set out in a separate Financial Operating Procedure.

10.3.11 Quotations are required where formal tendering procedures are waived under 10.3.5 a) or c) and where the intended expenditure or income exceeds, or is reasonably expected to exceed £5,000.

10.3.12 Where quotations are required under 10.3.4 they should be obtained from at least three firms/individuals based on specifications or terms of reference prepared by, or on behalf of, the Board.

10.3.13 Quotations should be in writing unless the Chief Executive or nominated officer determines that it is impractical to do so in which case quotations may be obtained by telephone. Confirmation of telephone quotation should be obtained as soon as possible and the reasons why the telephone quotation was obtained should be set out in a permanent record.

10.3.14 All quotations should be treated as confidential and should be retained for inspection.

10.3.15 The Chief Executive or nominated officer should evaluate the quotations and select the one which gives the best value for money. If this is not the lowest then this fact and the reasons why the lowest quotation was not chosen should be in a permanent record.

10.3.16 Non-competitive quotations in writing may be obtained for the following purposes:

a) The supply of goods/services of a special character for which it is not, in the opinion of the Chief Executive or their nominated officer, possible or desirable to obtain competitive quotations
b) The goods/services are required urgently; and

c) Where tenders or quotations are not required, because expenditure is below £5,000, the Board shall procure goods and services in accordance with procurement procedures prepared by the Finance Director.

10.4 Contracts

10.4.1 The Board may only enter into contracts within its statutory powers and shall comply with:

a) Standing Orders
b) Standing Financial Instructions
c) EU Directives and other statutory provisions
d) Any relevant directions including the Scottish Capital Investment Manual and guidance on the Use of Management Consultants (MEL(1994)4)
e) Such of the NHS Standard Contract Conditions as are applicable
f) The key procurement principles set out in CEL 05(2012).

10.4.2 Where appropriate, contracts shall be in or embody the same terms and conditions of contract as was the basis on which tenders or quotations were invited.

10.4.3 In all contracts made the Board shall endeavour to obtain best value for money. The Chief Executive shall formally nominate an officer who shall oversee and manage each contract on behalf of the Board.

10.4.4 All contracts entered into by the Board shall contain clauses, standard examples of which are detailed in the Procurement Policy, empowering the Board to:

a) Cancel the contract and recover all losses in full where a company or their representative has offered, given or agreed to give, any inducement to Board staff
b) Recover all losses in full or enforce specific performance where goods or services are not delivered in line with contract terms.

10.4.5 Contracts involving “Funds Held on behalf of the Board” shall be made individually to a specific named fund and shall comply with the requirements of the Charities Acts and regulations.

10.4.6 The Finance Director shall ensure that the arrangements for financial control and the financial and technical audit of building and engineering contracts and property transactions comply with guidance contained within The Property Transaction Handbook CEL (2011)08 and SCIM CEL (2009)19.

10.5 Grants and Similar Payments

10.5.1 Any grants or similar payments to local authorities and voluntary organisations or other bodies shall comply with procedures laid down by the Finance Director which shall be in accordance with the relevant Acts.

10.5.2 The financial limits for officers’ approval of grants or similar payments are set out in the Scheme of Delegation.

10.6 In-house Services

10.6.1 The Chief Executive shall be responsible for ensuring that best value for money can be demonstrated for all services provided under contract or in-house. The Board may also determine from time to time that in-house services should be market tested by competitive tendering.

10.6.2 In all cases where the Board determines that in-house services should be subject to competitive tendering the following groups shall be set up:

a) Service specification group, comprising the Chief Executive or nominated officer(s) and specialist(s)
b) In-house tender group, comprising representatives of the in-house team, a nominee of the Chief Executive and technical support
c) Evaluation group, comprising normally a specialist officer, a procurement officer and a Finance Director representative. For services having a likely annual expenditure exceeding £250,000, a Non-Executive Director should be a member of the evaluation group.

10.6.3 All groups should work independently of each other but individual officers may be a member of more than one group. No member of the in-house tender group may, however, participate in the evaluation of tenders.

10.6.4 The evaluation group shall make recommendations to the Board.

10.6.5 The Chief Executive shall nominate an officer to oversee and manage the contract.

11 STORES AND RECEIPT OF GOODS

11.1.1 Subject to the responsibility of the Finance Director for the systems of control, overall responsibility for the control of stores shall be delegated to the Procurement Manager by the Chief Executive. The day-to-day responsibility may be delegated by him/her to departmental employees and stores managers/keepers, subject to such delegation being entered in a record available to the Finance Director. The control of Pharmaceutical stocks shall be the responsibility of a nominated pharmaceutical officer; the control of fuel oil and wood fuel of a designated facilities manager.

11.1.2 The responsibility for security arrangements and the custody of keys for all stores and locations shall be clearly defined in writing by the nominated managers.

11.1.3 Wherever practicable, stocks should be marked as health service property.

11.1.4 The Finance Director shall set out procedures and systems to regulate the stores including records for receipt of goods, issues, and returns to stores, and losses.

11.1.5 Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the Finance Director.

11.1.6 The nominated managers shall be responsible for a system approved by the Finance Director for a review of slow moving and obsolete items and for condemnation, disposal, and replacement of all unserviceable articles. The designated officer shall report to the Finance Director any evidence of significant overstocking and of any negligence or malpractice (see also 15, Disposals and Condemnations, Losses and Special Payments). Procedures for the disposal of obsolete stock shall follow the procedures set out for disposal of all surplus and obsolete goods.

11.1.7 Stock levels should be kept to a minimum consistent with operational efficiency.

11.1.8 Stocktaking arrangements shall be agreed with the Finance Director and there shall be a physical check covering all items in store at least once a year.

11.1.9 Those stores designated by the Finance Director as comprising more than seven days of normal use should be:

a) Subjected to annual or continuous stock-take
b) Valued at the lower of cost and net realisable value.

12 RISK MANAGEMENT AND INSURANCE

12.1.1 The Chief Executive shall ensure that the Board has a programme of risk management which will be approved and monitored by the Board.

12.1.2 The programme of risk management shall include:

a) A process for identifying and quantifying risks and potential liabilities
b) Engendering among all levels of staff a positive attitude towards the identification and control of risk
c) Management processes to ensure all significant risks and potential liabilities are addressed including effective systems of internal control, cost effective insurance cover, and decisions on the acceptable level of retained risk
d) Contingency plans to offset the impact of adverse events, including a business continuity plan
e) Audit arrangements including; incident reporting and review, internal audit, clinical audit, health and safety review
f) Arrangements to review and update the risk management programme
g) Development of a financial risk management strategy to cope with possible in-year variations to the initially set budgets.

12.1.3 The existence, integration and evaluation of the above elements will provide a basis for the Audit Committee to provide appropriate assurance to the Directors that the necessary controls are in place to allow the Directors to sign the Governance Statement in keeping with Corporate Governance in the NHS.

12.1.4 The Finance Director shall ensure that appropriate insurance arrangements exist in accordance with the risk management programme.

13 INFORMATION TECHNOLOGY

13.1.1 The Finance Director is responsible for the accuracy and security of the computerised financial data of the Board and shall:

a) Devise and implement any necessary procedures to ensure adequate (reasonable) protection of the Board's data, programs and computer hardware for which she/ he is responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the Data Protection Act 1998 and General Data Protection Regulations (EU) 2016/679 (GDPR).
b) Ensure that adequate controls exist over data entry, processing, storage, transmission and output to ensure security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system
c) Ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment
d) Ensure that the Board is compliant with information regulation and legislation
e) Ensure that electronic signatures are only used with the written approval of the Finance Director
f) Ensure that adequate controls exist for all acquisition/disposal of computer equipment
g) Ensure that an adequate audit trail exists through the computerised system and that such computer audit reviews as he may consider necessary are being carried out
h) Ensure that contingency planning, including business continuity, is undertaken and that adequate contingency arrangements are in place.

13.1.2 The Finance Director shall satisfy him/herself that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another organisation, assurances of adequacy will be obtained from them prior to implementation.

13.1.3 In the case of computer systems which are proposed General Applications (i.e. normally those applications which the majority of Health Boards /Boards in the area wish to sponsor jointly) all responsible directors and employees will send to the Finance Director:

a) Details of the outline design of the system
b) Contract details and/or standard contract conditions
c) In the case of packages acquired either from a commercial organisation, from the NHS, or from another public sector organisation, the operational requirement.

These should form part of the national e-Health platform and be procured using framework agreements as set out in section 10.2.2, unless not suitable for the organisations due to cost or functionality.

13.1.4 The Finance Director shall ensure that for contracts for computer services for financial applications with another body, the Board periodically seek assurances that adequate controls are in operation, such as service audits.

13.1.5 Where computer systems have an impact on corporate financial systems the Finance Director shall satisfy him/herself that:

a) Systems acquisition, development and maintenance are in line with corporate policies such as the eHealth Strategy
b) Data produced for use with financial systems is adequate, accurate, complete and timely, and that an audit trail exists
c) Systems are appropriate for future business need as well as the present
d) Finance Directorate staff have access to such data
e) Such computer audit reviews as are considered necessary are being carried out.

13.1.6 The Associate Medical Director shall devise and implement any necessary procedures to protect the Board and individuals from inappropriate use or misuse of patient confidential information held on computer files after taking account of the Data Protection Act 1998 and General Data Protection Regulations (EU) 2016/679 (GDPR). The appointed Information Governance and Data Security Officer will provide the same assurances over all other non patient data.

13.1.7 The Finance Director shall devise and implement any necessary procedures to comply with the Freedom of Information (Scotland) Act 2002.

14 AUDIT

14.1 Audit Committee

14.1.1 In accordance with Standing Orders the Board shall formally establish an Audit Committee, with clearly defined terms of reference, which will consider:

a) Internal control and corporate governance, including ensuring that relevant controls are in place and that appropriate assurances can be provided to allow the directors to sign the required statements
b) Internal audit
c) External audit
d) Standing orders and standing financial instructions
e) Accounting policies
f) Annual accounts (including the schedules of losses and compensations).

14.1.2 Where the Audit Committee is satisfied there is evidence of ultra vires transactions, evidence of improper acts, or any other issue, the Chair of the Audit Committee should raise the matter at a meeting of the Board or convene an emergency Board meeting if required. Exceptionally, the matter may need to be referred to the SGHSCD.

14.1.3 It is the responsibility of the Audit Committee with the guidance of the Finance Director to ensure that both an effective and cost effective internal audit service is provided. The Finance Director will retender Internal Audit services at least every five years. The Review panel will include the Chairman of the Audit Committee, the Chief Executive and the Finance Director and may also include other members of the Audit Committee. Tendering will be done on the basis of Technical ability, a Qualitative assessment and affordability.

14.2 Finance Director

14.2.1 The Finance Director is responsible for:

a) Ensuring there are arrangements to review, evaluate and report on the effectiveness of internal control, including the establishment of an effective internal audit function
b) Ensuring that Internal Audit is adequate and meets the NHS mandatory audit standards
c) With regard to the Governance Statement, arranging for the provision of the necessary compliance evidence which would:

- Identify and disclose where there is a significant control weakness
- Show where a control has been introduced during the financial year;

d) Developing and documenting an effective Fraud, Theft and Other Financial Irregularity Policy, and
e) Investigating cases of fraud, misappropriation or other irregularities, in consultation with the Chief Internal Auditor, Counter Fraud Service and the Police, where appropriate and shall notify the Chief Executive and Audit Committee
f) Ensuring that the Chief Internal Auditor prepares a detailed operational plan each financial year for approval by the Audit Committee
g) Ensuring that an annual internal audit report is prepared by the Chief Internal Auditor, in accordance with the timetable laid down by the Audit Committee, for the consideration of the Audit Committee and the Board. The report must cover:

- A clear statement on the effectiveness of internal control
- Major internal control weaknesses discovered
- Progress on the implementation of internal audit recommendations
- Progress against plan over the previous year.

14.2.2 The Finance Director or designated auditors are entitled without necessarily giving prior notice to require and receive:

a) Access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature
b) Access at all reasonable times to any land, premises or employees of the Board
c) The production of any cash, stores or other property of the Board under an employee's control
d) Explanations concerning any matter under investigation.

14.3 Internal Audit

14.3.1 The role, objectives and scope of Internal Audit are set out in the mandatory Public Sector Internal Audit Standards.

14.3.2 Internal Audit will review, appraise and report upon:

a) The extent of compliance with and the financial effect of relevant established policies, plans and procedures
b) The adequacy and application of financial and other related management controls, including internal financial controls
c) The suitability of financial and other related management data
d) The extent to which the Board's assets and interests are accounted for and safeguarded from loss of any kind, arising from:

- Fraud and other offences
- Poor risk assessment
- Waste, extravagance, inefficient administration
- Poor value for money or other causes.

14.3.3 Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores, or other property or any suspected irregularity in the exercise of any function of a pecuniary nature, the Finance Director must be notified immediately.

14.3.4 The Chief Internal Auditor, or appointed representative, will normally attend Audit Committee meetings and has a right of access to all Audit Committee members, the Chairperson and Chief Executive of the Board.

14.3.5 The Chief Internal Auditor shall be accountable to the Finance Director. The reporting and follow-up systems for internal audit shall be agreed between the Finance Director, the Audit Committee and the Chief Internal Auditor. The agreement shall be in writing and shall comply with the guidance on reporting contained in the Public Sector Internal Audit Standardsl. The reporting and follow-up systems shall be reviewed at least every 3 years.

14.3.6 The Chief Internal Auditor shall issue reports in accordance with the Internal Audit reporting mechanism agreed by the Audit Committee. Failure to take any necessary remedial action within a reasonable period shall be reported to the Chief Executive. Where, in exceptional circumstances, the use of normal reporting channels could be seen as a possible limitation of the objectivity of the audit, the Chief Internal Auditor shall seek the advice of the Chairperson of the Board.

14.4 External Audit

14.4.1 The external auditor is concerned with providing an independent assurance of the Board's financial stewardship including value for money, probity, material accuracy, compliance with guidelines and accepted accounting practice for NHS accounts. Responsibility for securing the audit of the Board rests with Audit Scotland. The appointed External Auditor's statutory duties are contained in the Public Finance and Accountability (Scotland) Act 2000.

14.4.2 The external auditor has a general duty to satisfy him/herself that:

a) The Board's accounts have been properly prepared in accordance with directions given under s86(1) of the National Health Service (Scotland) Act 1978
b) Proper accounting practices have been observed in preparation of the accounts
c) The Board has made proper arrangements for securing economy, efficiency and effectiveness in the use of its resources
d) The Internal Audit function is adequate.

14.4.3 In addition to these responsibilities, Audit Scotland's Code of Audit Practice requires the appointed auditor to consider:

a) Whether the statement of accounts presents a true and fair view of the financial position of the Board
b) The Board's main financial systems
c) The arrangements in place at the Board for prevention and detection of fraud and corruption
d) Aspects of the performance of particular services and activities
e) The Board's management arrangements to secure economy, efficiency and effectiveness in the use of resources.

14.4.4 The Board's Audit Committee provides a forum through which Non-Executive Directors can secure an independent view of any major activity within the appointed auditor's remit. The Audit Committee has a responsibility to ensure that the Board receives a cost-effective service and that co-operation with senior managers and Internal Audit is appropriate.

15 DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS

15.1 Disposals and Condemnations

15.1.1 The Finance Director shall maintain detailed procedures for the disposal of assets (excluding land) including condemnations, and ensure that these are notified to managers.

15.1.2 When it is decided to dispose of an asset, the head of department or authorised deputy will determine and advise the Finance Director of the estimated market value of the item, taking account of professional advice where appropriate.

15.1.3 All unserviceable articles shall be:

a) Condemned or otherwise disposed of by an employee authorised for that purpose by the Finance Director
b) Recorded by the relevant officer, in a form approved by the Finance Director, which will indicate whether the articles are to be converted, destroyed or otherwise disposed of. All entries shall be confirmed by the countersignature of a second employee authorised for the purpose by the Finance Director.
c) The relevant officer shall ensure that any article disposed of, is done so in accordance with appropriate guidance or regulations.
d) The relevant officer shall satisfy him/herself as to whether or not there is evidence of negligence in use and shall report any such evidence to the Finance Director who will take the appropriate action.

15.1.4 The Security Director will ensure that the Board complies with the Property Transactions Handbook and will ensure that detailed procedures are in place for the disposal of land.

15.2 Losses and Special Payments

15.2.1 The Finance Director must prepare procedural instructions on the recording of and accounting for condemnations, losses, and special payments.

15.2.2 Special payments are defined in more detail in the Scottish Public Finance Manual. The main types which may be relevant to the State Hospital are:

- A compensation payment is one made in respect of unfair dismissal in respect of personal injuries, traffic accidents, damage to property etc, suffered by staff or by others.
- Special severance payments are paid to employees beyond and above normal statutory or contractual requirements when leaving employment in public service whether they resign, are dismissed or reach an agreed termination of contract. See the section of the SPFM on Severance, Early Retirement and Redundancy Terms.
- Ex gratia payments are payments made where there is no legal obligation to pay. There must always, however, be good public policy grounds for making such payments. Into this category will fall some out of court settlements, such as cases where the pursuer has no legal case but the Board wants to stop the litigation because it is costly in time and resources. It would not however include cases where the settlement is a negotiated price to settle a potentially higher legal liability. Other examples of ex gratia payments would be payments as compensation for distress or loss arising from a perceived failure of the Board but where there was no legal obligation to pay.

15.2.3 Within limits delegated to it by the SGHSCD (CEL 10 (2010), the Board, following the recommendation of the Audit Committee, shall review the Summary of Losses and Special Payments which shall be prepared by the Finance Director in the form laid down in the Health Board Manual for Accounts, SFR 18.

	No of Cases	£	Delegated Limit
Theft / Arson / Wilful Damage			
Cash			10,000
Stores/procurement			20,000
Equipment			10,000
Contracts			10,000
Payroll			10,000
Buildings & Fixtures			20,000
Other			10,000
Fraud, Embezzlement & other irregularities (inc. attempted fraud)			
Cash			10,000
Stores/procurement			20,000
Equipment			10,000
Contracts			10,000
Payroll			10,000
Other			10,000
Nugatory & Fruitless Payments			10,000
Claims Abandoned:			
(a) Private Accommodation			10,000
(b) Road Traffic Acts			20,000
(c) Other			10,000
Stores Losses:			
Incidents of the Service			
- Fire			20,000
- Flood			20,000
- Accident			20,000
Deterioration in Store			20,000
Stocktaking Discrepancies			20,000
Other Causes			20,000
Losses of Furniture & Equipment and Bedding & Linen in circulation:			
Incidents of the Service – Fire			10,000
- Flood			10,000
- Accident			10,000
Disclosed at physical check			10,000
Other Causes			10,000
Compensation Payments - legal obligation			
Clinical			250,000
Non-clinical			100,000
Ex-gratia payments:			
Extra-contractual Payments			10,000
Compensation Payments - ex-gratia - Clinical			250,000
Compensation Payments - ex-gratia - Non Clinical			100,000
Compensation Payments - ex-gratia - Financial Loss			25,000
Other Payments			2,500
Damage to Buildings and Fixtures:			
Incidents of the Service – Fire			
- Fire			20,000
- Flood			20,000
- Accident			20,000
- Other Causes			20,000
Extra-Statutory & Extra-regulationary Payments			0
Gifts in cash or kind			10,000
Other Losses			10,000

15.2.4 The Finance Director shall be authorised to take any necessary steps to safeguard the Board's interests in bankruptcies and company liquidations.

15.2.5 For any loss, the Finance Director should consider whether any insurance claim can be made.

15.2.6 The Board shall delegate to the Chief Executive and the Finance Director, acting jointly, its responsibility for the approval of losses and authorisation of special payments for such categories or values of losses as within limits to the Board by the SGHSCD.

15.2.7 The Finance Director shall maintain a Losses and Special Payments Register in which write-off action is recorded.

15.2.8 No losses or special payments exceeding delegated limits (CEL 10 (2010)) shall be written off or made without the prior approval of the SGHSCD.

15.3 Theft, Fraud, Embezzlement, Corruption and Other Financial Irregularities

15.3.1 The Finance Director must prepare a 'fraud response plan', incorporating the requirements of HDL (2004) 23, updated by CEL(2009)18, that sets out the action to be taken both by persons detecting a suspected fraud and those persons responsible for investigating it.

15.3.2 The Finance Director will be the nominated contact for the National Fraud Initiative (NFI) and will authorise the release of the required data for this purpose. The Finance Director may delegate the NFI investigation and reporting requirements, to suitable representatives. The Finance Director will ensure that all staff receive the required notifications that their information will be used for this purpose.

15.3.3 The following procedures should be followed, as a minimum, in cases of suspected theft, fraud, embezzlement, corruption or other financial irregularities to comply with Scottish Government Health Department Circular No HDL(2002)88 This procedure also applies to any non-public funds.

15.3.4 The Chief Executive has the responsibility to designate an officer within the Board with specific responsibility for co-ordinating action where there are reasonable grounds for believing that an item of property, including cash, has been stolen.

15.3.5 It is the designated officer's responsibility to inform as he/she deems appropriate the police, the Counter Fraud Services (CFS), the appropriate director, the Appointed Auditor and Internal Auditor where such an occurrence is suspected.

15.3.6 Where any officer of the Board has grounds to suspect that any of the above activities has occurred, his or her local manager should be notified without delay. Local managers should in turn immediately notify the Board's Finance Director, who should ensure consultation with the CFS, normally by the Fraud Liaison Officer. It is essential that preliminary enquiries are carried out in strict confidence and with as much speed as possible.

15.3.7 If, in exceptional circumstances, the Finance Director and the Fraud Liaison Officer are unavailable the local manager will report the circumstances to the Chief Executive who will be responsible for informing the CFS. As soon as possible thereafter the Director of Finance should be advised of the situation.

15.3.8 Where preliminary investigations suggest that prima facie grounds exist for believing that a criminal offence has been committed, the CFS will undertake the investigation, on behalf of, and in co-operation with, the Board. At all stages the Finance Director and the Fraud Liaison Officer will be kept informed of developments on such cases. All referrals to the CFS must also be copied to the Appointed Auditor.

15.3.9 The Chief Executive has also the responsibility to designate an officer within the Board as Counter Fraud Champion. The role is a strategic one, and focuses on spearheading change in culture and attitudes towards NHS fraud. Full background to this role is included within CEL 3 (2008). As such the role of Champion will complement the role of the Fraud Liaison Officer and includes responsibility for:

- Raising the profile of counter fraud initiatives and publicity
- Ensuring recommendations from investigation reports by NHSScotland Counter Fraud Services (CFS) are implemented
- Monitor implementation of CFS recommendations and ensure compliance with them
- Set clear guidelines and measures for monitoring the effectiveness of implementation.

15.4 Remedial action

15.4.1 As with all categories of loss, once the circumstances of a case are known the Finance Director will require to take immediate steps to ensure that so far as possible these do not recur. However, no such action will be taken if it would prove prejudicial to the effective prosecution of the case. It will be necessary to identify any defects in the control systems, which may have enabled the initial loss to occur, and to decide on any measures to prevent recurrence.

15.5 Reporting to the SGHSCD

15.5.1 Under Enhanced Reporting of NHS Fraud & Attempted Fraud CEL (2010)10 an annual return SFR18 must be completed, as part of the annual account process, to report all cases of Fraud to the SGHSCD. There may be occasions where the nature of scale of the alleged offence or the position of the person or persons involved, could give rise to national or local controversy and publicity. Moreover, there may be cases where the alleged fraud appears to have been of a particularly ingenious nature or where it concerns an organisation with which other health sector bodies may also have dealings. In all such cases, the SGHSCD must be notified of the main circumstance of the case at the same time as an approach is made to the CFS. However all significant or unusual incidents involving patients' finds or endowments should be reported to the SGHSCD.

15.6 Responses to Press Enquiries

15.6.1 Where the publicity surrounding a particular case of alleged financial irregularity attracts enquiries from the press or other media, the Chief Executive should ensure that the relevant officials are fully aware of the importance of avoiding issuing any statements, which may be regarded as prejudicial to the outcome of criminal proceedings.

15.7 Counter Fraud Services (CFS) – Access to Data

15.7.1 CFS work closely with the Board and may at times require access to evidence relating to ongoing investigations. Scottish Government Health & Social Care Directorate endorse that Boards should support the important role played by CFS and that any CFS staff acting on the Finance Director's behalf should be allowed access to the following:

- All records, documents and correspondence relating to relevant transactions
- At all reasonable times, access to any premises or land of The State Hospital
- The production or identification by any employee of the Board, cash, stores or other property under the employee's control

16 PATIENTS' PROPERTY

16.1.1 The Board has a responsibility to provide safe custody for money and other personal property (hereafter referred to as "property") handed in by patients, in the possession of unconscious or confused patients.

16.1.2 The Chief Executive is responsible for ensuring that patients or their guardians, as appropriate, are informed before or at admission that the Board will not accept responsibility or liability for patients' property brought into Health Service premises, unless it is handed in for safe custody and a copy of an official patients' property record is obtained as a receipt.

16.1.3 The Security Director must provide detailed written instructions on the collection, custody, investment, recording, safekeeping, and disposal of patients' property (including instructions on the disposal of the property of deceased patients and of patients transferred to other premises) for all staff whose duty is to administer, in any way, the property of patients. Due care should be exercised in the management of a patient's money in order to maximise the benefits to the patient.

16.1.4 Where SGHSCD instructions require the opening of separate accounts for patients' moneys, these shall be opened and operated under arrangements agreed by the Finance Director.

16.1.5 In all cases where property of a deceased patient is of a total value in excess of £5,000 (or such other amount as may be prescribed by any amendment to the Administration of Estates, Small Payments, Act 1965), the production of Probate or Letters of Administration shall be required before any of the property is released. Where the total value of property is £5,000 or less, forms of indemnity shall be obtained. Any payment by the Hospital towards funeral expenses should be approved by the Finance Director.

16.1.6 Staff should be informed, on appointment, formally in writing by the Human Resources Director and by the appropriate departmental or senior manager of their responsibilities and duties for the administration of the property of patients.

16.1.7 Where patients' property or income is received for specific purposes and held for safekeeping the property or income shall be used only for that purpose, unless any variation is approved by the donor or patient in writing.

16.1.8 The Finance Director shall prepare an abstract of receipts and payments of patients' private funds in the form laid down in the Health Board Accounts Manual. This abstract shall be audited independently and presented to the Audit Committee annually.

16.1.9 In general staff are not allowed to receive benefit from any patient's Will. If staff become aware of an intention to include themselves in a Will, staff should discourage such action. This should be reported to the appropriate manager. Anyone receiving a bequest should report this to their line manager to determine further action. Except in cases of the direst emergency, staff should not be involved in witnessing or otherwise in the making of a patient's Will. Any reference of such matters by a patient to a member of staff should immediately be communicated to Advocacy or the Board management, who may arrange for a local solicitor's services to be made available to the patient, if that is wished.

16.1.10 In order to comply with the Gambling Act 2005, patients are not allowed to gamble or place bets. Clinical staff should therefore not approve any requests from patients to withdraw funds for this purpose.

17 FUNDS HELD ON TRUST

17.1.1 Standing Orders (SOs) identify the Board's responsibilities as a corporate Trustee for the management of funds it holds on Trust and define how those responsibilities are to be discharged. They explain that although the management processes may overlap with those of the organisation of the Board, the Trustee responsibilities must be discharged separately and full recognition given to the dual accountabilities to the Charity Commission for charitable funds held on Trust and to the Scottish Ministers for all funds held on Trust.

17.1.2 The reserved powers of the Board and the Scheme of Delegation clarify responsibility for decisions regarding the dispersal of funds held on Board. Directors and officers must take account of that guidance before taking action. SFIs are intended to provide guidance to persons who have been delegated to act on behalf of the corporate Trustee.

17.1.3 The over-riding principle is that the integrity of each fund must be maintained and statutory and Board obligations met. Materiality must be assessed separately from Exchequer activities and funds.

17.1.4 The Finance Director shall prepare aggregated annual accounts for funds held on Trust by the Board, to be audited independently and presented to the Audit Committee annually, with the auditor invited to attend the meeting.

17.1.5 CEL (2009)40 Guidance for NHS Boards on accepting charitable donations should be adhered to.

18 RETENTION OF DOCUMENTS

18.1.1 The Chief Executive shall be responsible for maintaining archives for all documents required to be retained under the direction contained in SHM 58/60, NHS MEL (1993)152 “Guidance for the Retention and Destruction of Health Records” and HDL (2006) 28 “The Management, Retention and Disposal of Administrative Records”, The Scottish Government records management: NHS code of practice (Scotland) version 2.1: 11 January 2012.

18.1.2 The documents held in archives shall be capable of retrieval by authorised persons.

18.1.3 Documents held under the above guidance shall only be destroyed at the express instigation of the Chief Executive, records shall be maintained of documents so destroyed.

19 STANDARDS OF BUSINESS CONDUCT

19.1 General Responsibility

19.1.1 It shall be the responsibility of the Chief Executive to:

- Ensure that the Scottish Government Health and Social Care Directorate guidelines on standards of business conduct for NHS staff (MEL (1994) 48) are brought to the attention of all staff, and effectively implemented
- Develop local policies and the processes to implement them, in consultation with staff and local staff representatives
- Ensure that such policies are kept up to date.

19.1.2 The Ethical Standards in Public Life etc. (Scotland) Act 2000 provides a code of conduct for members of The State Hospitals Board for Scotland. This code was incorporated into Board Standing Orders in May 2003. The principles that apply to gifts and hospitality set out in Standing Orders (Section 3) apply equally to all staff.

19.2 Acceptance of Gifts and Hospitality

19.2.1 The acceptance of gifts, hospitality or consideration of any kind from contractors and other suppliers of goods or services as an inducement or reward is not permitted under the Corruption Acts 1906 and 1916. In the event of a contractor or other supplier of goods or services making such an offer to any officer, either for their personal benefit or the "benefit" of the Board, the guidance given in HSG(93)5 and NHS Circular HDL (2003) 62 (or subsequent guidance issued by the Scottish Government Health and Social Care Department) must be followed. Initially, the matter must be reported to an individual's line manager, or the relevant Director. Acceptance, or refusal, of gifts or hospitality must be entered in a Register of Hospitality and Interests, which will be maintained by the Finance Director. The register will also record details of hospitality provided by the Board's employees:

a) Articles of a low intrinsic value, such as business diaries or calendars, need not be refused
b) Care should also be taken in accepting hospitality such as lunches and dinners, corporate hospitality events etc. All such offers should be reported to the officers line manager before accepting.
c) Visits at suppliers expense to inspect equipment etc should not be undertaken without the prior approval of the Chief Executive and in the case of the Chief Executive by the prior approval of the Chairman. Costs associated with such visits will be borne by The State Hospital.
d) If officers are involved in the acquisition of goods and services they should adhere to the ethical code of the Institute of Purchasing and Supply.
e) Officers should ensure that the acceptance of commercial sponsorship will not influence or jeopardise purchasing decisions.

19.3 Private Transactions

19.3.1 Where offers of goods or services do not involve inducement or reward, employees should still not accept gifts from commercial sources other than inexpensive articles such as calendars or diaries. If any such gifts should arrive unsolicited, the advice of the Finance Director should be sought.

19.4 Declaration of Interest

19.4.1 Employees having official dealings with contractors and other suppliers of goods or services should avoid transacting any kind of private business with them by means other than normal commercial channels. No favour or preference as regards price or otherwise which is not generally available should be sought or accepted.

19.4.2 In accordance with Standing Order 5, the Chief Executive shall be advised of declared pecuniary interests of Directors or senior staff for recording in the Register of Hospitality and Interests.

19.4.3 The Finance Director is responsible for putting in place arrangements for staff to declare interests. In accordance with Data Protection principles, access is strictly controlled on a need to know basis. The only department likely to be passed this information would be the Procurement Department where there may be concern about the possibility of entering into contracts with organisations which could conflict with registered interests.

Annex 1 Minimum Financial Controls
(extract from guidance on preparation of Statement of Internal Control March 2010)

Corporate Governance	
The Control Environment	
Public Finance & Accountability (Scotland) Act 2000 HDL(2003)11	Code of Corporate Governance
SSI(2001)301/2 MEL(1994)80	Standing Orders
MEL(1994)80, Annex 4 MEL(1992)35	Scheme of Reservation and Delegation
Appointed Officer Memorandum SSI(2001) 301/2	Accountable Officer Responsibilities
MEL(1994)80, MEL(1996)42 HDL(2002)25, SGHD Audit Committee Handbook	Audit Committee
HDL(2002)11, MEL(1996)42	Internal Audit function
Section 2 of the National Health Service Reform (Scotland) Act 2004 HDL(2002)11	Structures of assurance including CHPS
The Community Care (Joint Working etc.) (Scotland) Regulations 2002 CCD5/2005 CCD11/2002 Governance for Joint Services (Paper by Audit Scotland, Scottish Government & COSLA)	Partnerships including Joint Futures
Identification and Evaluation of Risks and Objectives	
HDL(2006)12 HDL(2004)46	Local Development Plan and regional planning
MEL(1994)15, MEL(1999)14, MEL(1994)80	Risk Management
Control Processes	
	Compliance with laws and regulations

Monitoring and Corrective Action	
MEL(1994)80, Annex 5	Performance reporting
MEL(1994)80, Annex 9	Policies, procedures and control frameworks
Best Value in Public Services – Secondary Guidance to Accountable Officers	Best Value
Clinical Governance	
MEL(1998)75, MEL(1998)29, MEL(2000)29, HDL(2005)41	Clinical Governance Committee
HIS Standards	Health Improvement Scotland Reports
Staff Governance	
HDL(2004)39, HDL(2005)52 Staff Governance Standard	Staff Governance Committee
HDL(2006)54, HDL(2006)23 HDL(2002)64, MEL(1994)80, Annex 1	Remuneration Committee
KSF/Agenda for Change guidance	Performance management and development
Financial Governance	
SI(1994)No. 468	Financial reporting
MEL(1994)80 NHS 1974(GEN)88	Standing Financial Instructions
MEL(1994)48 Standards Commission	Standards of Business Conduct Model Code of Conduct
HDL(2005)5 MEL(1994)48 RIPSA CEL11(2013)	Fraud Theft & Corruption Policy and Response Plan
NHS 1974(GEN)88	Budgetary control system
SI(94) No 468, MEL(1994)80, Annex 9 HDL(2001)49	Financial Procedures

MEL(1992)35 &59 ,MEL(1998)9	Acquisition, use, disposal and safeguarding of assets
MEL(1992)18 HDL(2002)87, MEL(1996)48, SCIM	Capital investment control and project management
MEL(1992)8 MEL(1992)9	Property transactions procedures Delegation of authority: land transactions
Annual Accounts Manual Capital Accounting Manual SPFM	Financial accounting and annual accounts presentation Capital accounting policy and guidance Financial policies and guidance for Scottish central government bodies
Schedule 6, part 11,section 6(1) 1990 Health Act Accountable Officer Memorandum	Arrangements to ensure resources are used effectively, efficiently and economically
Scottish Government IFRS Technical Application Notes	Application of International Financial Reporting Standards from 2009/10 and the International Financial Reporting Manual issued by HM Treasury
Health Workforce & Performance Directorate Guidance 13 March 2015	Settlement Agreements
Information Governance	
MEL(1994)64 HDL(2005)46 NHSScotland eHealth Strategy Board guidance	IM&T strategy
HDL(2006)41 MEL(1992)14 MEL(1992)45 NHS Information System Security Manual issued under MEL(1994)75	Information Security Policy
NHS Scotland Information Governance Standards	Information Governance Toolkit and annual improvement plan

THE STATE HOSPITALS BOARD FOR SCOTLAND

SCHEME OF DELEGATION

VERSION 11

Version Control Log		
Version	**Date**	**Description**
1	July 2005	Approved By Board
2	May 2006	Annual Review presented to Audit Committee.
2.1	5 June 2006	Approved by the Board on 22 June 06.
3.0	11 June 2007	Approved by the Board on 21 June 2007.
3.1	24 April 2008	Approved by the Board on 19 June 2008.
4.0	30 April 2009	Presented to Audit Committee on 30 April 2009. Detailed Scheme – No change Financial limits • 13.6 – Constraint text "subject to appointment of bankers by Board" removed • 14.3 (d) – "Annually" added to Virement of Budget "per event over £25,000 and up to £100,000" Several instances referring to SEHD updated to SGHD.
4.1	16 July 2009	Approved by the Board 18 June 2009
4.2	24 September 2009	Changed to reflect portfolio changes. Approved by Audit Committee 24 September 2009.
4.3	April 11	Changes proposed to board
	June 11	Changes approved by the board
4.4	April 12	Changes approved by the board
5	April 13	Changes to SFI references to agree to SFI's Approved by Audit Committee on 25 April 2013
5.1	April 13	Approved by Board 2 May 2013
6	April 14	Changes to SO references to agree to SO's. Changes to responsibilities to reflect portfolio changes and changes in staff. Financial limits amended to reflect limits in Pecos system • 14.8 a) Capital value changed from £1.800 to £2,400 • 14.8 b) eHealth capital value added - value up to £4,000 and value up to £24,000 Approved by Audit Committee 24 April 2014. Approved by Board 26 June 2014.

7	April 15	Amended PFPI to Equality & Involvement Added Achievement of savings to 14.3 Management of Budgets Changes to 16.1.3 re change in responsibility of patients property. Approved by Audit Committee 2 April 2015 after changes to reflect that Remuneration Committee is no longer a sub committee.
8	March 16	Changes to responsibilities to reflect portfolio changes re L&D PO approval 14.7 – added in Procurement Team Leader Asset disposals 14.10 – removed Security Director limit up to £10k and replaced with Finance Director. Added authorised deputy.
8.1	June 16	Financial limit for waiver of tenders 14.9 increased from £3k to £5k. Approved by Audit Committee and Board 23 June 2016.
9	March 17	Changed Nursing Director to Director of Nursing & AHP and removed reference to General Manager. Approved by Audit Committee 23 March 2017 Approved by Board 4 May 2017
10	March 18	Section 3 & 13.5 - change financial monitoring forms to Financial Performance Returns. Clinical Effectiveness Strategy 6.2 replaced with Quality Assurance and Improvement Strategy. IM&T Security11.8 – change title of authorised deputy to Information Governance and Data Security Officer. Approved by Audit Committee 5 April 2018
11	June 18	Section 14.7 –-Pay Revenue Expenditure – Requisitioning / Ordering of Goods and Services 14.7c – change to >£15k - <£20k 14.7d – change to >£10k - <£15k 14.7e – change to >£5k - <£10k 14.7f – change to >£1k - <£5k Approved by Audit Committee 28 June 2018

1. DELEGATION OF POWERS

1.1 Delegation to Committees

1.1.1 Under Standing Order (SO) B20, the Board may determine that certain of its powers shall be exercised by committees. Under SO D27 each such committee or sub-committee shall have such terms of reference and powers and be subject to such conditions (as to reporting back to the Board) as the Board shall decide. In accordance with SO D28d committees may not delegate executive powers to sub-committees unless expressly authorised by the Board.

1.1.2 Under the SO D27c the committees established by the Board are:

Clinical Governance Committee
Staff Governance Committee
Audit (Finance) Committee
Remuneration Committee

2. SCHEME OF DELEGATION TO OFFICERS

2.1 Role of the Chief Executive

2.1.1 All powers to the Board which have not been retained as reserved by the Board or delegated to a committee or sub-committee shall be exercised on behalf of the Board by the Chief Executive. The Chief Executive shall prepare a Scheme of Delegation identifying which functions he/she shall perform personally and which functions have been delegated to other Directors and Officers. This scheme will be reviewed annually in March of each year.

2.1.2 The Chief Executive is accountable to the Board and as Accountable Officer is also accountable to the Principal Accountable Officer of the NHS in Scotland and the Scottish Parliament for ensuring that the Board meets its obligation to perform its functions within available financial resources.

2.1.3 The Chief Executive shall have overall executive responsibility for the Hospital's activities and shall be responsible to the Board for ensuring that its financial obligations and targets are met and shall have overall responsibility for the Board's system of internal financial control.

2.1.4 All powers delegated by the Chief Executive can be re-assumed by him/her should the need arise. As Accountable Officer the Chief Executive is accountable to the Principal Accountable Officer of the Scottish Government Health and Social Care Directorate (SGHSCD) for the funds entrusted to the Board.

2.2 Caution over the Use of Delegated Powers

2.2.1 Powers are delegated to Directors and Officers on the understanding that they would not exercise delegated powers in a manner that in their judgement was likely to be a cause for public concern.

2.3 Directors' Ability to Delegate their own Delegated Powers

2.3.1 The Scheme of Delegation shows the "top level" of delegation within the Board. The Scheme is to be used in conjunction with the system of budgetary control and other established procedures within the Board.

2.4 Absence of Directors and Officers to Whom Powers have been Delegated

2.4.1 In the absence of a Director or Officer to whom powers have been delegated those powers shall be exercised by that Director or Officer's superior unless alternative arrangements have been approved by the Board. If the Chief Executive is absent powers delegated to him/her shall be exercised in accordance with the Accountable Officer Memorandum.

2.4.2 Standing Orders and Standing Financial Instructions set out in some detail the financial responsibilities of the Chief Executive (CE), the Finance Director (FD) and other Directors. These responsibilities are summarised below.

2.4.3 Certain matters need to be covered in the Scheme of Delegation that are not covered by SFIs or SOs as they do not specify the responsible Officer.

2.4.4 This Scheme of Delegation covers only matters delegated by the Board to Directors and certain other specific matters referred to in SFIs. Each Director is responsible for the delegation within their sphere of responsibility. They should produce a Scheme of Delegation covering their area of responsibility and in particular the Scheme of Delegation should include how their budget responsibility and procedures for approval of expenditure are delegated.

3. SCHEME OF DELEGATION ARISING FROM STANDING ORDERS AND STANDING FINANCIAL INSTRUCTIONS

	SO Reference	Delegated to	Duties Delegated
	A 4	CE	Maintenance of Register of Board Members Interests

	SFI Reference	Delegated to	Duties Delegated
	1.1.5	FD	Approval of all financial procedures.
	1.3.9	CE	To ensure all employees and directors, present and future, are notified of and understand Standing Financial Instructions.
	1.3.10	FD	Responsible for implementing the Board's financial policies and co-ordinating corrective action and ensuring detailed financial procedures and systems are prepared and documented.
	1.3.10	FD	Maintaining an effective system of internal financial control
	1.3.10	FD	Ensuring that sufficient records are maintained to show and explain the Board's transactions
	1.3.14	ALL DIRECTORS AND EMPLOYEES	Ensuring that the form in which financial records are kept and the manner in which directors and employees discharge their duties is to the satisfaction of the Finance Director.
	3.1.1	CE	Submit to the Board an annual strategic plan covering 3 year period.
	3.1.2 & 3.1.3	FD	Submit budgets to Board and monitor performance against budget and strategic plan.
	3.2	CE	Delegate management of budgets to budget holders.
	3.3	FD	Devise and maintain systems of budgetary control.
	3.3	FD	Deliver adequate training on an ongoing basis to budget holders to enable them to manage effectively.
	3.4	CE	Identifying and implementing cost improvements and income generation initiatives.
	3.6	CE	Ensuring that the required financial performance returns are submitted to the SGHSCD.
	4	FD	Prepare annual accounts, financial returns and supporting papers
	5.1	FD	Managing the Board's banking arrangements
	6.1	FD	Designing, maintaining and ensuring compliance with income systems.
	7.1	CE	Capital programme investment process, and scheme of delegation for capital investment management.
	7.1.4	FD	Procedures for the regular reporting of expenditure and commitment, including reporting to the Board.
	7.1.9	FD	Procedures for financial management of capital investment.

	SFI Reference	Delegated to	Duties Delegated
	7.2	CE	Maintenance of asset registers.
	7.2.4	FD	Procedures for reconciling balances on ledgers to fixed asset registers.
	7.3	CE	Overall responsibility for fixed assets.
	7.3.2	FD	Asset control procedures.
	8	CE	Agreeing service agreements for provision of patient services.
	9.1	HR Director	Application of pay and expenses rates within arrangements approved by Remuneration Committee and Scottish Government circulars and guidance.
	9.2	CE	Variation of funded establishment from annual budget.
	9.3	CE	Delegation of authority to engage, re-engage, regrade employees, hire agency staff, or agree changes in remuneration.
	9.4	HR Director	Contracts of employment.
	9.5	HR Director	Pay and Payroll documentation.
	9.6	FD	Processing of payroll.
	9.7	HR Director / FD	Early retirement and redundancy policy and procedures.
	9.8	HR Director	Removal expenses policy and procedures.
	10.1.1	CE	Determine, and set out, level of delegation of non-pay expenditure to budget managers.
	10.1.2 & 10.1.3	FD	Identify managers who are authorised to place requisitions including maximum levels and set out procedures on the seeking of professional advice
	10.2	FD	Procedures for seeking advice on supply of goods and services.
	10.2.3	FD	Prompt payment of accounts.
	10.2.4	FD	Advise the Board regarding setting thresholds for quotations or tenders.
	10.2.4	FD	Designing a system of verification for all non pay amounts payable.
	10.2.6	CE	Authorise who may use and be issued with official orders.
	10.3.5	CE / FD	Dispensing with need for competitive tendering or quotations.
	10.5	FD	Procedures for payment of grants to local authorities and voluntary organisations.
	10.6	CE	Best value achieved for all services provided under contract or in-house.
	11.1.1	CE	Identify person with overall responsibility for control for stores.
	11.1.3	FD	Procedures and systems to regulate the stores.
	11.1.7 & 11.1.8	FD	Stocktaking arrangements.
	12.1.1	CE	Risk management programme including Health and Safety.
	12.1.4	FD	Insurance arrangements.

	SFI Reference	Delegated to	Duties Delegated
	13.1.1	FD	Responsible for accuracy and security of computerised financial data.
	13.1.2	FD	Development of new financial systems and amendments to existing systems.
	13.1.4 & 13.1.5	FD	Contracts for computer services for financial applications
	13.1.6	Associate MD	Procedures to comply with the Data Protection Act.
	13.1.7	FD	Procedures to comply with the Freedom of Information Act.
	14.2.1	FD	Developing and implementing Fraud, Theft and Irregularity Policy.
	14.2.1	FD	Investigate fraud or other irregularity in consultation with Chief Internal Auditor and Counter Fraud Services.
	14.3	FD	Arrangements to report on effectiveness of internal control.
	14.3	FD	Arrangements for internal audit.
	14.3	Chief Internal Auditor (CIA)	Review, appraise and report in accordance with NHS Internal Audit Manual and best practice.
	15.1	FD	Procedures for disposal of assets including condemnations.
	15.1.4	Security Director	Procedures for disposal of land including compliance with Property Transactions Handbook.
	15.2	FD	Maintain procedures for recording and accounting for losses and special payments; maintaining a register.
	15.2.8	CE & FD	Approval of losses and authorisation of special payments within limits set by SGHSCD.
	15.3	FD	Preparing a “Fraud Response Plan”
	15.3.4	CE	Designating a Fraud Liaison Officer.
	15.3	Fraud Liaison Officer	Notifying police, Counter Fraud Service, appropriate Director, appointed Auditor and Internal Audit in respect of theft.
	15.3	Counter Fraud Services	Investigating instances of *prima facie* grounds for believing a criminal offence has been committed.
	16.1.2	CE	Ensure patients or guardians informed of extent of Board’s liability or responsibility for patients property brought into Health Service property.
	16.1.3	Security Director	Provide detailed written instructions on collection, custody, investment, recording, safekeeping and disposal of patients' property.
	16.1.5	FD	Approval of payment towards costs of funeral expenses.
	16.1.6	HR Director	Advise staff on appointment of their responsibilities and duties in respect of the administration of patients’ property.

	SFI Reference	Delegated to	Duties Delegated
	16.1.8	FD	Preparing an abstract of receipts and payments for patients' funds, for presentation to the Audit Committee annually; with independent audit.
	17	FD	Preparing aggregated annual accounts for funds held on Trust by the Board; with independent audit.
	18.1.1	CE	Retention of document procedures.
	19.1	CE	Standards of Business Conduct policy.
	19.2	FD	Maintain a Register of Gifts and Hospitality.
	19.4	CE	Maintain Register of Board members interests
	19.4	FD	Maintain a Register of staff members interests

THE STATE HOSPITALS BOARD FOR SCOTLAND
SCHEME OF DELEGATION

1. Organisational Scope / Profile

Area of Responsibility / Duties Delegated	Delegated To	Authorised Deputy	Financial Value £'m	Constraints/Reference
1.1 Preparation and Maintenance of Service Directory	Chief Executive	Director of Nursing & AHP	N/A	CG & RM Standards

2. Corporate Governance

Area of Responsibility / Duties Delegated	Delegated To	Authorised Deputy	Financial Value £'m	Constraints/Reference
2.1 Maintenance of Register of Board Member Interests	Chief Executive	N/A	N/A	Standing Orders A4
2.2 Scheme of Delegation Responsibility for preparation and update of Scheme	Chief Executive	Finance Director	N/A	CG & RM standards, SG standards, Governance Statement
2.3 Sealing of Documents	Chief Executive	N/A	N/A	Standing Orders E28

Area of Responsibility / Duties Delegated	Delegated To	Authorised Deputy	Financial Value £'m	Constraints/Reference
2.4 Distribution of all relevant new legislation, regulations, good practice and case law	Chief Executive	N/A	N/A	CG & RM standards
3. Communications				
3.1 Preparation of Communications Strategy				
Overall communications framework	Chief Executive	Head of Communications	N/A	
Internal (staff)	Chief Executive	Head of Communications	N/A	SG Standards
External	Chief Executive	Head of Communications	N/A	CG & RM Standards
Patients and Carers	Director of Nursing & AHP	Involvement & Equality Lead	N/A	CG & RM Standards

4. Planning and Performance

Area of Responsibility / Duties Delegated	Delegated To	Authorised Deputy	Financial Value £'m	Constraints/Reference
4.1 Preparation and Implementation of the Delivery Plan	Chief Executive	Finance Director	as per supporting Financial Plan	SGHSCD letter CG & RM standards
4.2 Preparation of Corporate Objectives, Targets, Measures	Chief Executive	Finance Director	as above	SGHSCD letter CG & RM standards
4.3 Performance management systems	Finance Director	N/A	N/A	CG & RM standards
4.4 Service Level Agreements with other Health Boards	Chief Executive	Finance Director	all	CG & RM standards
4.5 Partnership Agreements	Chief Executive	N/A	all	

5. Risk Management

Area of Responsibility / Duties Delegated	Delegated To	Authorised Deputy	Financial Value £'m	Constraints/Reference
5.1 Preparation of Risk Management Strategy	Chief Executive	Finance Director	N/A	CG & RM standards Statement of Internal Control
5.2 Policies and Procedures				
Risk Management	Finance Director	Risk Manager	N/A	CG & RM standards
Child Protection	Director of Nursing & AHP	N/A	N/A	
Prescribing	Associate Medical Director	N/A	N/A	HDL(2007)12 Safer management of controlled drugs - Accountable Officer status delegated to Associate Medical Director
Health and Safety	Chief Executive	Finance Director	N/A	HSG 65 (Health & Safety Executive) and associated regulations
5.3 Emergency and Continuity Planning	Security Director	N/A	N/A	CG & RM standards
5.4 Insurance Arrangements	Finance Director	Procurement Manager	N/A	SFI 12

6. Clinical Governance

Area of Responsibility / Duties Delegated	Delegated To	Authorised Deputy	Financial Value £'m	Constraints/Reference
6.1 Clinical Governance Strategy	Medical Director	N/A	within existing resources	CG & RM standards
6.2 Quality Assurance and Improvement Strategy	Medical Director	N/A	within existing resources	CG & RM standards
6.3 Research Governance Compliance with research governance standards	Associate Medical Director	N/A	N/A	CG & RM Standards Research Governance Standards
Approval of Research and Development Studies including associated clinical trials and indemnity agreements for commercial studies	Associate Medical Director	N/A	N/A	Research Governance Standards
6.4 Legal Claims				
Clinical negligence (negotiated settlements)	Finance Director	Chief Executive	< £25k	
Personal injury claims involving negligence where legal advice has been obtained and guidance applied	Finance Director	Chief Executive	< £25k	
All other claims	Chief Executive	Finance Director	> £25k	Scottish Government approval is required for all claims in excess of £100,000

Area of Responsibility / Duties Delegated	Delegated To	Authorised Deputy	Financial Value £'m	Constraints/Reference
6.5 Complaints				
Responding to complaints	Chief Executive	Deputy Chief Executive	N/A	Complaints guidance
Maintenance of complaints procedures and reporting	Finance Director	Risk Manager	N/A	Complaints guidance
6.6 Knowledge Services	Director of Nursing & AHP	N/A	within existing resources	CG &HIS standards

7. Equality & Involvement

Area of Responsibility / Duties Delegated	Delegated To	Authorised Deputy	Financial Value £'m	Constraints/Reference
7.1 Designated Director for Equality & Involvement	Director of Nursing & AHP	N/A	N/A	CG & RM standards Equality & Involvement Self Assessment
7.2 Policies and Procedures				CG & RM standards Equality & Involvement Self Assessment
Equality/Diversity (Human Rights, Race, Disability, Gender, etc)	Director of Nursing & AHP	N/A	N/A	
Advocacy	Director of Nursing & AHP	N/A	N/A	
Carers	Director of Nursing & AHP	Equality & Involvement Lead	N/A	
Volunteering	Director of Nursing & AHP	Equality & Involvement Lead	N/A	
Spiritual and Pastoral Care	Director of Nursing & AHP	Equality & Involvement Lead	N/A	
Patient and Carer Information and Communications	Director of Nursing & AHP	Equality & Involvement Lead	N/A	

8. Access, transfer, referral, discharge

Area of Responsibility / Duties Delegated	Delegated To	Authorised Deputy	Financial Value £'m	Constraints/Reference
8.1 Monitoring of Waiting Times				
- Psychological Therapies	Director of Nursing & AHP	N/A	N/A	Delivery Plan
- Patient Activity and Recreational Services	Director of Nursing & AHP	N/A	N/A	Delivery Plan
8.2 Public Information on access to services	Director of Nursing & AHP	N/A	N/A	CG & RM Standards
8.3 Access Policy	Medical Director	N/A	N/A	CG & RM Standards
8.4 Discharge Strategy and Policy	Medical Director	Associate Medical Director	N/A	CG & RM Standards
8.5 Clinical Supervision Policy	Medical Director & Director of Nursing & AHP	N/A	N/A	CG & RM Standards
8.6 Consent Policy	Medical Director	N/A	N/A	CG & RM Standards

9. Healthcare Associated Infection

Area of Responsibility / Duties Delegated	Delegated To	Authorised Deputy	Financial Value £'m	Constraints/Reference
9.1 Compliance and adherence to national standards in healthcare acquired infection	Director of Nursing & AHP	N/A	Within available resources	Infection Control Standards SGHSCD guidance
9.2 Compliance and adherence to national standards in				
decontamination	Security Director	N/A	Within available resources	SGHSCD guidance
cleaning	Security Director	N/A	Within available resources	SGHSCD guidance

10. Health Promotion and Education

Area of Responsibility / Duties Delegated	Delegated To	Authorised Deputy	Financial Value £'m	Constraints/Reference
10.1 Health Education and Health Promotion Activities	Director of Nursing & AHP	N/A	as per financial plan	CG & RM Standards
10.2 Public Health Information dissemination	Director of Nursing & AHP	N/A	N/A	CG & RM Standards

11. Information Management

Area of Responsibility / Duties Delegated	Delegated To	Authorised Deputy	Financial Value £'m	Constraints/Reference
11.1 Information Management Systems & Strategy	Finance Director	Head of eHealth	within programme plan	CG & RM Standards National eHealth Strategy
11.2 Clinical Responsibility for eHealth Strategy	Medical Director	Associate Medical Director	N/A	CG & RM Standards
11.3 Information Governance Framework	Finance Director	Head of eHealth	N/A	CG & RM Standards Information Governance Standards
11.4 Data Protection Act **- patient related data** **- staff related data**	Caldicott Guardian HR Director	Head of eHealth Head of eHealth	N/A	CG & RM Standards Information Governance Standards
11.5 Freedom of Information Act	Finance Director	Head of eHealth	N/A	CG & RM Standards Information Governance Standards
11.6 Caldicott Guardian	Medical Director	Associate Medical Director	N/A	CG & RM Standards Information Governance Standards

Area of Responsibility / Duties Delegated	Delegated To	Authorised Deputy	Financial Value £'m	Constraints/Reference
11.7 Records Management				
- clinical records	Caldicott Guardian	Health Records Manager	N/A	CG & RM Standards
- non clinical records	Finance Director	N/A	N/A	Information Governance Standards
11.8 Information Management & Technology Security	Finance Director	eHealth Security Officer	N/A	CG & RM Standards Information Governance Standards
11.9 Data Quality	Finance Director	Health Records Manager	N/A	CG & RM Standards Information Governance Standards

12. Staff Governance

Area of Responsibility / Duties Delegated	Delegated To	Authorised Deputy	Financial Value £'m	Constraints/Reference
12.1 Staff Governance Standards Implementation of Staff Governance Standards action plan	HR Director	N/A	N/A	Staff Governance Standards
HR policies and procedures	HR Director	N/A	Within existing resources	PIN guidelines

Area of Responsibility / Duties Delegated	Delegated To	Authorised Deputy	Financial Value £'m	Constraints/Reference
12.2 Pay Modernisation Benefits Realisation Plans	HR Director	N/A	N/A	SGHSCD guidance
12.3 Workforce Planning	HR Director	N/A	N/A	SGHSCD guidance
12.4 Contracts of employment	HR Director	N/A	N/A	Staff Governance Standards PIN guidelines
12.5 Systems for Professional registration and CPD	Medical Director & Director of Nursing & AHP	N/A	N/A	CG & RM Standards
12.6 Learning and Development Plans	HR Director	N/A	N/A	Staff Governance Standards Development Plan
12.7 Whistleblowing Policy	HR Director	N/A	N/A	PIN guidelines Counter Fraud Service Partnership Agreement

Area of Responsibility / Duties Delegated	Delegated To	Authorised Deputy	Financial Value £'m	Constraints/Reference
12.8 Disciplinary Action and Appeal				
a) Decision to dismiss	Any Director in consultation with HR Director	N/A	N/A	
b) Appeal against disciplinary action short of dismissal	Manager of Disciplinary decision maker	N/A	N/A	Subject to no involvement in disciplinary action
c) Appeal against disciplinary action short of dismissal (action taken by Director)	Chief Executive	N/A	N/A	
d) Appeal against disciplinary action short of dismissal (action taken by Chief Executive)	Staff Governance Committee	N/A	N/A	
e) Appeal against dismissal	Chief Executive	N/A	N/A	
f) Appeal against disciplinary action in respect of Directors	Remuneration Committee	N/A	N/A	
g) Appeal against disciplinary action in respect of the Chief Executive	Full Board or special Committee with delegated authority	N/A	N/A	Subject to members not having been involved in disciplinary action
12.9 Senior Employees Remuneration				
Remuneration and performance of Directors and Senior Managers	Remuneration Committee	N/A	N/A	SGHSCD guidance

13. Financial controls (subject to compliance with Standing Orders and Standing Financial Instructions)

Area of Responsibility / Duties Delegated	Delegated To	Authorised Deputy	Financial Value £'m	Constraints/Reference
Financial/Organisational Governance **13.1 System for funding decisions and business planning**	Finance Director	N/A	N/A	
13.2 Preparation of Financial Plans	Finance Director	Head of Management Accounts	Allocation Letter	
13.3 Preparation of budgets	Finance Director	Head of Management Accounts	Per Financial Plan	
13.4 Financial Systems and Operating Procedures	Finance Director	Head of Financial Accounts	N/A	
13.5 Financial Performance Reporting System	Finance Director	Head of Financial Accounts	N/A	
13.6 Maintenance / Operation of Bank Accounts	Finance Director	Head of Financial Accounts	N/A	
13.7 Annual Accounts signatories	Chairperson Chief Executive Finance Director	N/A	N/A	In accordance with Scottish Accounts Manual

Area of Responsibility / Duties Delegated	Delegated To	Authorised Deputy	Financial Value £'m	Constraints/Reference
13.8 Audit Certificate	Appointed Auditors	N/A	N/A	In accordance with Scottish Accounts Manual
13.9 Systems for administration of patients funds	Finance Director	Head of Financial Accounts	N/A	
13.10 Fraud, Theft and Irregularity Policy	Finance Director	Fraud Liaison Officer	N/A	

14. Financial limits (subject to compliance with Standing Orders and Standing Financial Instructions)

Area of Responsibility / Duties Delegated	Delegated To	Authorised Deputy	Financial Value £'m	Constraints/Reference
14.1 Authority to commit expenditure for which no provision has been made in approved plans/ budgets	Chief Executive Finance Director	Finance Director N/A	£100k £25k	
14.2 Virement of Budget within approved Resource Limit for items where no provision has been made in approved plans/ budgets	Chief Executive	Finance Director	£100k	
14.3 Management of Budgets Responsibility for keeping expenditure within budgets				
a) at individual budget level (pay and non-pay)	Nominated budget-holders	Named Deputies	Budget notified	
b) at service level	Directors	Named Deputies	Budget notified	
c) for reserves and contingencies	Finance Director	Head of Management Accounts		
d) achievement of savings	Directors Chief Executive	Named Deputies	Savings notified	

Area of Responsibility / Duties Delegated	Delegated To	Authorised Deputy	Financial Value £'m	Constraints/Reference
e) Virement of Budget between Directors				Subject to maximum virement limit of Chief Executive
- per event up to £25,000	Directors	Named Deputies	< £25k	
- per event over £25,000 and up to £100,000 annually	Chief Executive	Finance Director	> £25k < £100k	
f) Virement of Budget between Directors				
- non recurring	Finance Director	N/A	< £100k	
-recurring	Chief Executive	N/A	< £100k	
14.4 Engagement of staff not on establishment				
All staff (ie bank/agency/locums)				
a) where aggregate commitment in any one year is less than £5,000	Directors	Finance Director	< £5k	
b) where aggregate commitment in any one year is more than £5,000 but less than £25,000	Finance Director	Chief Executive	> £5k < £25k	
c) where aggregate commitment in any one year is more than £25,000	Chief Executive	N/A	> £25k	
14.5 Setting of Fees and Charges	Finance Director	N/A	N/A	
14.6 Agreement/ Licences				
a) Granting and termination of leases with annual rent less than £25,000	Finance Director	N/A	< £25k	
b) Granting and termination of leases with annual rent more than £25,000	CE and FD jointly	N/A	> £25k	
c) Preparation & signature of all tenancy licences for all staff subject to Board policy on accommodation	Finance Director	N/A	N/A	

Area of Responsibility / Duties Delegated	Delegated To	Authorised Deputy	Financial Value £'m	Constraints/Reference
d) Extensions to existing leases	Chief Executive and Finance Director jointly	N/A	N/A	
e) Letting of premises to outside organisations	Chief Executive	N/A	N/A	
f) Approval of rent based on professional assessment	Finance Director	N/A	N/A	
14.7 Non-Pay Revenue Expenditure - Requisitioning/				
Ordering of Goods and Services				
a) Value over £100,000	Board	N/A	>£100k	
b) Annual Value over £20,000 and up to £100,000	Chief Executive	Finance Director, Deputy Chief Exec	>£20k < £100k	Subject to containment within overall Board resources
	Procurement Manager (PO only)	Procurement Team Leader, Head of Financial Accounts, Finance Director (PO only)		
c) Annual Value over £15,000 and up to £20,000	Finance Director	Chief Exec, Deputy Chief Exec	>£15k < £20k	Subject to containment within overall Board resources
	Procurement Manager (PO only)	Procurement Team Leader, Head of Financial Accounts, Finance Director (PO only)		

Area of Responsibility / Duties Delegated	Delegated To	Authorised Deputy	Financial Value £'m	Constraints/Reference
d) Annual Value over £10,000 and up to £15,000	Budget Director	Finance Director, Chief Exec, Deputy Chief Exec	>£10k < £15k	Subject to containment within overall delegated funds for Directorate
	Procurement Manager (PO only)	Procurement Team Leader, Head of Financial Accounts, Finance Director (PO only)		
e) Annual Value over £5,000 and up to £10,000	Budget Manager	Budget Director	>£5k < £10k	Subject to containment within overall delegated funds for budget manager
	Procurement Manager (PO only)	Procurement Team Leader, Head of Financial Accounts (PO only)		
f) Annual Value over £1,000 and up to £5,000	Budget holder	Budget Manager	>£1k < £5	Subject to containment within overall delegated funds for budget holder
	Procurement Manager (PO only)	Procurement Team Leader (PO only)		
		Head of Financial Accounts (PO only)		
g) Annual Value up to £1,000	Budget holder	Budget Manager	< £1k	Subject to containment within overall delegated funds for budget holder
	Procurement Manager (PO only)	Procurement Team Leader (PO only)		
		Head of Financial Accounts (PO only)		
h) Orders exceeding a 12 month period over £50,000 and up to £100,000	Chief Executive	Deputy Chief Exec, Finance Director	> £50k < £100k	Subject to containment within overall Board resources
i) Orders exceeding a 12 month period and up to £50,000	Finance Director	Chief Executive	< £50k	Subject to containment within overall Board resources

Area of Responsibility / Duties Delegated	Delegated To	Authorised Deputy	Financial Value £'m	Constraints/Reference
j) Subsequent variations to contract	Finance Director	Chief Executive	N/A	Subject to containment within delegated limits and within budget
k) Specific exceptions to above limits – Utilities – up to £25,000	Estates Manager	Estates Co-ordinator, Security Director	< £25k	Subject to containment within budget
- Laundry - up to £5,000	Estates Manager	Estates Co-ordinator		
- Decontamination – up to £3,000	Estates Manager	Estates Co-ordinator		
- Shop Trading Account – up to £5,000	Designated budget holders	N/A	< £5k	Countersigned by Procurement Manager (PO only)
l) Consolidated orders up to £10,000	Procurement Manager	Procurement Team Leader	< £10k	Subject to individual items authorised as above
m) Invoice matching queries	Procurement Manager / Head of Financial Accounts	Assistant Management Accountant	<£100 or 10% whichever is lower	Above this level re-authorisation by the budget holder is required
n) Approval of removal expenses packages	Chief Executive	Deputy Chief Executive	<£8k	Taxable Threshold. In exceptional circumstances a higher level may be considered, reasons to be documented
DELEGATION TO INDIVIDUAL OFFICERS TO BE APPROVED BY FINANCE DIRECTOR				

Area of Responsibility / Duties Delegated	Delegated To	Authorised Deputy	Financial Value £'m	Constraints/Reference
14.8 Capital schemes a) Non IM&T capital schemes - approval and authorisation to proceed				
-value over £ 2,000,000	Board and SGHSCD jointly	N/A	> £2.0m	HDL (2005) 16
- value between £ 500,000 and £ 2,000,000	Chief Executive and Board jointly	N/A	> £0.5m < £2.0m	Internal business case required for £ 1.0m
- value up to £ 500,000	Chief Executive	Deputy Chief Executive	< £0.5m	
- value up to £ 10,000	Finance Director	N/A	<£0.01m	
b) eHealth capital schemes - approval and authorisation to proceed				
-value over £ 1,000,000	Board and SGHSCD jointly	N/A	> £1.0m	HDL (2005) 16
- value between £100,000 and £ 1,000,000	Chief Executive and Board jointly	N/A	> £0.1m < £1.0m	Internal business case required for £ 0.5m
- value up to £100,000	Chief Executive	Deputy Chief Executive	< £0.1m	
- value up to £20,000	Finance Director	N/A		
- value up to £5,000	Head of eHealth	N/A		
c) Selection of professional advisors	Chief Executive	N/A	N/A	subject to containment within approved budget
d) Approval of variations to contract				
-value up to £ 100,000	Chief Executive	Deputy Chief Executive	> £25k < £100k	
- value up to £ 25,000 or 10% of approved expenditure of any scheme whichever is the lower	Security Director or Finance Director	N/A	< £25k	or 10% of approved spend whichever is lower

Area of Responsibility / Duties Delegated	Delegated To	Authorised Deputy	Financial Value £'m	Constraints/Reference
14.9 Quotation, Tendering and Contract Procedures				
a) Quotations Three minimum quotations for goods/services for spend over £5,000 and up to £10,000	Procurement Manager	N/A	>£5k < £10k	refer to tendering procedures
b) Tenders Three minimum quotations for goods/services for spend over £10,000 and up to £100,000	Finance Director	N/A	>£10k < £100k	refer to tendering procedures
Three minimum quotations for goods/services for spend over £100,000	Chief Executive	N/A	>£100k	subject to EU regulations
c) Waiving of quotations & tenders subject to SOs	Chief Executive & Finance Director	N/A	N/A	
d) Arrangements for opening tenders	Procurement Manager	N/A	N/A	

Area of Responsibility / Duties Delegated	Delegated To	Authorised Deputy	Financial Value £'m	Constraints/Reference
14.10 Condemning & Disposal of Assets (excluding heritable property) Items obsolete, obsolescent, redundant, irreparable or cannot be repaired cost effectively				
- with current /estimated purchase price up to £50,000	Finance Director	Head of Financial Accounts	< £50k	
- with current/estimated purchase price over £50,000	Chief Executive	N/A	> £50k	
14.11 Condemnations, Losses and Special Payments				
a) Compensation Payments made under legal obligation - ex gratia				
- over £100,000	Board	N/A	> £100k	requires SGHSCD approval
- between £25,000 and £100,000	Chief Executive	Deputy Chief Executive	>£25k < £100k	
- up to £25,000	Finance Director	N/A	< £25k	
b) Other ex-gratia payments - other payments				
- over £5,000	Board	N/A	> £ 5k	requires SGHSCD approval
- up to £5,000	Chief Executive	N/A	< £5k	

Area of Responsibility / Duties Delegated	Delegated To	Authorised Deputy	Financial Value £'m	Constraints/Reference
c) Stores/stock losses due to - theft, fraud, arson ; incidents of the service; or disclosed at check				
- over £20,000	Board	N/A	> £20k	requires SGHSCD approval
- up to £20,000	Finance Director & Chief Executive	N/A	< £20k	
d) Routine stores write on / write off disclosed at check - up to £100	Head of Financial Accounts	N/A	< £100	
- over £100	Finance Director	N/A	> £100	
e) Losses of cash due to theft, fraud, overpayment and others				
- over £5,000	Board	N/A	> £5k	requires SGHSCD approval
- up to £5,000	Finance Director & Chief Executive	N/A	< £5k	
f) Abandoned Claims				
- over £5,000	Board	N/A	> £5k	requires SGHSCD approval
- up to £5,000	Finance Director & Chief Executive	N/A	< £5k	
g) Damage to buildings				
- over £20,000	Board	N/A	> £20k	requires SGHSCD approval
- up to £20,000	Finance Director & Chief Executive	N/A	< £20k	

STATE HOSPITALS BOARD FOR SCOTLAND

STANDING ORDERS

Version 13

Version Control Log		
Version	**Date**	**Description**
7	24 Nov 2008	Section 24 includes reference to the Board putting in place a Hospitality Policy. This is currently in draft and will be provided to the Audit Committee in January 09 for approval. Section 26 updated to reflect change in approval mechanism of Committee minutes. Paragraph 27 clarification of ex-officio status. This is also reflected in the terms of reference of committees.
7.1	15 Jan 2009	Amended for Board comments
7.2	19 April 2012	
8	30 April 2013	Amended for Audit Committee comments
8.1	June 2013	Approved by Board June 2013
9	April 2014	Paragraph 20b amended to reflect reference to 20(a) (changed from 21(a). Paragraph D27e amended as per Audit Committee on 24 April 2014. Approved by Board 26 June 2014
10	April 2015	Approved by Audit Committee 2 April 2015 after following changes made: Paragraph B9(a) amended to reflect Board meets every second month.

		Paragraph B12© amended to remove reference to Sub Committee. Paragraph B12(e) amended in respect of meetings being quorate as per their Terms of Reference.
11	March 2016	Section 5 – added sentence re annual confirmation of Declaration of Interests. Section 20(a) – amended limits for disposal of assets from £25,000 to £50,000 to agree with SFI's.
12	March 2017	Approved by Audit Committee 23 March 2017 Approved by Board 4 May 2017
13	March 2018	Approved by Audit Committee 5 April 2018 Approved by Board 28 June 2018

FOREWORD

Standing Orders, together with Standing Financial Instructions, provide a regular framework for the business conduct of the Board. They fulfil the dual role of protecting the Board's interests and protecting staff from any possible accusation that they have acted less than properly.

The Standing Orders, Scheme of Delegations and Standing Financial Instructions provide a comprehensive business framework. All executive and non-executive directors, and all members of staff, should be aware of the existence of these documents and, where necessary, be familiar with the detailed provisions.

Failure to comply with standing orders and standing financial instructions is a disciplinary matter which could result in dismissal.

STANDING ORDERS

For regulating the business and proceedings of the State Hospitals Board for Scotland, and its Committees made under the terms of the Health Boards (Membership and Procedure) (No 2) Regulations 1991 (S.I. 1991 No.809 (S74)), and the mandatory elements of NHS Circular MEL (1994) 80.

The Standing Orders of the Board shall apply, where applicable, to all Committees and Sub-Committees of the Board.

The Ethical Standards in Public Life etc. (Scotland) Act 2000 introduced a Members' Model Code of Conduct and the Board adopted the Code in July 2002.

A MEMBERS' CODE OF CONDUCT

1 Introduction

The Scottish public has a high expectation of those who serve on the boards of public bodies and the way in which they should conduct themselves in undertaking their duties for The State Hospitals Board for Scotland. You must meet those expectations by ensuring that your conduct is above reproach.

The Ethical Standards in Public Life etc. (Scotland) Act 2000 provides for new Codes of Conduct for local authority councillors and members of relevant public bodies; imposes on councils and relevant public bodies a duty to help their members to comply with the relevant code; and establishes a Standards Commission for Scotland to oversee the new framework and deal with alleged breaches of the codes.

This Code covers members of The State Hospitals Board for Scotland. As a member of the State Hospitals Board for Scotland, it is your responsibility to make sure that you are familiar with, and that your actions comply with, the provisions of this Code of Conduct.

Guidance on the Code of Conduct

You must observe the rules of conduct contained in this Code. It is your personal responsibility to comply with these and review regularly, and at least annually, your personal circumstances with this in mind, particularly when your circumstances change. You must not at any time advocate or encourage any action contrary to the Code of Conduct.

The Code has been developed in line with the key principles listed in section 2 and provides additional information on how the principles should be interpreted and applied in practice. No Code can provide for all circumstances and if you are uncertain about how the rules apply, you should seek advice from the Chairperson, or the Chief Executive. You may also choose to consult your own legal advisers and, on detailed financial and commercial matters, seek advice from other relevant professionals.

Enforcement

Section 2 of the Ethical Standards in Public Life etc. (Scotland) Act 2000 sets out the provisions for dealing with alleged breaches of this Code of Conduct and the sanctions that shall be applied if the Standards Commission finds that there has been a breach of the Code. Those sanctions are outlined in Annex A.

2 Key Principles of the Code of Conduct

The general principles upon which this Model Code of Conduct are based are:

Public Service

You have a duty to act in accordance with the core tasks and in the interests of the State Hospitals Board for Scotland of which you are a member.

Selflessness

You have a duty to take decisions solely in terms of public interest. You must not act in order to gain financial or other material benefit for yourself, family or friends.

Integrity

You must not place yourself under any financial, or other, obligation to any individual or organisation that might reasonably be thought to influence you in the performance of your duties.

Objectivity

You must make decisions solely on merit when carrying out public business.

Accountability and Stewardship

You are accountable for your decisions and actions to the public. You have a duty to consider issues on their merits, taking account of the views of others and must ensure that the State Hospital uses its resources prudently and in accordance with the law.

Openness

You have a duty to be as open as possible about your decisions and actions, giving reasons for your decisions and restricting information only when the wider public interest clearly demands, or in the interests of patient confidentiality.

Honesty

You have a duty to act honestly. You must declare any private interests relating to your public duties and take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

You have a duty to promote and support these principles by leadership and example, to maintain and strengthen the public's trust and confidence in the integrity of the State Hospitals Board for Scotland and its members in conducting public business.

Respect

You must respect fellow members and employees of the State Hospital and the role they play, treating them with courtesy at all times.

You should apply the principles of this Code to your dealings with fellow members of the State Hospitals Board for Scotland and its employees.

3 General Conduct

Relationships with Employees of the State Hospital

You will treat any staff employed by the State Hospital with courtesy and respect. It is expected that employees will show you the same consideration in return.

Allowances

You must comply with any rules of the State Hospital regarding remuneration, allowances and expenses.

Gifts and Hospitality

You must never canvass or seek gifts or hospitality.

You are responsible for your decisions connected with the offer or acceptance of gifts or hospitality and for avoiding the risk of damage to public confidence in the State Hospitals Board for Scotland. As a general guide, it is usually appropriate to refuse offers except:

(a) isolated gifts of a trivial character or inexpensive seasonal gifts such as a calendar or diary, or other simple items of office equipment of modest value;

(b) normal hospitality associated with your duties and which would reasonably be regarded as inappropriate to refuse; or

(c) gifts received on behalf of the State Hospitals Board for Scotland.

You must not accept any offer by way of gift or hospitality which could give rise to a reasonable suspicion of influence on your part to show favour, or disadvantage, to any individual or organisation. You should also consider whether there may be any reasonable perception that any gift received by your spouse or co-habitee or by any company in which you have a controlling interest, or by a partnership of which you are a partner, can or would influence your judgement. The term “gift” includes benefits such as relief from indebtedness, loan concessions, or provision of services at a cost below that generally charged to members of the public.

You must not accept repeated hospitality from the same source. You must record details of any gifts and hospitality received and the record must be made available for public inspection.

You must not accept any offer of a gift or hospitality from any individual or organisation which stands to gain or benefit from a decision made by the State Hospitals Board for Scotland may be involved in determining, or who is seeking to do business with your organisation, and which a person might reasonably consider could have a bearing on your judgement. If you are making a visit to inspect equipment, vehicles, land or property, then as a general rule you should ensure that the State Hospitals Board for Scotland pays for the costs of these visits.

Confidentiality Requirements

There may be times when you will be required to treat discussions, documents or other information relating to the work of the State Hospitals Board for Scotland in a confidential manner. You will often receive information of a private nature which is not yet public, or which perhaps would not be intended to be public. There are provisions in legislation on the categories of confidential and exempt information and you must always respect and comply with the requirement to keep such information private.

It is unacceptable to disclose any information to which you have privileged access, for example derived from a confidential document, either orally or in writing. In the case of other documents and information, you are requested to exercise your judgement as to what should or should not be made available to outside bodies or individuals. In any event, such information should never be used for the purpose of personal or financial gain, or used in such a way as to bring the State Hospitals Board for Scotland into disrepute.

Use of Public Body Facilities

Members of the State Hospitals Board for Scotland must not misuse facilities, equipment, stationery, telephony and services, or use them for party political or campaigning activities. Use of such equipment and services, etc must be in accordance with the State Hospitals Board for Scotland policy and rules on their usage.

Appointment to Partner Organisations

You may be appointed, or nominated by the State Hospitals Board for Scotland, as a member of another body or organisation. If so, you are bound by the rules of conduct of these organisations and should observe the rules of this Code in carrying out the duties of that body. No NHS body is permitted to nominate a person to be a director of another Company.

4 Registration of Interests

The following paragraphs set out the kinds of interests, financial and otherwise which you have to register. These are called "Registerable Interests". You must, at all times, ensure that these interests are registered, when you are appointed and whenever your circumstances change in such a way as to require change or an addition to your entry in the State Hospitals Board for Scotland Register.

The Board will maintain a formal Register of Members' Interest, which should be available to the public, on request from Corporate Services, at the State Hospital, Carstairs. The Register will include details of all directorships and other relevant and material interests which have been declared by the Chairperson, executive and non-executive Board Directors/Members.

This Code sets out the categories of interests, which you must register. Annex B contains key definitions to help you decide what is required when registering your interests under any particular category. These categories are listed below with explanatory notes designed to help you decide what is required when registering your interests under any particular category.

Category One: Remuneration

You have a Registerable Interest where you receive remuneration by virtue of being:

- employed;
- self-employed;
- the holder of an office;
- a director of an undertaking;
- a partner in a firm; or
- undertaking a trade, profession or vocation or any other work.

The amount of remuneration does not require to be registered and remuneration received as a Member does not have to be registered.

If a position is not remunerated it does not need to be registered under this category. However, unremunerated directorships may need to be registered under category two, "Related Undertakings".

If you receive any allowances in relation to membership of any organisation, the fact that you receive such an allowance must be registered.

When registering employment, you must give the name of the employer, the nature of its business, and the nature of the post held in the organisation.

When registering self-employment, you must provide the name and give details of the nature of the business. When registering an interest in a partnership, you must give the name of the partnership and the nature of its business.

Where you undertake a trade, profession or vocation, or any other work, the detail to be given is the nature of the work and its regularity. For example, if you write for a newspaper, you must give the name of the publication, and the frequency of articles for which you are paid.

When registering a directorship, it is necessary to provide the registered name of the undertaking in which the directorship is held and the nature of its business.

Registration of a pension is not required as this falls outside the scope of the category.

Category Two: Related Undertakings

You must register any directorships held which are themselves not remunerated but where the company (or other undertaking) in question is a subsidiary of, or a parent of, a company (or other undertaking) in which you hold a remunerated directorship.

You must register the name of the subsidiary or parent company or other undertaking and the nature of its business, and its relationship to the company or other undertaking in which you are a director and from which you receive remuneration.

The situations to which the above paragraphs apply are as follows:

- you are a director of a board of an undertaking and receive remuneration – declared under category one – and
- you are a director of a parent or subsidiary undertaking but do not receive remuneration in that capacity.

Category Three: Contracts

You have a registerable interest where you (or a firm in which you are a partner, or an undertaking in which you are a director or in which you have shares of a value as described in category 5 below) have made a contract with the State Hospitals Board for Scotland of which you are a member:

(i) under which goods or services are to be provided, or works are to be executed; and

(ii) which has not been fully discharged.

You must register a description of the contract, including its duration, but excluding the consideration.

Category Four: Houses, Land and Buildings

You have a registerable interest where you own or have any other right or interest in houses, land and buildings, which may be significant to, of relevance to, or bear upon, the work and operation of the State Hospitals Board for Scotland.

The test to be applied when considering appropriateness of registration is to ask whether a member of the public acting reasonably might consider any interests in houses, land and buildings could potentially affect your responsibilities to the organisation to which you are appointed and to the public, or could influence your actions, speeches or decision-making. If in doubt, you may consult with the Standards Commission.

Category Five: Shares and Securities

You have a registerable interest where you have an interest in shares which constitute a holding in a company or organisation which may be significant to, of relevance to, or bear upon, the work and operation of the State Hospitals Board for Scotland. You are not required to register the value of such interests.

The test to be applied when considering appropriateness of registration is to ask whether a member of the public acting reasonably might consider any interests in shares and securities could potentially affect your responsibilities to the organisation to which you are appointed and to the public, or could influence your actions, speeches or decision-making. If in doubt, you may consult with the Standards Commission.

Category Six: Non–Financial Interests

You may also have a registerable interest if you have non-financial interests which may be significant to, of relevance to, or bear upon, the work and operation of the State Hospitals Board for Scotland. It is important that relevant interests such as membership or holding office in other public bodies, clubs, societies and organisations such as trades unions and voluntary organisations, are registered and described.

The test to be applied when considering appropriateness of registration is to ask whether a member of the public acting reasonably might consider any non-financial interest could potentially affect your responsibilities to the organisation to which you are appointed and to the public, or could influence your actions, speeches or decision-making. If in doubt, you may consult with the Standards Commission.

5 Declaration of Interests

Introduction

The key principles of the Code, especially those in relation to integrity, honesty and openness, are given further practical effect by the requirement for you to declare certain interests in proceedings of the State Hospitals Board for Scotland. Together with the rules on registration of interests, this ensures transparency of your interests which might influence, or be thought to influence, your actions.

Public bodies inevitably have dealings with a wide variety of organisations and individuals and this Code indicates the circumstances in which a business or personal interest must be declared. Public confidence in the State Hospitals Board for Scotland and its members depends on it being clearly understood that decisions are taken in the public interest and not for any other reason.

In considering whether to make a declaration in any proceedings, you must consider not only whether you will be influenced but whether anybody else would think that you might be influenced by the interest. You must keep in mind that the test is whether a member of the public, acting reasonably, might think that a particular interest could influence you.

If you feel that, in the context of the matter being considered, your involvement is neither capable of being viewed as more significant than that of an ordinary member of the public, nor likely to be perceived by the public as wrong, you may continue to attend the meeting and participate in both discussion and voting. The relevant interest must however be declared. It is your responsibility to judge whether an interest is sufficiently relevant to particular proceedings to require a declaration and you are advised to err on the side of caution. You may also seek advice from the Standards Commission.

At the time Board Members' interests are declared, they should be recorded in the Board minutes. The minutes containing information about the interests of Board Members should be drawn to the attention of the Board's internal and external auditors. Any changes should also be declared within 4 weeks of the change occurring and recorded in the Board minutes.

Any remuneration, compensation or allowances payable to a Chairperson or other non-executive Member by virtue of paragraph 4 of Part I, or paragraph 13 of Part II, of Schedule I of the National Health Service (Scotland) Act of 1978 or any amendment thereof, shall not be treated as a pecuniary interest for the purpose of these Standing Orders.

Interests which Require Declaration

Interests which require to be declared may be financial or non-financial. They may or may not be interests which are registerable under this Code. Most of the interests to be declared will be your personal interests but, on occasion, you will have to consider whether the interests of other persons require you to make a declaration.

Shares and Securities

Any financial interest which is registerable must be declared. You may have to declare interests in shares and securities, over and above those registerable under category five of section 4 of this Code. You may, for example, in the course of employment or self-employment, be engaged in providing professional advice to a person whose interests are a component of a matter to be dealt with by a Board.

You have a declarable interest where an interest becomes of direct relevance to a matter before the body on which you serve and you have shares comprised in the share capital of a company or other body and the nominal value of the shares is:

(i) greater than 1% of the issued share capital of the company or other body; or

(ii) greater than £25,000.

You are required to declare the name of the company only, not the size or nature of the holding.

Houses, Land and Buildings

Any interest in houses, land and buildings which is registerable under category four of section 4 of this Code must be declared, as well as any similar interests which arise as a result of specific discussions or operations of the State Hospitals Board for Scotland.

Non-Financial Interests

If you have a registered non-financial interest under category six of section 4 of this Code you have recognised that it is significant. There is therefore a very strong presumption that this interest will be declared where there is any link between a matter which requires your attention as a member of the State Hospitals Board for Scotland and the registered interest. Non-financial interests include membership or holding office in other public bodies, clubs, societies,

trade unions and organisations including voluntary organisations. They become declarable if and when members of the public might reasonably think they could influence your actions, speeches or votes in the decisions of the State Hospitals Board for Scotland.

You may serve on other bodies as a result of express nomination or appointment by the State Hospitals Board for Scotland or otherwise by virtue of being a member of the State Hospitals Board for Scotland. You must always remember the public interest points towards transparency particularly where there is a possible divergence of interest between different public authorities.

You will also have other private and personal interests and may serve, or be associated with, bodies, societies and organisations as a result of your private and personal interests and not because of your role as a member of the State Hospitals Board for Scotland. In the context of any particular matter you will have to decide whether to declare a non-financial interest. You should declare an interest unless you believe that, in the particular circumstances, the interest is irrelevant or without significance. In reaching a view you should consider whether the interest (whether taking the form of association or the holding of office) would be seen by a member of the public acting reasonably in a different light because it is the interest of a person who is a member as opposed to the interest of an ordinary member of the public.

Interests of Other Persons

The Code requires only your interests to be registered. You may, however, have to consider whether you should declare an interest in regard to the financial interests of your spouse or cohabitee which are known to you. You may have to give similar consideration to any known non-financial interest of a spouse or cohabitee. You have to ask yourself whether a member of the public acting reasonably would regard these interests as effectively the same as your interests in the sense of potential effect on your responsibilities as a member of the State Hospitals Board for Scotland.

The interests known to you, both financial and non-financial, of relatives and close friends may have to be declared. This Code does not attempt the task of defining “relative” or “friend”. The key principle is the need for transparency in regard to any interest which might (regardless of the precise description of relationship) be objectively regarded by a member of the public, acting reasonably, as potentially affecting your responsibilities as a member of the State Hospitals Board for Scotland.

Making a Declaration

You must consider at the earliest stage possible whether you have an interest to declare in relation to any matter which is to be considered. You should consider whether agendas for meetings raise any issue of declaration of interest. Your declaration of interest must be made as soon as practicable at a meeting where that interest arises. If you do identify the need for a declaration of interest only when a particular matter is being discussed you must declare the interest as soon as you realise it is necessary.

The oral statement of declaration of interest should identify the item or items of business to which it relates. The statement should begin with the words “I declare an interest”. The statement must be sufficiently informative to enable those at the meeting to understand the nature of your interest but need not give a detailed description of the interest.

A “Declaration of Interests Form” is required to be completed on an annual basis.

Effect of Declaration

Declaring a financial interest has the effect of prohibiting any participation in discussion and voting. A declaration of a non-financial interest involves a further exercise of judgement on

your part. You must consider the relationship between the interests which have been declared and the particular matter to be considered and relevant individual circumstances surrounding the particular matter.

In the final analysis the conclusive test is whether, in the particular circumstances of the item of business, and knowing all the relevant facts, a member of the public acting reasonably would consider that you might be influenced by the interest in your role as a member of the State Hospitals Board for Scotland and that it would therefore be wrong to take part in any discussion or decision-making. If you, in conscience, believe that your continued presence would not fall foul of this objective test, then declaring an interest will not preclude your involvement in discussion or voting. If you are not confident about the application of this objective yardstick, you must play no part in discussion and must leave the meeting room until discussion of the particular item is concluded.

Dispensations

In very limited circumstances dispensations can be granted by the Standards Commission in relation to the existence of financial and non-financial interests which would otherwise prohibit you from taking part and voting on matters coming before your public body and its committees. Applications for dispensations will be considered by the Standards Commission and should be made as soon as possible in order to allow proper consideration of the application in advance of meetings where dispensation is sought. You should not take part in the consideration of the matter in question until the application has been granted.

6 Lobbying and Access to Members of Public Bodies

In order for the State Hospitals Board for Scotland to fulfil its commitment to being open and accessible, it needs to encourage participation by organisations and individuals in the decision-making process. Clearly however, the desire to involve the public and other interest groups in the decision-making process must take account of the need to ensure transparency and probity in the way in which the State Hospitals Board for Scotland conducts its business.

You will need to be able to consider evidence and arguments advanced by a wide range of organisations and individuals in order to perform your duties effectively. Some of these organisations and individuals will make their views known directly to individual members. The rules in this Code set out how you should conduct yourself in your contacts with those who would seek to influence you. They are designed to encourage proper interaction between members of public bodies, those they represent and interest groups.

Rules and Guidance

You must not, in relation to contact with any person or organisation who lobbies, do anything which contravenes this Code of Conduct or any other relevant rule of the State Hospitals Board for Scotland or any statutory provision.

You must not, in relation to contact with any person or organisation who lobbies, act in any way which could bring discredit upon the State Hospitals Board for Scotland.

The public must be assured that no person or organisation will gain better access to, or treatment by, you as a result of employing a company or individual to lobby on a fee basis on their behalf. You must not, therefore, offer or accord any preferential access or treatment to those lobbying on a fee basis on behalf of clients compared with that which you accord any other person or organisation who lobbies or approaches you. Nor should those lobbying on a fee basis on behalf of clients be given to understand that preferential access or treatment, compared to that accorded to any other person or organisation, might be forthcoming from another member of the State Hospitals Board for Scotland.

Before taking any action as a result of being lobbied, you should seek to satisfy yourself about the identity of the person or organisation who is lobbying and the motive for lobbying. You may choose to act in response to a person or organisation lobbying on a fee basis on behalf of clients but it is important that you know the basis on which you are being lobbied in order to ensure that any action taken in connection with the lobbyist complies with the standards set out in this Code.

You should not accept any paid work

(a) which would involve you lobbying on behalf of any person or organisation or any clients of a person or organisation.

(b) to provide services as a strategist, adviser or consultant, for example, advising on how to influence the State Hospitals Board for Scotland and its members. This does not prohibit you from being remunerated for activity which may arise because of, or relate to, membership of the State Hospitals Board for Scotland, such as journalism or broadcasting, or involvement in representative or presentational work, such as participation in delegations, conferences or other events.

If you have concerns about the approach or methods used by any person or organisation in their contacts with you, you must seek the guidance of the State Hospitals Board for Scotland.

The Members Model Code should be read in conjunction with Standing Financial Instructions of the State Hospitals Board for Scotland.

7 Training and Development of Members

The Chairperson of the Board is responsible for ensuring that all executive and non-executive Members make a full contribution to the Board's affairs and must, in consequence, determine the training and development needs of Members and ensure that any gaps in knowledge or experience are resolved.

B MEETINGS OF THE BOARD AND COMMITTEES

8 General

a) The Chief Executive shall cause notices of all meetings of the Board and Committees, together with a note of the agenda and of any Committee minutes and reports which are to be submitted to such meetings, to be delivered or sent by post so as to reach each Member of the Board five clear days before the date of the meeting. Failure of delivery of any notice shall not invalidate the proceedings of the meeting to which the notice refers.

b) At every meeting of the Board the Chairperson, if present, shall preside.

9 Ordinary Meetings of the Board

a) The ordinary meetings of the Board shall, unless the Board otherwise agrees, be held on the third Thursday of every second month at the State Hospital, Carstairs or at such place and at such time as the Board shall determine.

b) No business shall be transacted at ordinary meetings of the Board other than that specified in the agenda unless it has been notified to the Chairperson prior to the meeting and has the consent of the majority of the Members of the Board present.

10 Special Meetings of the Board

a) The Chairperson may call a special meeting of the Board at any time as required, or on receiving a requisition in writing for that purpose signed by one third of the whole number of Members of the Board (including at least two non-executive Members), of which meeting at least three clear days notice shall be given and specifying the business proposed to be transacted at the meeting. Such meetings shall be held within fourteen days of receipt of the requisition.

b) No business shall be transacted at a special meeting of the Board other than that specified in the requisition.

11 Annual Presentation of Accounts

At the appropriate Public Board Meeting, normally June, the Board shall present its annual report, audited accounts and any report on these accounts by the appointed auditor.

12 Quorum

No business shall be transacted at a meeting of the Board unless at least one third of the whole number of Members of the Board is present; of whom a majority should be non-executive Members.

If within thirty minutes after the time appointed for the meeting, a quorum of members is not present, the meeting shall stand adjourned, and the Chief Executive will arrange for it to be minuted that, owing to the want of the necessary quorum, no business was transacted.

An ordinary meeting shall be held to be adjourned until the next ordinary meeting unless otherwise stated and at that meeting the business left over at the adjourned meeting shall be entitled to preference over other business.

A special meeting standing adjourned shall be held to be adjourned *sine die.*

The proceedings at meetings of the Board or its committees shall not be invalidated by any vacancy in its membership or by any defect in the appointment of any member thereof.

13 Notice of Motion and Order of Debate

a) A motion which is contradictory to a resolution of the Board shall not be competent within six months of the date of adoption of such resolution unless:

i) the consent of two thirds of the Members of the Board present and voting be obtained; or

ii) notice of the motion, having been signed by at least one-third of the whole number of Board Members, shall be given to the Chief Executive at least fourteen days in advance of the meeting, and shall be specified in the circular calling the meeting. All Board Members shall be notified at least seven days in advance of the meeting of the inclusion of the motion in the circular; or

iii) in the case of emergency (involving such matters as a substantial change of circumstances, an illegality, a miscarriage of justice, a breach of ethics or the like).

b) Any motion or amendment shall, if required by the Chairperson of the meeting, be reduced to writing, and after being seconded shall not be withdrawn without the leave of the Board and Committee. No motion or amendment shall be spoken upon except by the mover until it has been seconded.

c) No member shall have the right to speak more than once on any motion or amendment except on a point of order in explanation of some material part of his/her speech which he/she believes to have been misunderstood.

d) A member formally seconding a motion or amendment will be deemed to have spoken in the debate.

e) The mover of any original motion shall have the right to reply. In replying he/she shall not introduce new matter and shall be confined strictly to answering observations made in debate. Immediately after, the Chairperson of the meeting shall put the question without further debate.

f) When an amendment upon an original motion has been moved and seconded, no further amendment may be moved until the previous one has been disposed of. If an amendment be rejected, other amendments may be moved on the original motion. If an amendment be carried, the motion as amended shall take the place of the original motion and shall become the question upon which further amendments may be moved.

g) The duration of speeches may, unless otherwise determined by a simple majority of Members present and voting, be limited by the Chairperson of the meeting to ten minutes for the mover, five minutes for the seconder and three minutes for other speakers.

h) The ruling of the Chairperson of the meeting on all points of order and on the order of debate shall be final. Members should address the chair. The Chairperson shall call upon Members to speak.

14 Closure of Debate or Adjournment

A motion of adjournment of any meeting of the Board or Committee; or adjournment of any debate on any question, or the closure of the debate shall be put to the meeting after being seconded, without discussion. Unless the time and place are specified in the motion for adjournment, the adjournment shall be until the next ordinary meeting of the Board and the Committee.

15 Voting

a) If it be so decided by not less than one third of the members attending a meeting on act of or question, coming or arising before, a meeting of the Board or a Committee shall be done and decided by a majority of the Members present and voting at the meeting and, in the case of an equality of votes, the person presiding at the meeting shall, in addition to his/her deliberate vote, have a casting vote.

b) The number of votes cast for and against motions and amendments shall be recorded in the minutes.

16 Emergency Powers of Chairperson

The Chairperson is empowered to act for the Board between meetings of the Board in emergency situations of a financial nature not covered by the Board's scheme of financial delegation.

Such action will be reported to the Board at the next meeting.

17 Delegations and Deputations

a) Any individual or organisation wishing to make representation to the Board will be heard if:

i) a written application setting forth the subject matter on which a hearing is requested has been lodged with the Chief Executive at least 21 days in advance of the Board Meeting which the delegation wishes to address, and

ii) the Chairperson has considered the request and has agreed to recommend that the delegation or deputation should attend the Board Meeting.

b) When a delegation or deputation is received by the Board, Members may put to the delegation or deputation pertinent questions, but no Members shall express an opinion upon or discuss the subject matter until the delegation has withdrawn from the Board meeting.

c) The terms of Standing Orders apply to delegations and deputations.

18 Communications with the Press & Public

No communication on behalf of the Board shall be made to the Press & Public except through the Chief Executive, Directors and the Head of Communications. Meetings of the Board are open to the Press and the Public. Meetings of the Sub-Committees are not open to the Press and Public.

19 Suspension and Disqualification of Members

Any member disregarding the authority of the Chairperson or who obstructs the meeting or conducts himself/herself offensively shall be suspended for the remainder of the meeting if a motion (which shall be determined without discussion) for his/her suspension is carried. Any person so suspended shall forthwith leave the meeting and shall not, without the consent of the meeting, return. If a person so suspended refuses, when required by the Chairperson to leave the meeting, he/she may immediately be removed from the meeting by any person authorised by the Chairperson so to do.

20 Scheme of Delegation

The Board will reserve certain decisions to itself and will delegate all other decisions to the Directors, through the Chief Executive. Any changes to the Scheme of Delegation will be made with prior agreement of the Board.

a) Matters on which decisions on, and/or approval of, are retained by the Board or authorised Committee or Sub-Committee;

* Strategy, business plans and budgets;
* Standing Orders;
* Standing Financial Instructions;
* appointment of Chief Executive and any Director;
* the establishment, terms of reference and reporting arrangements for all Committees and Sub-Committees;
* capital expenditure plans exceeding £25,000;
* disposal of assets exceeding £50,000;
* recommendations from all Committees and Sub-Committees (where powers are not delegated);
* Annual Report and Annual Accounts;
* financial and performance reporting arrangements;
* financial audit arrangements
* security audit arrangements.

b) All other decisions:

* all decisions, other than those included in paragraph 20 (a), are delegated (as detailed in the Standing Financial Instructions) to senior management through the Chief Executive and include the undernoted matters:
  - issuing, receiving and opening of tenders;
  - delegation of budgets and approval to spend funds;
  - operation of all detailed financial matters including bank accounts and banking procedures;
  - management of non-exchequer funds;
  - arrangements for the management of land, buildings and other assets belonging to or leased by the Board;
  - management and control of computer systems and facilities;
  - recording and monitoring of payments for losses and compensation ;
  - making ex-gratia payments (up to a maximum of £25,000);
  - health and safety arrangements;
  - data protection arrangements.
* authorisation limits related to the scheme of delegation and, where indicated, details of the officers who have been delegated responsibility, are included within the Standing Financial Instructions.

21 Annual Report

The Board will publish an Annual Report on its performance.

The Report will be prepared in accordance with the requirements set out from time to time by the Scottish Government on behalf of the First Minister and will include, interalia, details of remuneration from NHS sources paid to Members of the Board and matters related to the Patients Charter.

22 Annual Accounts

The Board will produce a set of Annual Accounts in accordance with the requirements set out by the Scottish Government on behalf of the First Minister.

23 Standards of Business Conduct for Staff

The Board will incorporate in its Terms and Conditions of Employment, a code of business conduct, which will include guidance issued from time to time by the Scottish Government and the Board will ensure that this is drawn to the attention of all staff and directly employed contractors. Additionally, the Board will put in place a policy for the management of Hospitality and compliance with this policy will be monitored by the Audit Committee.

C MINUTES

24 Recording of Names of Members Present

The names of Members present at a meeting of the Board or of a Committee of the Board shall be recorded in the minutes. Where a Member is not present for the whole of a meeting this shall also be recorded.

25 Preparation, Approval and Distribution of Board and Committee Minutes

a) Minutes of the proceedings of a meeting of the Board shall be drawn up by, or on behalf of the Chief Executive and shall be circulated to members in draft form within ten days. The minutes shall be submitted to the next ensuing meeting of the Board for approval as a record of the meeting and signed by the person presiding at that next ensuing meeting.

b) Minutes of the proceedings of a meeting of Committee shall be drawn up by, or on behalf of, the Chief Executive and submitted for approval to the Board at the first ordinary meeting of the Board held after the meeting of the Committee.

c) Copies of the approved minutes of every meeting of the Board shall be forwarded to the Scottish Government by the Chief Executive not later than one week before the date of the next Board meeting.

D COMMITTEES

26 Chairperson and Chief Executive

The Chairperson of the Board, and the Chief Executive, shall both be members, ex-officio of all Committees with the exception of the Audit Committee and the Committees whose constitution is determined by Statute. An ex-officio member is a member of a body (a board, committee, etc.) who is part of it by virtue of holding another office. Depending on the Committee terms of reference, such a member may or may not have the power to vote in the Committee's decisions.

27 Appointment of Committees

a) The Board may, and if so directed by the First Minister shall, appoint Committees and Sub-Committees or other groups, for such purposes as they may determine, subject to such restrictions or conditions as the Board may think fit, or as the First Minister may direct.

b) Standing Committees shall be appointed annually by the Board in the month of April each year. Casual vacancies in the Committees may be filled by the Board at their next ordinary meeting following a vacancy occurring.

c) The Board shall appoint among any such standing Committees a Clinical Governance Committee, a Staff Governance Committee, an Audit (Finance) Committee and a Remuneration Committee.

d) Committees of the Board may appoint Sub-Committees as may be considered necessary.

e) No business shall be transacted at a meeting of a Committee or Sub-Committee of the Board unless the meeting is quorate as defined in the Committee's individual Terms of Reference.

E COMMON SEAL

28 The Common Seal of the Board shall be kept by the Chief Executive in a suitable place secured by a sufficient lock and he/she shall be responsible for its safe custody and its use. All deeds and other documents to which the common seal shall require to be affixed shall be attested by a Member of the Board and by the Chief Executive who shall maintain a register of use. (The Board has approved the Chief Executive as the person acting as "Secretary" for the purpose of the application of the Board Common Seal, to accord with the terms of the National Health Service (Scotland) Act 1978, Schedule I, part I Paragraph 9).

F SUSPENSION AND ALTERATION OF STANDING ORDERS

29 Suspension of Standing Orders

Any Standing Order may be suspended with the consent of two thirds of the Members present and voting.

30 Rescinding or Alteration of Standing Orders

It shall only be competent to rescind or alter any of the Standing Orders by resolutions of the Board to that effect.

31 Review of Standing Orders

The Board shall review Standing Orders from time to time and shall make any new Standing Order or alteration to any existing Standing Order which may seem to be required for the better conduct of the business of the Board, or as the First Minister may direct.

G BREACH OF STANDING ORDERS

32 The Chief Executive or his/her appointee will draw to the attention of the Chairperson of a meeting any apparent breach of the terms of these Standing Orders.

H INTERPRETATION

33 Unless the context determines otherwise the masculine includes the feminine, the singular the plural, the Committee the Sub-Committee, etc.

I STANDING FINANCIAL INSTRUCTIONS

34 The Board's approved Standing Financial Instructions will form part of these Standing Orders.

ANNEX A

SANCTIONS AVAILABLE TO THE STANDARDS COMMISSION FOR BREACH OF THE CODE

(a) censure – the Commission may reprimand the member but otherwise take no action against them;

(b) suspension – of the member for a maximum period of one year from attending one or more, but not all, of the following:

i) all meetings of the State Hospitals Board for Scotland;

ii) all meetings of one or more committees or sub-committees of the State Hospitals Board for Scotland;

iii) all meetings of any other public body on which that member is a representative or nominee of the public body of which they are a member.

(c) suspension – for a period not exceeding one year, of the member's entitlement to attend all of the meetings referred to in (b) above;

(d) disqualification – removing the member from membership of the State Hospitals Board for Scotland for a period of no more than five years.

Where a member has been suspended, the Standards Commission may direct that any remuneration or allowance received from membership of the State Hospitals Board for Scotland be reduced, or not paid.

Where the Standards Commission disqualifies a member of the State Hospitals Board for Scotland, it may go on to impose the following further sanctions:

(a) where the member of the State Hospitals Board for Scotland is also a councillor, the Standards Commission may disqualify that member (for a period of no more than five years) from being nominated for election as, or from being elected, a councillor. Disqualification of a councillor has the effect of disqualifying that member from the State Hospitals Board for Scotland and terminating membership of any committee, sub-committee, joint committee, joint board or any other body on which that member sits as a representative of their local authority.

(b) direct that the member be removed from membership, and disqualified in respect of membership, of any other devolved public body (provided the Members' Code applicable to that body is then in force).

Full details of the sanctions are set out in Section 19 of the Act.

ANNEX B

DEFINITIONS

"Remuneration" includes any salary, wage, share of profits, fee, expenses, other monetary benefit or benefit in kind. This would include, for example, the provision of a company car or travelling expenses by an employer.

"Undertaking" means: a body corporate or partnership; or an unincorporated association carrying on a trade or business, with or without a view to a profit.

"Related Undertaking" is a parent or subsidiary company of a principal undertaking of which you are also a director. You will receive remuneration for the principal undertaking though you will not receive remuneration as director of the related undertaking.

"Parent Undertaking" is an undertaking in relation to another undertaking, a subsidiary undertaking, if a) it holds a majority of the voting rights in the undertaking; or b) it is a member of the undertaking and has the right to appoint or remove a majority of its board of directors; or c) it has the right to exercise a dominant influence over the undertaking (i) by virtue of provisions contained in the undertaking's memorandum or articles or (ii) by virtue of a control contract; or d) it is a councillor of the undertaking and controls alone, pursuant to an agreement with other shareholders or councillors, a majority of the voting rights in the undertaking**.**

Group of companies" has the same meaning as "group" in section 262(1) of the Companies Act 1985. A "group", within s262 (1) of the Companies Act 1985, means a parent undertaking and its subsidiary undertakings.

"Public body" means a devolved public body listed in Schedule 3 of the Ethical Standards in Public Life etc. (Scotland) Act 2000.

"A person" means a single individual or legal person and includes a group of companies.

"Any person" includes individuals, incorporated and unincorporated bodies, trade unions, charities and voluntary organisations.

"Spouse" does not include a former spouse or a spouse who is living separately and apart from you.

"Cohabitee" includes a person, whether of the opposite sex or not, who is living with you in a relationship similar to that of husband and wife.

"Chair" includes Board Convener or any person discharging similar functions under alternative decision-making structures.

Approved as an Accurate Record

THE STATE HOSPITALS BOARD FOR SCOTLAND

Minutes of the meeting of the Audit Committee held on Thursday 24 January 2019 at 9.45am in the Boardroom, The State Hospital, Carstairs.

PRESENT:

Non Executive Director	David McConnell **[Chair]**
Non Executive Director	Bill Brackenridge
Employee Director	Anne Gillan

IN ATTENDANCE:

Internal

Chief Executive	Jim Crichton
Chair	Terry Currie
Finance and Performance Management Director	Robin McNaught
Head of Corporate Planning and Business Support	Monica Merson

External

Senior Manager, RSMUK	Asam Hussain
Director, Scott Moncrieff	Karen Jones
Head of Internal Audit, RSMUK	Marc Mazzucco

1 APOLOGIES FOR ABSENCE AND INTRODUCTORY REMARKS

Mr McConnell welcomed everyone to the meeting. Apologies for absence were noted from Mrs Maire Whitehead.

NOTED

2 CONFLICTS OF INTEREST

There were no conflicts of interest noted.

NOTED

3 MINUTES OF THE PREVIOUS MEETING

The Minutes of the previous meeting held on Thursday 20 September 2018. Mr McConnell advised Members that he had recently met with the former Chair of the Committee, Mrs Carmichael, for a handover around the work of the Committee. He also noted that the April meeting of the Committee had been moved to 28 March 2019.

NOTED

4 MATTERS ARISING AND ACTION NOTES UPDATE

Members received and noted the Action Notes. Mr Crichton advised Members that action point four had been progressed with the meetings with Directors and reporting to internal auditors progressed within the target timescale. Ms Sandilands advised that action point five had been progressed as

appropriate. Members were therefore able to note that all actions were complete or included in this meeting's agenda.

NOTED

5 ANNUAL UPDATE ON RESILIENCE ARRANGEMENTS

A report was submitted by the Director of Security, Estates and Facilities which provided an update on the governance of resilience and emergency security arrangements within The State Hospital (TSH). Ms Merson summarised the report for Members and emphasised the robust nature of work planning in this area.

Members were content to note the paper as well as the associated workplan of the Resilience Committee.

NOTED

6 ATTENDANCE MANAGEMENT UPDATE

A report was submitted by the Interim Director of Human Resources (HR) which provided Members with an update on staff absence throughout the organisation through the most recent data available to November 2018. Members noted that they had received this update following internal audit reporting and given the focus for the organisation in this area.

Ms Sandilands was in attendance to summarise the key points of the report, and Members noted that although there had been improvement during August and September 2018, sickness attendance had deteriorated in the subsequent period. Members recognised the continuing work of the HR department in conjunction with line managers in this area. At the same time, they sought assurance that there was an appropriate focus on recognising patterns of absence, and application of policy consistently at all levels throughout the organisation.

There was discussion around specific areas to interrogate whether there were discernible patterns within the reporting available. The Committee asked for more detail around the improvement in long term absences in February.

Action - Ms Sandilands

There was further discussion around the national picture and how TSH compared to other Health Boards. Ms Sandilands confirmed that in key areas such as the aging nature of the workforce as well as levels of absence due to mental health, TSH was within similar parameters to other Boards.

The Committee noted the upcoming introduction of 'Once for Scotland' national guidelines for HR expected within the next quarter. The Committee emphasised the continuing importance of this area, and particularly any impact on patient care as a result of staff absence. Members thanked Ms Sandilands for her report and attendance at the committee.

NOTED

7 FRAUD UPDATE

A report was submitted by the Director of Finance and Performance Management to provide an update on fraud allegations and any notification received from Counter Fraud Services.

The Committee were content to note the detail of the report.

NOTED

8 FRUAD ACTION PLAN

The Committee received and noted the paper which provided an update on Board engagement with Counter Fraud Services and noted that there were no specific areas of concern. Mr McNaught was asked to update minor detail regarding to annual return within the paper.

Action - Mr McNaught

NOTED

9 CORPORATE RISK REGISTER UPDATE

The Committee received a paper from the Director of Finance and Performance Management which provided an update on the current risk registers, and the proposal that two new risks should be included in the Corporate Risk Register as follows:

- Cyber Security / Data Protection Breach due to computer infection
- Compliance with mandatory PMVA Level 2 training

The Committee noted the paper and approved the inclusion of these risks to the register at the recommended gradings. Members also discussed EU withdrawal and agreed that this should also be added to the corporate risk register.

Members discussed the recent serious incident of breach of confidentiality in the media, and asked for assurance around training and engagement with staff on this issue throughout their employment. It was noted that communication had been sent to all staff to remind them of their responsibilities in this area, and the serious nature of any breach. It was noted that professionally registered staff will receive reminders of their responsibilities in this area and there was concern around the wider workforce. The Committee asked for further assurance in this area.

Action – Mr Crichton / Mr Richards

NOTED

10 PROGRESS REPORT 2018/19

The Committee received a report from RSMUK which outlined the progress made against the internal audit plan for 2018/19. Mr Maccuzzio summarised the report and advised that further internal audit work was being progressed to yearend. A report would be brought as an update on the position at the March meeting of the Committee.

NOTED

11 MANAGEMENT ACTION TRACKING REPORT

The Committee received and noted the tracking report from RSMUK in relation to management actions taken forward in response to internal audit recommendations.

NOTED

12 PATIENT FUNDS AND PROPERTY REVIEW INTERNAL AUDIT REPORT

The Committee was asked to note a report from RSMUK which provided internal audit opinion on the management of patient funds and property within the hospital. Mr Hussain summarised the content of the report for the Committee with internal audit opinion being that the Board could take

substantial assurance in relation to controls in place to manage patient funds, and partial assurance in relation to controls and systems in place to manage patient property.

Members focussed on the findings for management of patient property and noted the joint responsibility in this area between security and nursing colleagues. Members sought assurance that the discrepancies found in some areas were being subjected to rigorous review and noted the need for joint working in this area to enable the required improvement. Members were assured that this was being taken forward through the Directors of Nursing and Security, Estates and Facilities.

It was noted that there should be a review of patients' receipt of funds when the patient may not meet the Scottish Government requirements for entitlement to same.

Action – Mr McNaught

NOTED

13 AUDIT RISK ANALYSIS AND PLAN

Members received a report from Scott Moncrieff in their role as external auditor and Ms Karen Jones was in attendance to provide a high level summary of this.

Members discussed the arrangements for the handover of responsibilities for governance from Mr Currie and Mr Crichton as Chair and CEO respectively given that they would retire at the end of the current financial year, and received assurance that letters of assurance would be signed at the end to enable handover to the new Chair and CEO.

Ms Jones confirmed that internal and external auditors liaised where appropriate.

The Committee approved the content of the report

APPROVED

14 AUDIT SCOTLAND NATIONAL REPORTS 2017/18

The Committee received a report from the Director of Finance and Performance Management as a summary of work progressed by Audit Scotland since the date of the last meeting of this Audit Committee and noting EU withdrawal as a specific risk.

The Committee noted the content of this update.

NOTED

15 OPERATIONAL PLAN UPDATE

Mr McNaught provided a verbal update to the effect that national guidance was awaited in this area, and that this was expected shortly.

NOTED

16 RISK, FINANCE AND PERFORMANCE GROUP TERMS OF REFERENCE AND MINUTES

The Committee received and noted the work progressed to date by this group, which would continue to report to the Audit Committee, and approved the Terms of Reference for the group.

APPROVED

17 EFFECTIVENESS OF AUDIT COMMITTEE

Members received a report from the Director of Finance and Performance Management provided advice on the requirement for self-assessment by the Committee, as outlined by the Scottish Government Audit Committee Handbook.

The Committee had completed the Self Assessment Checklist, in line with the Scottish Government Handbook in late 2016, with recommendations being identified through this process.

Members considered and discussed each of the recommendations in the report. The first recommendation i.e. to continue self assessment was agreed with continuing self-assessment planned on a two yearly basis. It was noted that with the appointment of Mr McConnell the second recommendation could be considered to have been completed given his experience with finance and audit.

The Committee considered recommendation three –

The Board should develop specific induction material for new members of the Audit Committee. This could include a copy of the Audit Committee Handbook; Terms of Reference; Corporate Risk Register; etc.

Members agreed that in a small Board specific induction material would not be required for each standing committee as may be the case in larger boards. Non-Executive induction arrangements should be reviewed by the Board Secretary. This should encompass refresher training and engagement for all non executive members of the board.

Action – Ms Smith

In relation to recommendation four –

Due to the size of the Board, Audit Committee Members are Members of other Board Standing Committees. The Committee should be aware of potential conflicts of interest related to involvement of members in other Committees.

Members considered this was also difficult in a small board and agreed that awareness of this potential for conflict of interest was high among members and that there should be focus to ensure this remained the case.

The Committee approved the recommendations in the report save for come variance as noted in this minute.

APPROVED

18 ANY OTHER BUSINESS

There were no further items of competent business.

NOTED

19 DATE AND TIME OF NEXT MEETING

The next meeting would take place on 28 March 2019 in the Boardroom, The State Hospital, Carstairs.

The meeting ended at 11.35am

THE STATE HOSPITALS BOARD FOR SCOTLAND

Date of Meeting:	25 April 2019
Agenda Reference:	Item No: 16
Sponsoring Director:	Chief Executive Officer
Author(s):	Board Secretary
Title of Report:	Chief Executive's Report
Purpose of Report:	For Information

1 BACKGROUND

The items noted below highlight issues in the Hospital, which do not feature on the Board's formal agenda.

2 GENERAL ISSUES OF NOTE

The Chief Executive will provide the Board with a verbal update.

3 PATIENT SAFETY UPDATE

A brief summary of SPSP activity across the Hospital in the last two months includes:

Improving Observation Practice (IOP) Workstream

- Qualitative Case study completed
- Quantitative Research paper commenced looking at risk and engagement improvement in regards Improving Observation Practice (IOP)
- Next stage of learning sessions ¾ completed with positive feedback
- Arran test ward continue no Level 3 observations
- Ongoing roll out of clinical pause in Arran
- Continues specific involvement within Iona 2
- Next stage Zonal/flexible observations (piloted successfully in Iona 1)
- GAP analysis completed for policy rewrite (Observation policy)

Communication at Transition

Patient Support Plans have been implemented and are an individually tailored guide that promotes person centred care. This is in the early stages of implementation. This topic was presented to the last Patient Safety group.

Safer Medicines Management

The electronic PRN form has been implemented across all wards. Improvements have been seen with the completion of the forms. Work will now be undertaken collecting data on omitted medications.

Least Restrictive Practice

The Clinical Pause has been rolled out to all Hubs. Dr Skilling presented the Clinical Pause work at the Journal Club in December.

Dr Skilling attended the Lewis Local Clinical Forum on 15/4/19 to present the Clinical Pause to the Lewis team. All Hubs have now had a formal intro session with Dr Skilling and the Clinical Pause process is now live on RiO. Mull, Iona and Arran have all held Clinical Pauses so far. It is hoped and anticipated that the process will continue to iteratively change and improve with ongoing PDSAs/feedback.

Dr Skilling has also presented Clinical Pause work at the National SPSP MH IOP leads meeting, and the IHI Forum (poster) and has been invited to Rohallion Clinic to present there.

Leadership and Culture
Leadership walkrounds have been programmed for 2019. At the time of this report, 3 walkrounds have been carried out in both clinical and non-clinical areas. Agreed actions are highlighted at the Chief Executive Business Meeting and are monitored through the Patient Safety Group.

Nationally, SPSP MH have launched new safety principles:

- Communication
- Leadership and Culture
- Least Restrictive Practice
- Physical Health
- Enablers

Analysis is ongoing to align existing work, both within the group and outwith, to ensure coverage of all areas, where appropriate. The new safety principles, along with the existing policy review around the publication of From Observation to Intervention, are the focus of the group's priorities at the moment.

Eight staff had the opportunity to attend the recent IHI/BMJ International Forum on Quality and Safety in Healthcare, held in Glasgow as well as representatives attending MH2019 Improve day. Learning from these events will be taken forward both by the Patient Safety and QI Group.

4 HEALTHCARE ASSOCIATED INFECTION (HAI)

This is a summary of the Infection Control activity from 1st January – 31st March (unless otherwise stated)
Key Points:

- The submission of the hand hygiene audits continues to be a key priority which is monitored and reported both to this Board, Infection Control Committee and Senior Ward staff routinely. There has been a notable improvement in submissions since April. The Senior Nurse for Infection Control will continue to contact individual wards which are non compliant to allow a late submission.

- DATIX incidents continue to be monitored by the SNIC and Clinical Teams, with no trends or areas identified for concern.

- The antimicrobial prescribing is minimal in comparison to other NHS Boards; however the prescribing that occurs within The State Hospital is being monitored by the antimicrobial pharmacist and the Infection Control Committee quarterly with no trends or areas identified for concern.

Audit Activity:

Hand Hygiene

During this review period, there was a notable increase in the number of audits submitted. Reminders to submit and follow up of non compliance will continue to be carried out by the Senior Nurse for Infection Control.

January
10 out of a possible 12 were submitted

February
10 out of a possible 12 were submitted

March
12 out of a possible 12 were submitted

The overall hand hygiene compliance within the hubs varies between 80-100%, Skye Centre 40-80% and health centre consistently attaining 100%.

Following approval by the Senior Management Team both the product and the location of the hand gel within the Skye Centre was changed. This change occurred in September, early indications would show that the positioning and change in product has not made any significant difference. Nationally Hand Hygiene products are being reviewed and following the Commodities Advisory Panel Recommendations the products used within the hospital may have to change. Until this has been agreed to further changes to products will occur.

The importance of Hand hygiene was promoted via the OneLan system within the Skye Centre during the previous quarter; however there has been no improvement noted.

DATIX INCIDENTS FOR INFECTION CONTROL

There were a total of 29 incidents for the period under the Category of Infection Control, all of which relate to clinical waste (safe management of linen). This has been addressed with the Senior Nurse for Infection Control and senior ward based nursing staff. Close monitoring will continue.

All DATIX incidents are reviewed by the Senior Nursing Staff, clinical teams (as required) and the Infection Control Committee quarterly.

Scotland's Infection Prevention and Control Education Pathway (SIPCEP) (previously Cleanliness Champions):

Following the poor compliance with the 4 core modules the ICC agreed to provide a 3month extension to date over 85% of staff have completed all 4 core modules.

This will continue to be reviewed by the ICC quarterly.

Environmental Health Inspection:
South Lanarkshire Environmental Health visited the hospital to undertake an audit of the main kitchen, ward kitchens and therapeutic kitchens. This was a positive inspection with no recommendations made.

Hepatitis C Treatment
During this review period we have had 0 patients eligible to commence treatment.

Queen Elizabeth University Hospital (QEUH)
Following a Healthcare Environment Inspectorate visit to the QEUH, all boards were asked to assess themselves against recommendations and requirements contained in report. The State Hospital completed this assessment and there are no areas of concern for the Infection Control Committee.

5 PATIENT ADMISSION / DISCHARGES

A detailed report on admissions and discharges is provided to the Clinical Governance Committee on a 6 monthly basis.

The following table outlines the high level position during 1 February until 31 March 2019.

	MMI	LD	Total
Bed Complement (as at 31/03/19)	125	15	140
Staffed Beds (ie those actually available) (as at 31/03/19)	117	15	132
Admissions (from 01/02/19 – 31/03/19)	8	0	8
Discharges / Transfers (from 01/02/19 – 31/03/19)	4	0	4
Average Bed Occupancy February – March 2019	-	-	108 90% of available beds 77% of all beds

6 RECOMMENDATION

The Board is invited to note the content of the Chief Executive's report.