

Framework Document 2024
The State Hospitals Board for Scotland and Scottish Government

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Introduction

1. This framework document has been drawn up by the Scottish Government (SG) in consultation with The State Hospitals Board for Scotland (TSH). It sets out the broad framework within which TSH will operate and defines key roles and responsibilities which underpin the relationship between the TSH and SG. TSH retains its functional independence and its executive directors are accountable to TSH Board through the Chief Executive.
2. While this document does not confer any legal powers or responsibilities, it forms a key part of the accountability and governance framework and should be reviewed and updated as necessary, and at least every 2 years. Any proposals to amend the framework document either by SG or by TSH will be taken forward in consultation and in the light of SG priorities and policy aims. Any question regarding the interpretation of the document shall be determined by SG after consultation with TSH. Legislative provisions shall take precedence over any part of the document.
3. Effective strategic engagement between SG and TSH is essential in order that they work together as effectively as possible to maintain and improve public services and deliver improved outcomes. Both SG and TSH will take all necessary steps to ensure that their relationship is developed and supported in line with agreed principles.
4. References to TSH include any subsidiaries and joint ventures owned or controlled by TSH. TSH shall not establish subsidiaries or enter into joint ventures without the express approval of SG. The Forensic Network is hosted by TSH and is neither a subsidiary of TSH nor is it a joint venture.
5. Copies of the agreed framework document shall be placed in the Scottish Parliament Reference Centre. It must also be published TSH website.

Purpose

6. TSH is a Special Health Board serving the population of Scotland and Northern Ireland. It is part of NHS Scotland.
7. The organisation provides specialist individualised assessment, treatment and care in conditions of high security for male patients with major mental disorders and intellectual disabilities. The patients, because of their dangerous, violent or criminal propensities, cannot be cared for in any other setting.
8. TSH is to contribute to the achievement of the Scottish Ministers' objectives and priorities by aligning its aims and objectives with the [National Performance Framework](#), [Scotland's Economic Strategy](#), the [Policy Prospectus](#) and [Programme for Government](#).
9. TSH's ambition is to deliver world-class forensic mental health care. Visitors and stakeholders from both home and overseas continue to be extremely positive about the person-centred care approach focused on recovery. Working with partners in the Forensic Network for Scotland, the organisation is recognised for high standards of care and treatment, innovative research and education.
10. TSH was constituted as a Special Health Board for the whole of Scotland by the State Hospitals Board for Scotland Order 1995 (S.I. 1995/574). It exercises functions on behalf of the Scottish Ministers and is responsible to them through SG Health and Social Care Directorates. For policy/administrative purposes TSH is a Non-Departmental Public Body (NDPB), classified as a Health Body. The statutory duties of TSH were outlined in the '*The State Hospitals Board for Scotland Order 1995*' Act and these are summarised as:
 - Functions in relation to the prevention of illness consisting of mental disorder, the care of persons suffering from such illness and the aftercare of such persons.

- The provision of financial assistance to voluntary organisations whose activities consist in or include the provision of services similar to services provided by the Board or to those which the Board is under a duty to make arrangements.
- To disseminate information relating to the promotion and maintenance of health and the prevention of illness insofar as relating to mental disorder.
- To make available the facilities for undergraduate and post-graduate clinical teaching and research as well as to provide for the education and training of persons providing or intending to provide services at state hospitals and aid in research into any matters relating to the causation, prevention, diagnosis or treatment of illness consisting of mental disorder, or into other matters relating to services at state hospitals.
- To take on the leasing and purchase of moveable property and land for TSH purposes as well as the disposal of such property.
- Administrative functions in relation to the payment of remuneration and allowances to TSH members.
- TSH has the duty to provide throughout Scotland, to such extent as the Board considers necessary, to meet all necessary requirements for hospital accommodation and associated services at state hospitals and the power to provide residential accommodation for officers employed for the purposes of any functions of the Board under the 1995 Order, including residential and practice accommodation for medical and dental practitioners on such terms and conditions as may be agreed.

11. TSH's purpose, strategic aims and objectives, as agreed by the Scottish Ministers as part of the objectives for 2020/23, were to:

- Improve the quality of care for people by targeting investment and focus at improving services with the high security environment and for providing the most effective support for all.
- Improve health and wellbeing by promoting and supporting healthier lives and choices, addressing inequality and adopting an approach based on recovery, care and treatment.
- Increase the value from, and financial sustainability of, care by making the most effective use of available resources through efficient and effective service delivery.
- Improve the engagement of staff and opportunity for development through effective values-based leadership resulting in a culture of quality and accountability.

12. However, with the advent of the Covid-19 Pandemic of 2020, the subsequent aims and objectives for remobilisation from 2021/22 were as follows:

- Address the physical health care needs of patients.
- Promote and support staff wellbeing.
- Develop a culture of continuous quality improvement.
- Implement changes to the clinical model.
- Work with key partners including SG and NHS Boards, as part of an overall system approach to improve the bed capacity for across the forensic mental health estate.
- Improve digital capability and resilience.

13. The vision of TSH is to:

- Excel in the provision of high secure forensic mental health care
- Achieve positive patient outcomes
- Ensure the safety of our valued staff, patients, visitors and the general public
- Promote collaboration across health, social care and justice services
- Strive to be an exemplar employer

14. The values of TSH are aligned to NHS Scotland:

- Care and compassion
- Dignity and respect
- Openness, honesty and responsibility

- Quality and Teamwork

15. The twin aims of TSH are:

- The provision of a safe and secure environment that protects staff, patients and the general public.
- The delivery of high quality, person centred safe and effective care and treatment.

Relationship between Scottish Government and The State Hospital

16. Effective strategic engagement between SG and TSH is essential in order that they work together as effectively as possible to maintain and improve public services and deliver improved outcomes. Both SG and TSH will take all necessary steps to ensure that their relationship is developed and supported in line with the jointly agreed principles set out in the statement on '[Strategic Engagement between the Scottish Government and Scotland's NDPBs](#)'. In order to facilitate this, a rolling programme of engagement will be maintained, the purpose of which will be to:

- ensure effective co-ordination and communication of the range of policy interests in SG which are relevant to TSH business;
- ensure TSH is kept apprised of key policy and strategy developments, forthcoming consultations, new guidance, legislation etc.;
- support delivery of strategic planning and reporting activity within TSH, ensuring necessary alignment with Ministerial priorities;
- discuss the overall performance of TSH in relation to delivery of its Annual Operational Plan
- highlight any emerging corporate risks impacting on the effective functioning of TSH and delivery of its long-term strategy and Annual Operational Plan;
- consider the organisational (including financial and workforce) implications associated with any additional activity (i.e., beyond that contained in the Annual Operational Plan) being commissioned from TSH;
- discuss the relative prioritisation of activity being taken forward by TSH with reference to Ministerial commitments and priorities;
- consider any other matters relevant to SG and TSH sponsorship relationship and associated engagement arrangements.

17. Discussions on the above will be taken forward via quarterly sponsorship meetings and fortnightly informal meetings.

18. TSH will meet with the sponsor Division on a regular basis to explore priorities, consider resource utilisation, review performance and consider new or emerging risks. TSH will keep the sponsor team apprised of any significant risks on matters where there may be public/ media/safety and security/ political interest.

19. Any reports received on finding from inspection and scrutiny activity will be shared with the sponsor team.

Governance and Accountability

Legal Origins of Powers and Duties

20. TSH was constituted as a Special Health Board on 1 April 1995 under the '*The State Hospitals Board for Scotland Order 1995*'. TSH does not carry out its functions on behalf of the Crown.

Ministerial Responsibilities

21. Scottish Ministers are ultimately accountable to the Scottish Parliament for the activities of TSH and its use of resources. They are not however responsible for day-to-day operational matters. Their responsibilities include:

- agreeing TSH's strategic aims and objectives and key targets as part of the corporate planning process.
- agreeing the budget and the associated grant in aid requirement to be paid to TSH and securing the necessary Parliamentary approval.
- providing information to the Scottish parliament regarding the performance of TSH.
- appointment of members to TSH's board, approving the terms and conditions of board members, appointment of the chief executive, approval of terms and conditions for staff
- laying of the annual accounts before Parliament.
- other matters such as approving TSH's chief executive and staff pay remit in line with SG [Pay Policy](#).

TSH Board for Scotland Responsibilities

22. Scottish Ministers are responsible for the appointment of the members of TSH (the Board). These consist of Non-Executive and Executive members who are appointed in line with the [Code of Practice](#) for Ministerial Public Appointments to Public Bodies in Scotland. Ministers will appoint a Chair and a Vice-Chair, who are each Non-Executive Directors, to lead the Board and will also appoint the whistleblowing champion(s) for TSH.

23. The Board provides strategic leadership and direction, support and guidance to ensure that it delivers and is committed to delivering its functions effectively and efficiently and in accordance with the aims, policies and priorities of the Scottish Ministers.

24. The Board has corporate responsibility for the following:

- Taking forward the strategic aims and objectives for the Board agreed by the Scottish Ministers; and based on any relevant guidance issued by Scottish Ministers.
- set strategic plans to deliver the functions of TSH, focusing on how the work of TSH can most effectively contribute to achievement of the outcomes in the [National Performance Framework](#), the [Programme for Government](#) and [Scotland's Economic Strategy](#) in collaboration with the SG and other public bodies.
- Determining the steps needed to lead in the event of changes which are likely to impact on the strategic aims and objectives of the Board or on the attainability of its operational and workforce plans.
- Promoting the efficient, economic and effective use of staff and other resources by the Board consistent with the principles of [Best Value](#), including, where possible, participation in shared services arrangements.
- Ensuring effective arrangements are in place to provide effective assurance that the Board's strategic priorities are adequately resourced and discharged through operational management. The Board should establish governance committees, chaired by a Non-Executive Director, with remits sufficient to provide such assurance.
- Ensuring that effective arrangements are in place to provide assurance on risk management (including in respect of personnel, physical and cyber risks/threats/hazards), governance and internal control. The Board must set up an [audit committee](#) chaired by a non-executive member to provide independent advice and assurance on the effectiveness of the internal control and risk management systems.
- Ensuring that effective arrangements are in place to provide assurance that the Board's statutory duties are met for the provision of high secure forensic patient care, through the establishment of a Clinical Governance Committee, chaired by a Non-Executive Director.

- Ensuring that effective arrangements are in place to provide assurance that the Board meets its statutory responsibilities for the delivery of the Staff Governance Standards under section 12I of the National Health Service (Scotland) Act 1978, through the establishment of a Staff Governance Committee, chaired by a Non-Executive Director. The Staff Governance Committee should sponsor a Remuneration Committee, chaired by the Vice-Chair, to provide sufficient assurance and oversight for Executive and Senior Manager pay arrangements, including that of the Chief Executive.
- Ensuring that effective arrangements are in place to support partnership working through the establishment of a Partnership Forum, co-chaired by the Chief Executive Office and the Employee Director.
- Ensuring that effective arrangements are in place to support a professional clinical advisory governance structure is in place, led by a Clinical Forum.
- Approving the annual accounts and ensuring Scottish Ministers are provided with the annual report and accounts to be laid before the Scottish Parliament. The Chief Executive as the Accountable Officer of the public body is responsible for signing the accounts and ultimately responsible to the Scottish Parliament for their actions. The board receives and reviews regular financial information concerning the management and performance and is informed in a timely manner about any concerns or changes that may impact on delivery of the Board's strategic aims.
- Demonstrating high standards of corporate governance at all times, in alignment with the [NHS Scotland Blueprint for Good Governance](#). This includes appointment of a Board Secretary with sufficient seniority in the organisation to take leadership and implement change as directed by Scottish Ministers.
- The Board is accountable to the public, as well as to the Scottish Parliament and will advise SG regarding the handling of these responsibilities, which can be demonstrated through appearances before parliamentary committees and interaction with MSPs and other elected representatives. Further the Board will ensure that members of the public can attend its public Board Meetings, publish Board papers and Board policies on its website; and respond to requests under the Freedom of Information (Scotland) Act 2002.

The Board Chair's Responsibilities

25. The Chair is accountable to the Scottish Ministers and may also be held to account by the Scottish Parliament, in common with any individual responsibility for devolved functions. Scottish Ministers will usually communicate with the Board through its Chair, who has responsibility for ensuring that the Board's policies and actions support the Scottish Ministers' wider strategic policies and that its affairs are conducted with probity.

26. The Chair should ensure that:

- TSH remains in line with the core values of NHS Scotland.
- TSH provide high quality, person centred, safe and effective care and treatment and also maintain a safe and secure environment that protects patients, staff and the public.
- The Board is subject to regular self-assessment and that the board is working effectively. This should be through self-assessment tools or guidance issued by Scottish Ministers for NHS Boards, as well as local arrangements for its governance committees.
- The Board fully implements the [NHS Scotland Blueprint for Good Governance](#) and remains aware of any updated guidance issued by Scottish Ministers issued in this respect.
- The Board is diverse both in terms of relevant skills, experience and knowledge appropriate to directing its business, and in terms of protected characteristics under the Equality Act and the [Gender Representation on Public Boards Act](#) and [Guidance](#), where these apply.
- Non-Executive Directors are fully briefed on terms of appointment, duties, rights and responsibilities.

- Non- Executive Directors receive appropriate induction training, including on financial management and reporting requirements, within the context of the Board's statutory responsibilities and Corporate Objectives.
- Succession planning takes place to ensure that the Board is diverse and effective, and the Scottish Ministers are advised of the Board's needs in terms of its skills matrix when Non-Executive Director vacancies arise.
- That the model Code of Conduct for NHS Scotland has been adopted by the Board.
- The Chair assesses the performance of individual board members on a continuous basis and undertakes a formal appraisal at least annually.
- The Chair is responsible for undertaking an annual appraisal of the performance of the Chief Executive, and to provide input to the annual appraisals of the Executive Director cohort.
- The Board Chair is supported by the appointment of a Vice-Chair, who is also a Non-Executive Director, and can deputise for the Chair if required and when appropriate.

Board Members' Responsibilities

27. Board members should act in accordance with the responsibilities of the Board as a whole and comply at all times with the model code of conduct for NHS Scotland relating to the use of public funds and to conflicts of interest. General guidance on board members' responsibilities is summarised in their appointment letters. (In this context "public funds" means not only any funds provided to TSH by the Scottish Ministers but also any other funds falling within the stewardship of TSH, including trading and investment income, gifts, bequests and donations.) General guidance on board members' responsibilities is summarised in their appointment letters and is also provided in [On Board](#) and [NHS Scotland Blueprint for Good Governance](#).

28. Non-Executive Directors will attend and/or chair governance committees as agreed with the Chair and wider Board as a whole, to support the Board's assurance framework.

29. Further guidance on how the board should discharge its duties is provided in appointment letters and in [On Board – A Guide for Members of Statutory Boards](#).

Chief Executive Officer responsibilities

30. The Chief Executive is employed by the Board following their appointment by the Scottish Ministers and is the Board's principal adviser on the discharge of its functions. The Chief Executive is accountable to the Board; and is a member of NHS Scotland's Board Chief Executive Group.

31. Their role is to provide leadership to enable the Board to achieve its strategic aims and corporate objectives, and that its operational functions and targets are met through effective and properly controlled executive action.

32. The Chief Executive is responsible for overall performance management and staffing of TSH. General guidance on the role and responsibilities of the chief executive is contained in [On Board](#). The Chief Executive should also lead and manage the staff of TSH, ensuring their wellbeing, learning and development are prioritised, and ensuring that the [TSH staff management responsibilities](#) set out in the relevant section in this document are addressed.

33. Specific responsibilities to the Board include:

- advising the Board on the discharge of its responsibilities (as set out in this document, in the founding legislation and in any other relevant instructions and guidance issued by or on behalf of the Scottish Ministers) and implementing the decisions of the Board.
- ensuring that financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions, and that appropriate financial appraisal and evaluation techniques, consistent with the [Appraisal and Evaluation](#) section of the [Scottish Public Finance Manual](#) (SPFM), are followed.

- ensuring that TSH adheres, where appropriate, to SG's [Programme and project management principles](#).
- having robust performance and risk management arrangements - consistent with the [Risk Management](#) section of the SPFM - in place that support the achievement of TSH's aims and objectives and that facilitate comprehensive reporting to the board, SG and the wider public. Risk management arrangements should include full consideration of organisational resilience to physical, personnel and cyber risks/threats/hazards.
- ensuring that adequate systems of internal control are maintained by TSH, including effective measures against fraud and theft consistent with the [Fraud](#) section of the SPFM.
- establishing appropriate documented internal delegated authority arrangements consistent with the [Delegated Authority](#) section of the SPFM.
- providing detailed reporting to the Board on the performance of TSH compared with its aims and objectives.
- Ensuring that TSH's corporate objectives and operating plans are prepared and delivered, in the light of the strategic aims and objectives agreed by the Scottish Ministers.
- ensuring effective relationships with SG officials.
- ensuring that timely forecasts and monitoring information on performance and finance are provided to SG; that SG is notified promptly if over or under spends are likely and that corrective action is taken; and that any significant problems whether financial or otherwise, and whether detected by internal audit or by other means, are notified to SG in a timely fashion.

Accountable Officer responsibilities

34. The Principal Accountable Officer for the Scottish Administration (the Permanent Secretary of SG) will designate the Chief Executive as the Accountable Officer for TSH. Accountable Officers are personally answerable to the Scottish Parliament for the exercise of their functions, as set out in the [Memorandum to Accountable Officers for Other Public Bodies](#). The Accountable Officer is personally responsible for the propriety and regularity of the public finances of TSH and ensuring that its resources are used economically, efficiently and effectively, as required by section 15 of the Public Finance and Accountability (Scotland) Act 2000 and may be called to give evidence to the Public Audit Committee of the Scottish Parliament.

These include:

- ensuring the propriety and regularity of the TSH's finances and that there are sound and effective arrangements for internal control and risk management.
- ensuring that the resources of the public body are used economically, efficiently and effectively, and that arrangements are in place to secure Best Value and deliver Value for Money for the public sector as a whole.
- ensuring compliance with relevant guidance issued by the Scottish Ministers, in particular the SPFM and SG [Pay Policy](#)
- signing the annual accounts and associated governance statements
- a statutory duty to obtain written authority from the board/chair before taking any action which they considered would be inconsistent with the proper performance of the Accountable Officer functions. The Accountable Officer should also notify the relevant Portfolio Accountable Officer.

35. It is incumbent on the Chief Executive to combine their Accountable Officer responsibilities to the Scottish Parliament, with their wider responsibilities to the Board. The Board should be fully aware of, and have regard to, the Accountable Officer responsibilities placed upon the Chief Executive, including the statutory duty described above.

Portfolio Accountable Officer responsibilities

36. The Principal Accountable Officer for the Scottish Administration will designate the Director-General for Health and Social Care as the Accountable Officer for SG portfolio budget for TSH. The responsibilities of a Portfolio Accountable Officer are set out in detail in the [Memorandum to Accountable Officers for Parts of the Scottish Administration](#). They are personally answerable to the Scottish Parliament for ensuring that:

- the financial and other management controls applied by SG are appropriate and sufficient to safeguard public funds and, more generally that those being applied by TSH conform to the requirements both of propriety and of good financial management (“Public funds” include not only any funds provided to TSH by the Scottish Ministers but also any other funds falling within the stewardship of TSH, including trading and investment income, gifts, bequests and donations).
- the key roles and responsibilities which underpin the relationship between SG and TSH are set out in a framework document - and that this document is regularly reviewed.
- effective relationships are in place at Director and Deputy Director level between SG and TSH in accordance with the strategic engagement principles.
- compliance with this framework document is effectively monitored by the sponsor unit.
- there is effective continuous assessment and appraisal of the performance of the chair of TSH, in line with the requirements of the Code of Practice for Ministerial Public Appointments in Scotland.
- The Portfolio Accountable Officer shall be responsible for assessing the performance of TSH chair at least annually.

Scottish Government Director and Deputy Director

37. The Director for Mental Health and Deputy Director for Improving Mental Health Services have responsibility for overseeing and ensuring effective relationships between SG and TSH which support alignment of TSH’s business to SG’s Purpose and National Outcomes and high performance by TSH. They will work closely with TSH chief executive and be answerable to the Portfolio Accountable Officer for maintaining and developing positive relationships with TSH characterised by openness, trust, respect and mutual support. They will be supported by a sponsor unit in discharging these functions.

Sponsor unit responsibilities

38. SG sponsor unit for TSH is the Forensic Mental Health Policy team within the Forensic Mental Health Unit. It is the normal point of contact for TSH in dealing with SG. The unit, under the direction of the Deputy Director, is the primary source of advice to the Scottish Ministers on the discharge of their responsibilities in respect of TSH and undertakes the responsibilities of the Portfolio Accountable Officer on their behalf.

39. Specific responsibilities include:

- discharging sponsorship responsibilities in line with the principles and framework set out in the document ‘[Strategic Engagement between the Scottish Government and Scotland’s NDPBs](#)’ and ensuring that sponsorship is suitably flexible, proportionate and responsive to the needs of the Scottish Ministers and TSH.
- ensuring that appointments to TSH board are made timeously and, where appropriate, in accordance with the [code-practice](#) for Ministerial Appointments in Scotland.
- proportionate monitoring of TSH’s activities through an adequate and timely flow of appropriate information, agreed with TSH, on performance, budgeting, control and risk management.
- addressing in a timely manner any significant problems arising in TSH, alerting the Portfolio Accountable Officer and the responsible Minister(s) where considered appropriate.
- ensuring that the objectives of TSH and the risks to them are properly and appropriately taken into account in SG’s risk assessment and management systems.
- informing TSH of relevant SG policy in a timely manner.

Internal audit

40. TSH shall:

- establish and maintain arrangements for internal audit in accordance with the [Public Sector Internal Audit Standards](#) and the [Internal Audit](#) section of the SPFM
- set up an audit committee of its board, in accordance with the [Audit Committees](#) section of the SPFM, to advise both the board and the chief executive in their capacity as the board Accountable Officer
- forward timeously to the SG the audit charter, strategy, periodic audit plans and annual audit assurance report, including the board Head of Internal Audit opinion on risk management, control and governance and other relevant reports as requested.
- keep records of and prepare and forward timeously to SG an annual report on fraud and theft suffered by the board and notify SG at the earliest opportunity of any unusual or major incidents.

41. The SG's Internal Audit Directorate has a right of access to all documents held by TSH internal auditor, including where the service is contracted out. The SG has a right of access to all TSH records and personnel for any purpose.

External audit

42. The Auditor General for Scotland (AGS) audits, or appoints auditors to audit, the TSH's annual accounts and passes them to the Scottish Ministers who shall lay them before the Scottish Parliament, together with the auditor's report and any report prepared by the AGS. For the purpose of audit, the auditors have a statutory right of access to documents and information held by relevant persons. TSH shall instruct its auditors to send copies of all management reports (and correspondence relating to those reports) and responses to SG.

43. The AGS, or examiners appointed by the AGS, may carry out examinations into the economy, efficiency and effectiveness with which TSH has used its resources in discharging its functions. The AGS may also carry out examinations into the arrangements made by TSH to secure Best Value. For the purpose of these examinations the examiners have a statutory right of access to documents and information held by relevant persons. In addition, TSH shall provide, in contracts and any conditions to grants, for the AGS to exercise such access to documents held by contractors and sub-contractors and grant recipients as may be required for these examinations; and shall use its best endeavours to secure access for the AGS to any other documents required by the AGS which are held by other bodies.

Annual report and accounts

44. TSH must publish an annual report of its activities together with its audited accounts after the end of each financial year. The annual report must cover the activities of any corporate, subsidiary or joint ventures under the control of TSH. It should comply with the Government [Financial Reporting Manual](#) (FRoM) and outline TSH's main activities and performance against agreed objectives and targets for the previous financial year.

45. The accounts must be prepared in accordance with relevant statutes and the specific accounts direction (including compliance with the FRoM) and other relevant guidance issued by the Scottish Ministers. Any financial objectives or targets set by the Scottish Ministers should be reported on in the accounts and will therefore be within the scope of the audit. Any subsidiary or joint venture owned or controlled by TSH shall be consolidated in its accounts in accordance with International Financial Reporting Standards as adapted and interpreted for the public sector context.

46. The draft report should be submitted to SG for comment, and the draft accounts for information, by 31st May each year. The final accounts should be submitted to SG by the 30th June each year in order for Scottish Ministers to lay them before parliament. Whilst the statutory date for laying and publishing accounts audited by the AGS is by 31 December, following the close of the previous financial year, there is an expectation on the part of the Scottish Ministers that accounts will be laid and published

as early as possible. The accounts must not be laid before they have been formally sent by the AGS to the Scottish Ministers and must not be published before they have been laid. TSH shall be responsible for the publication of the annual report and accounts.

Support and Intervention Framework

47. In terms of the escalation process for TSH, the principles set out in the **NHS Scotland Support and Intervention Framework (2023)** would apply where the need for escalation from TSH to Scottish Government is required. Work will be undertaken in financial year 2024-25 to create a single support and intervention framework document for all National Boards. Upon completion, this document will be updated to reflect that change.

Performance and Financial Management Responsibilities

Annual Delivery Plan (ADP)

48. TSH's Annual Delivery Plan and subsequent rolling 3-year plan represents the agreement with SG on the key work to be undertaken in the coming financial years and will be accompanied by financial and workforce plans to support their delivery. The content of the annual plan and the timetable for its preparation and review will be agreed with SG annually. The plans will detail the corporate objectives and key activities planned by TSH to support the delivery of safe and effective treatment and care in line with TSH's purpose and ministerial priorities. The plans will demonstrate how TSH contributes to the achievement of SG's purpose.

49. The plans should include:

- the purpose and principal aims of TSH
- an analysis of the environment in which TSH operates
- key objectives and associated key performance targets for the period of the plan, the strategy for achieving those objectives and how these will contribute towards the achievement of SG's primary purpose and alignment with the NPF.
- indicators against which performance can be judged
- details of planned efficiencies, describing how TSH proposes to achieve better value for money, including through collaboration and shared services.
- other matters as agreed between SG and TSH.

50. These plans should be provided to the sponsor unit and published TSH's website, once agreed and finalised.

Performance management

51. TSH shall operate management information and accounting systems that enable it to review, in a timely and effective manner, its financial and non-financial performance against the strategic aims, objectives, targets and milestones set out in the corporate and business plans. The results of such reviews should be reported on a regular basis to TSH and copied to SG. SG shall assess TSH's performance, proportionately, on a continuous basis and hold a formal review meeting at least twice a year. The responsible Cabinet Secretary / Scottish Minister shall meet TSH chair at least once a year.

52. In addition, the performance of TSH will be reviewed at official level led by the Sponsor team and reviewed by the Director of Mental Health.

Budget management

53. Each year, in the light of decisions by the Scottish Ministers on the allocation of budgets for the forthcoming financial year, SG will send to TSH a formal statement of its budgetary provision, and a note of any related matters and details of the budget monitoring information required by SG. The terms

of that letter, referred to as the Budget Allocation letter, should be viewed as complementing the content of this document. Monitoring is the primary means of in-year budgetary control across SG. As such bodies must comply with the format and timing of the monitoring together with any requests for further information. The statement of budgetary provision will set out the budget within the classifications of resource Departmental Expenditure Limits (RDEL), capital DEL (CDEL) and Ring-fenced (non-cash) (RfDEL). TSH will inform the sponsor unit at the earliest opportunity if a requirement for Annually Managed Expenditure (AME) budget is identified. SG should also be advised in the event that estimated net expenditure is forecast to be lower than budget provision. Transfers of budgetary provision between the different classifications require the prior approval of SG Finance Directorate. Any proposals for such transfers should therefore be submitted to the sponsor unit. Transfers of provision within the classifications may be undertaken without reference to SG, subject to any constraints on specific areas of expenditure e.g., the approved pay remit.

54. If the trading and other resource income realised (including profit or loss on disposal of non-current assets) – scored as negative RDEL, or the net book value of disposals of non-current assets – scored as negative CDEL is less than included in the agreed budget TSH shall, unless otherwise agreed with SG, ensure a corresponding reduction in its gross expenditure. (The extent to which TSH exceeds agreed budgets shall normally be met by a corresponding reduction in the budgets for the following financial year.) If income realised is more than included in the agreed budgets TSH must consult and obtain the prior approval of SG before using any excess to fund additional expenditure or to meet existing pressures. Failure to obtain prior approval for the use of excess income to fund additional expenditure may result in corresponding reductions in budgets for the following financial year. The only exception is where the income is from gifts, bequests and donations but this must be spent within the same financial year as the receipt, otherwise additional budget allocation will be required. In any event, income from all sources and all planned expenditure should be reflected in TSH's budget monitoring statement (Financial Performance Returns).

Cash Management

55. Any [grant in aid](#) (i.e. the cash provided to TSH by SG to support the allocated budget) for the year in question must be authorised by the Scottish Parliament in the annual Budget Act. Grant in aid will normally be paid in monthly instalments on the basis of updated profiles and information on unrestricted cash reserves. Payment will not be made in advance of need, as determined by the level of unrestricted cash reserves and planned expenditure. Unrestricted cash reserves held during the course of the year should be kept to the minimum level consistent with the efficient operation of TSH - and the level of funds required to meet any relevant liabilities at the year-end. Grant in aid not drawn down by the end of the financial year shall lapse. Grant in aid shall not be paid into any restricted reserve held by TSH.

56. The banking arrangements adopted by TSH must comply with the [Banking](#) section of the SPFM.

Risk management

57. TSH shall ensure that the risks that it faces are dealt with in an appropriate manner, in accordance with relevant aspects of generally recognised best practice in corporate governance, and develop an approach to risk management consistent with the [Risk Management](#) section of the SPFM. Reporting arrangements should ensure that the sponsor unit is made aware of relevant risks and how they are being managed. TSH audit committee is also required, at the earliest opportunity, to notify the relevant Director General Assurance meeting if it considers that it has identified a significant problem which may have wider implications.

Counter fraud arrangements

57. TSH should adopt and implement policies and practices to safeguard itself against fraud and theft, in accordance with the [Fraud](#) section of the SPFM. Application of these processes must be monitored actively, supported by a fraud action plan and robust reporting arrangements. This includes the establishment of avenues to report any suspicions of fraud.

Organisational security and resilience

58. The high security environment of TSH is achieved through three key elements:

- **Physical Security** (provided by high quality physical barriers, modified strong rooms, sophisticated electronic detection and observational systems)
- **Procedural Security** (provided through policies, procedures, risk analysis and working practices)
- **Relational Security** (provided by clinical and security working closely with patients to assess and monitor risk, mental illness, previous offending and behavioural patterns – antecedents)

59. The three elements are consistent with the security mechanisms in place in other High Secure Hospitals.

60. TSH shall ensure that it has a clear understanding at board level of the key risks, threats and hazards it may face in the personnel, physical and cyber domains, and take action to ensure appropriate organisational resilience to those risks/threats/hazards.

Resilience

61. TSH is not a category 1 or category 2 responder. However, given the nature of High Security care the organisation must provide staff, patients and the public with an assurance that there is the appropriate capability of dealing with complex incidents should they arise. TSH shall ensure that the sponsor team are aware of any Category 1 incidents and share reports on findings and learning points from these incidents.

62. Resilience Plans and Business Continuity plans are in place and subject to review through an annual work plan. A detailed on-call and response model is in place to respond to incidents should they arise, and staff are trained in a variety of safety and security approaches. TSH connects with the Local Resilience Partnership and the Emergency Preparedness Resilience and Response Division in SG. TSH shall ensure that SG sponsor team are aware of any resilience risks or issues.

TSH staff management

Broad responsibilities for TSH staff

63. TSH will have responsibility for the recruitment, retention and motivation of its staff. The broad responsibilities toward its staff are to ensure that:

- it complies with its duty in relation to the governance of staff as set out in the NHS Reform (Scotland) Act 2004 and complies with the Staff Governance Standard <http://www.staffgovernance.scot.nhs.uk/what-is-staff-governance/staff-governance-standard/> and all other relevant legislation as well as section 12I of the National Health Service (Scotland) Act 1978.
- HR policies, practices and systems comply with employment and equalities legislation, and standards expected of public sector employers.
- the level and structure of its staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness (subject to SG [Pay Policy for Staff Pay Remits](#)).
- it complies with requirements set out in national workforce policies including the extant Partnership Information Network (PIN) policies <http://www.staffgovernance.scot.nhs.uk/partnership/partnership-information-network/> and the and the Once for Scotland Workforce Policies 'Once for Scotland' Workforce Policies — NHS Scotland Staff Governance;

- the performance of its staff at all levels is satisfactorily appraised and TSH's performance measurement systems are reviewed from time to time.
- its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve TSH's objectives.
- proper consultation with staff takes place on key issues affecting them.
- adequate grievance and disciplinary procedures are in place.
- effective whistle-blowing policy and procedures consistent with the Public Interest Disclosure Act 1998 are in place as well as compliance with the requirements of the National Whistleblowing Standards ([National Whistleblowing Standards | SPSO](#)) that are referred to in the Once for Scotland Whistleblowing policy and these are clearly communicated and available to staff to encourage and support them to speak up
- a code of conduct for staff is in place based on the Model Code for Staff of Executive NDPBs

Pay and conditions of service

64. TSH will comply with SG Pay Policy in relation to staff and the chief executive. TSH shall submit to SG for approval (normally annually unless a multi-year deal has been agreed) a pay remit in line with SG [Pay Policy for Staff Pay Remits](#) and negotiate a pay settlement within the terms of the approved remit. Payment of salaries should also comply with the [Tax Planning and Tax Avoidance](#) section of the SPFM. Proposals on non-salary rewards must comply with the guidance in the [Non-Salary Rewards](#) section of the SPFM. Where applicable, TSH will also seek appropriate approval under SG [Pay Policy for Senior Appointments](#) for the chief executive's remuneration package prior to appointment, annually or when a new appointment or change to the remuneration package is being proposed.

Pensions, redundancy and compensation

65. Superannuation arrangements for TSH staff are subject to the approval of SG. TSH staff shall normally be eligible for a pension provided by its own scheme. Staff may opt out of the occupational pension scheme provided by TSH, but the employers' contribution to any personal pension arrangement, including stakeholder pension, shall normally be limited to the national insurance rebate level.

66. Any proposal by TSH to move from existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of SG. Proposals on compensation payments must comply with the [Settlement Agreements, Severance, Early Retirement and Redundancy Terms](#) section of the SPFM. This includes referral to SG of any proposed severance scheme (for example, a scheme for voluntary exit), business case for a settlement agreement being considered for an individual, or proposal to make any other compensation payment. In all instances, a body should engage with SG prior to proceeding with proposed severance options, and prior to making any offer either orally or in writing.

Asset and property management

67. TSH shall maintain an accurate and up-to-date record of its current and non-current assets consistent with the [Property: Acquisition, Disposal & Management](#) section of the SPFM. 'Non-current' assets should be disposed of in accordance with the SPFM. SG's Property Division should be consulted about relevant proposed disposals of property that TSH holds for operational purposes (rather than investment) at the earliest opportunity so it may be advertised internally. An [Internal Advertisement](#) form must be completed and submitted at least one month prior to property being advertised on the open market. Any proposal to acquire land, buildings or other rights in property for accommodation / operational purposes should comply with the SPFM. TSH is also subject to the [SG Asset Management Policy](#), including the requirement for acquisition of a new lease, continuation of an existing lease, decision not to exercise a break option in a lease or purchase of property for accommodation / operational purposes, to be approved in advance by Scottish Ministers. The Property Controls Team should be consulted as early as possible in this process. All assets (property, plant and equipment) are

to be properly recorded and updated as necessary by TSH on the Cabinet Office [electronic Property Information Mapping System](#) (e-PIMS).

Specific financial provisions

Delegated authorities

68. TSH's specific delegated financial authorities for losses and special payments - as agreed in consultation between TSH and SG - are set out in the attached **Appendix**. TSH shall obtain SG's prior written approval before entering into any undertaking to incur any expenditure that falls outside these delegations. TSH shall also comply with any requirements for prior SG approval included in the SPFM and/or this document. Prior SG approval must always be obtained before incurring expenditure for any purpose that is or might be considered novel, contentious or repercussive or which has or could have significant future cost implications.

Income generation

69. TSH board shall seek to optimise income - grant in aid does not qualify as income - from all sources and ensure that SG is kept informed. Novel or contentious proposals for new sources of income or methods of fundraising must be approved by SG. Fees or charges for any services supplied by TSH shall be determined in accordance with the [Fees & Charges](#) section of the SPFM.

70. Gifts, bequests or donations received by TSH score as income and should be provided for in the agreed resource DEL and capital DEL budgets, updated as necessary in consultation with SG. However, TSH should be able to demonstrate that expenditure funded by gifts etc is additional to expenditure normally supported by grant in aid (i.e., SG core funding) or by trading and other income. Before accepting such gifts etc TSH shall consider if there are any associated costs in doing so or any conflicts of interests arising. TSH shall keep a written record of any such gifts etc and what happened to them.

Financial investments

71. Unless covered by a specific delegated authority TSH shall not make any financial investments without the prior approval of SG. That would include equity shares in ventures which further the objectives of TSH. TSH shall not invest in any venture of a speculative nature.

Borrowing

72. Borrowing cannot be used to increase TSH's spending power. All borrowing by TSH - excluding agreed overdrafts - shall be from the Scottish Ministers in accordance with guidance in the [Borrowing, Lending & Investment](#) section of the SPFM.

Lease arrangements

73. Unless covered by a specific delegated authority TSH shall not enter into any finance, property or accommodation related lease arrangement – including the extension of an existing lease or the non-exercise of a tenant's lease break - without SG's prior approval. Before entering/ continuing such arrangements TSH must be able to demonstrate that the lease offers better value for money than purchase and that all options of sharing existing public sector space have been explored. Non-property/ accommodation related operating leases are subject to a specific delegated authority. TSH must have capital DEL provision for finance leases and other transactions which are in substance borrowing.

Tax arrangements

74. Non-standard tax management arrangements should always be regarded as novel and/or contentious and must therefore be approved in advance by SG. Relevant guidance is provided in the [Tax Planning and Tax Avoidance](#) section of the SPFM. TSH must comply with all relevant rules on taxation, including VAT. All individuals who would qualify as employees for tax purposes should be paid through the payroll system with tax deducted at source. It is the responsibility of TSH to observe VAT legislation and recover input tax where it is entitled to do so. The implications of VAT in relation to procurement and shared services should be considered at an early stage to ensure that financial efficiency is achieved. TSH must also ensure that it accounts properly for any output tax on sales or disposals.

Settlement, severance, early retirement and redundancy

75. TSH shall seek to deliver, and demonstrate, robust governance processes, best practice and value for money when developing and implementing a severance scheme or when developing a settlement agreement, in compliance with current policy, observing all policy limits as set out in the [Settlement, severance, early retirement, redundancy section](#) of the SPFM.

Lending and guarantees

76. Any lending by TSH must adhere to the guidance in the [Borrowing, Lending & Investment](#) section of the SPFM on undertaking due diligence and seeking to establish a security. Unless covered by a specific delegated limit TSH shall not, without SG's prior approval, lend money, charge any asset, give any guarantee or indemnity or letter of comfort, or incur any other contingent liability (as defined in the [Contingent Liabilities](#) section of the SPFM), whether or not in a legally binding form. Guarantees, indemnities and letters of comfort of a standard type given in the normal course of business are excluded from this requirement.

Third party grants

77. Unless covered by a specific delegated authority TSH shall not, without SG's prior agreement, provide grant funding to a third party. Such funding would be subject to the guidance in the [Subsidy Control](#) section of the SPFM. Guidance on a framework for the control of third party grants is provided as an annex to the [Grant & Grant in Aid](#) section of the SPFM.

Impairments, provisions and write-offs

78. Assets should be recorded on the balance sheet at the appropriate valuation basis in accordance with the FReM. Where an asset - and that includes investments - suffers impairment it is important that the prospective impairment and background is communicated to SG at the earliest possible point in the financial year to determine the implications for TSH's budget. Similarly, any significant movement in existing provisions or the creation of new provisions should be discussed in advance with SG. Write-off of bad debt and/or losses scores against TSH's resource DEL budget classification and is subject to a specific delegated limit. (Annex) Losses which are above the delegated authority limit should be notified to SG at the time of discovery. Application for write-off authority should follow as soon as the full facts of the losses have been established and should not be delayed until the annual accounts are submitted.

Insurance

79. The Clinical Negligence and Other Risks Scheme (CNORIS) has been in operation since 2000. Participation in the scheme is mandatory for all NHS Boards in Scotland. The schemes allow for risk pooling of legal claims in relation to clinical negligence and other risks and works in a similar manner to an insurance scheme. CNORIS provides indemnity to Member organisations in relation to Employer's Liability, Public / Product Liability and Professional Indemnity type risks (inter alia). The level of cover

provided is at least £5m Public Liability, £10m Employers Liability, and £1m Professional Indemnity. The Scheme will provide "Indemnity to Principal" where required. CNORIS also provides cover in relation to Clinical Negligence. TSH is subject to SG policy of self-insurance. Commercial insurance must however be taken out where there is a legal requirement to do so and may also be taken out in the circumstances described in the [Insurance](#) section of the SPFM - where required with the prior approval of SG. In the event of uninsured losses being incurred SG shall consider, on a case-by-case basis, whether or not it should make any additional resources available to TSH SG will provide TSH with a Certificate of Exemption for Employer's Liability Insurance.

Risk indemnity

80. The Clinical Negligence and Other Risks Scheme (CNORIS) has been in operation since 2000. Participation in the scheme is mandatory for all NHS Boards in Scotland. The schemes allow for risk pooling of legal claims in relation to clinical negligence and other risks and works in a similar manner to an insurance scheme. CNORIS provides indemnity to Member organisations in relation to Employer's Liability, Public / Product Liability and Professional Indemnity type risks (inter alia). The level of cover provided is at least £5 million Public Liability, £10 million Employers Liability, and £1 million Professional Indemnity. The Scheme will provide "Indemnity to Principal" where required. CNORIS also provides cover in relation to Clinical Negligence.

Procurement and payment

81. TSH's procurement policies shall reflect relevant guidance in the [Procurement](#) section of the SPFM and relevant guidance issued by SG's Procurement and Commercial Directorate. Procurement should be undertaken by appropriately trained and authorised staff and treated as a key component of achieving TSH's objectives consistent with the principles of [Best Value](#), the highest professional standards and any legal requirements. All external consultancy contracts over the value of £100,000 or any proposal to award a contract without competition (non-competitive action) over the value of £100,000 must be endorsed in advance by the Chief Executive.

82. Any major investment programmes or projects undertaken by TSH shall be subject to the guidance in the [Major Investment Projects](#) section of the SPFM and is also subject to a specific delegated authority. The sponsor unit must be kept informed of progress on such programmes and projects and Ministers must be alerted to any developments that could undermine their viability. ICT investment plans must be reported to SG's Office of the Chief Information Officer.

83. TSH shall pay all matured and properly authorised invoices relating to transactions with suppliers in accordance with the [Expenditure and Payments](#) section of the SPFM and in doing so shall seek wherever possible and appropriate to meet SG's target for the payment of invoices within 10 working days of their receipt.

Gifts made, special payments and losses

84. Unless covered by a specific delegated authority TSH shall not, without SG's prior approval, make gifts or special payments or write-off of losses. Special payments and losses are subject the guidance in the [Losses and Special Payments](#) section of the SPFM. Gifts by management to staff are subject to the guidance in the [Non-Salary Rewards](#) section of the SPFM.

Clawback

85. Where TSH has financed expenditure on assets by a third party, TSH shall make appropriate arrangements to ensure that any such assets above an agreed value are not disposed of by the third party without TSH's prior consent. TSH shall put in place arrangements sufficient to secure the repayment of its due share of the proceeds - or an appropriate proportion of them if TSH contributed

less than the whole cost of acquisition or improvement. TSH shall also ensure that if assets financed by TSH cease to be used by the third party for the intended purpose an appropriate proportion of the value of the asset shall be repaid to TSH.

Subsidy Control

86. The EU State aid regime was effectively revoked from UK law from 1 January 2021 and subsidy control provisions are now covered by the UK Government subsidy control regime. Currently any activity that TSH undertakes itself, or funds other bodies to undertake, that can be offered on a commercial market for goods and services is subject to the subsidy control regime rules. A full assessment is therefore required prior to disbursing any funding and would be subject to the guidance in the [subsidy regime section](#) of the SPFM.

Board expenses

87. Remuneration (daily fees), allowances and expenses paid to board members and any pension arrangements must comply with SG [Pay Policy for Senior Appointments](#) and any specific guidance on such matters issued by the Scottish Ministers.

THE STATE HOSPITAL FRAMEWORK DOCUMENT: APPENDIX
SPECIFIC DELEGATED FINANCIAL AUTHORITIES

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

22	Other Causes	10,000
Compensation Payments - legal obligation		
23	Clinical *	250,000
24	Non-clinical *	100,000
Ex-gratia payments		
25	Extra-contractual Payments	10,000
26	Compensation Payments - Ex-gratia - Clinical *	250,000
27	Compensation Payments - Ex-gratia - non-Clinical *	100,000
28	Compensation Payments - Ex-gratia - Financial Loss *	25,000
29	Other Payments	2,500
Damage to Buildings and Fixtures		
30	Incidents of the Service	
	- Fire	20,000
	- Flood	20,000
	- Accident	20,000
	- Other Causes	20,000
31	Extra-Statutory & Extra-regulatory Payments	Nil
32	Gifts in cash or in kind	10,000
33	Other Losses	10,000

* This delegated limit was revised as at 1st August 2001 HDL (2001)65.

+ those losses which do not broadly fall within the definitions of theft, arson, wilful damage, fraud, embezzlement and attempted fraud and would have fallen within the previous item 2 "Cash Losses – overpayments of salaries, wages and allowances" and the previous item 3 "Cash Losses – Other" should be included within this heading.