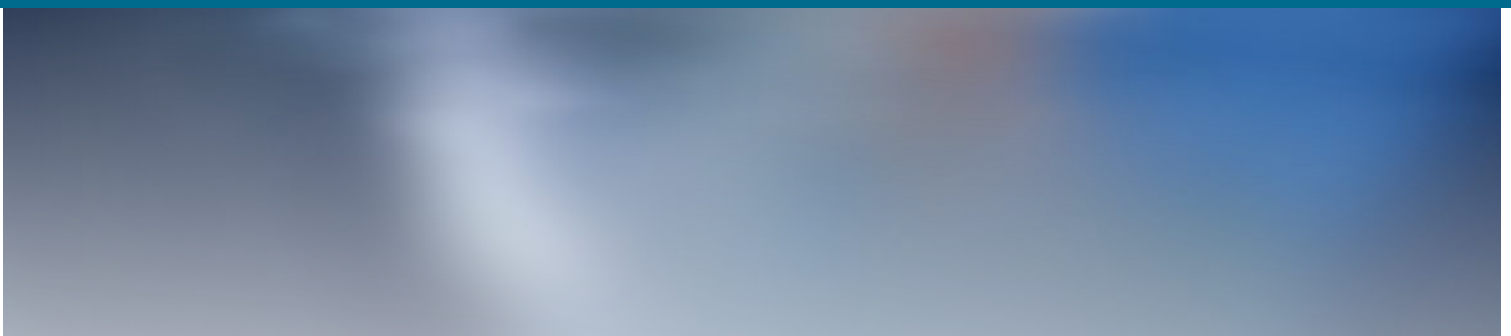


# NHS in Scotland: Spotlight on governance



AUDITOR GENERAL 

Prepared by Audit Scotland  
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# Contents

Key messages	<b>3</b>
Recommendations	<b>5</b>
Background	<b>6</b>
1. Governance arrangements in the NHS in Scotland	<b>9</b>
2. Governance in NHS boards	<b>21</b>
Endnotes	<b>35</b>
Appendix	<b>36</b>



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## Audit team

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# Key messages

- 1** NHS Scotland is not a legal entity but an umbrella term to describe a structure comprising 22 NHS boards. Oversight is provided by the chief executive and chief operating officer of NHS Scotland, who are part of the Scottish Government. The planning and governance of healthcare in Scotland is becoming more complex. It involves a mix of local, regional and national partners, making lines of accountability and decision-making difficult.
- 2** A range of different governance groups are in place across NHS Scotland but there are weaknesses within the scrutiny and assurance processes at the Scottish Government level. For example, there is a risk arising from the combined role of director general for health and social care and the chief executive of NHS Scotland. This results in dual responsibility for setting the strategic and operational direction of NHS Scotland and holding the NHS to account for its performance. There is an opportunity for non-executive directors to play a greater role in scrutiny and challenge at the Scottish Government level.
- 3** NHS boards' ability to drive reform is constrained by the financial, policy and planning parameters set by the Scottish Government. A new planning framework is being put in place and new national strategies and plans for reform and improvement are due this year. Dealing with this change will be challenging. But it should help give boards greater certainty and enable them to work more collaboratively to deliver reform.

- 4 NHS boards are using the Blueprint for Good Governance to develop and put in place plans to improve their own governance arrangements. External validation of the Blueprint self-assessments could help in identifying boards with weaknesses in governance and that need performance management and sponsorship support. The delivery of NHS services must be reformed for Scotland's health service to remain affordable and sustainable. But it is not yet clear that NHS Scotland's governance arrangements are designed to facilitate and deliver the extent and pace of reform that must be achieved in the coming years. There is scope for the Blueprint to be strengthened to more clearly set out how governance should be adapted to deliver reform.
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# Recommendations

## **In 2025/26, the Scottish Government should:**

- Ensure that governance, authority and lines of accountability are clearly articulated across the planning landscape, as the new planning guidance across NHS Scotland is implemented, including the operation of the NHS Scotland Executive Group. This should include a refresh of the Framework document.
- Ensure there is a learning and evaluation framework in place to evaluate the impact of changes to the planning framework in achieving the intended outcomes and address any weaknesses.
- Review and evaluate scrutiny and assurance processes at a Scottish Government level and strengthen input of non-executive directors across the range of governance groups to enable greater scrutiny and challenge.
- Review and evaluate sponsorship arrangements to make sure they are applied consistently across NHS boards.
- Review the impact of the changes to the terms and conditions of chairs and non-executive directors to make sure that NHS boards can attract effective leaders that can drive reform and change.

## **The Scottish Government together with NHS boards should:**

- In 2025/26, consider how the experience of under-represented groups and people who use services can be brought to boards so that the planning and delivery of healthcare services is informed by user experience.
- In 2025/26, implement an external review and validation of the Blueprint for Good Governance self-assessment process across NHS boards to support further improvement in governance, make sure that evidence and information is assessed in a consistent way, and that opportunities for learning and sharing good practice are maximised across NHS Scotland.
- Ensure that the next iteration of the Blueprint for Good Governance provides more operational support to NHS boards on how good governance can support NHS reform and collaborative working, including practice examples.

# Background

1. The Auditor General for Scotland's annual report on the [NHS in Scotland 2024](#) provided an overview of the financial and operational performance of Scotland's NHS in 2023/24. The report outlined the pressures facing the NHS where, despite a real terms increase in funding, waiting lists continue to grow, most waiting times standards are not being met, and delayed discharges are at their highest level on record. Many NHS boards have not been able to break even and are struggling to make savings as costs continue to rise.
2. The report called for a focus on improving the health of Scotland's people, as well as decisions being made about what the NHS needs to stop doing. It made recommendations to the Scottish Government including the need for national strategies and plans on finance and capital investment, as well as a recommendation for boards to achieve a balanced financial position over the next three years. It also recommended that the Scottish Government and NHS boards develop a delivery plan that sets out national priorities and plans for reform.
3. The challenges that the NHS in Scotland and wider public sector now face necessitate [effective governance alongside strong leadership](#).<sup>1</sup>
4. In January 2025, the First Minister made a commitment to reform in the NHS in Scotland,<sup>2</sup> building on the vision set out by the cabinet secretary for health and social care in June 2024.<sup>3</sup> An Operational Improvement Plan was published in March this year.<sup>4</sup> There are now plans to publish:
  - a population health framework (May 2025)
  - a medium-term approach to health and social care reform (before summer Parliament recess).
5. In February 2025, the director general and chief executive of NHS Scotland wrote to all boards to seek their support in taking forward a programme of reform and to work across boundaries. NHS boards are to ensure that they are actively engaging in collaborative arrangements with other boards. This includes sharing resources, expertise and services, where appropriate. Regional planning groups are expected to drive innovation and adaptability.

**6.** The financial and performance challenges that NHS boards are facing alongside the commitments that have been made to significant reform and innovation will need strong governance arrangements. This includes setting direction, being clear on decision-making, delivering effective scrutiny, managing risks and working effectively with partners.

**7.** This spotlight report on governance in the NHS in Scotland follows on from the overview report. It is part of a revised approach to NHS reporting, with the annual report on finance and operational performance to be followed by a complementary report on a thematic issue.

**8.** We have previously reported on governance arrangements in the NHS in both overview reports and in reports on individual boards. [NHS in Scotland 2023](#) stated that for NHS boards to support reform they must have good governance relationships in place that provide sufficient scrutiny and assurance of financial and operational performance. Reports on [NHS Forth Valley](#) (2022/23) and [NHS Highland](#) (2020/21) highlighted weaknesses in governance, and the need for improvements in governance to support wider financial and operational improvements.

**9.** In recent years there have been developments to support transparency and clarity in governance arrangements in the NHS in Scotland, and efforts to improve the effectiveness of governance. A framework was introduced in 2024 that aims to set out relationships and respective roles and responsibilities between the Scottish Government and territorial health boards. In 2019, a Blueprint for Good Governance in the NHS was published and is now in its second iteration.

**10.** At the same time, the complexity of health and social care governance remains. Plans for a National Care Service (NCS) have been scaled back. However, a new NCS Advisory Board is being put in place and the Scottish Government will consider how this links to existing oversight and governance.<sup>5</sup>

## About this report

**11.** These issues have informed the scope of this report, which aims to answer the following question: 'What are the governance arrangements within NHS Scotland and how effectively are they supporting scrutiny and reform?' As part of this it also considers:

- How is NHS Scotland structured and what is its relationship with the Scottish Government Health and Social Care Directorates?
- What progress has been made in supporting and embedding good governance across individual NHS boards?
- What are the roles and responsibilities of NHS board members?
- How effectively are boards engaging with their stakeholders, scrutinising operational and financial performance and showing a collaborative and learning culture of leadership?

**12.** In addressing these questions, the report aims to provide information and transparency about the governance arrangements within NHS Scotland and the relationships between different stakeholders. It aims to assess the effectiveness of governance arrangements, the framework document, the Blueprint for Good Governance, and the support offered to board members. It also aims to support improvement by providing good practice examples, and recommendations.

## What does good governance mean?

**13.** The Chartered Institute of Public Finance and Accountancy (CIPFA) sets out the importance of good governance and how 'good governance leads to good management, good performance, good stewardship of public money, good public engagement and ultimately good outcomes'.<sup>6</sup>

**14.** CIPFA's Good Governance Standard sets out six core principles, each of which has supporting principles. Good governance means:

- focusing on the organisation's purpose and on outcomes for citizens and service users
- performing effectively in clearly defined functions and roles
- promoting values for the whole organisation and demonstrating the values of good governance through behaviour
- taking informed, transparent decisions and managing risk
- developing the capacity and capability of the governing body to be effective
- engaging stakeholders and making accountability real.

**15.** Governance is commonly understood to refer to the systems of control and direction within an organisation that aim to support it in delivering its strategic and financial objectives. NHS Scotland has developed a definition of governance in healthcare for use across NHS Scotland:

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

**16.** A key lens for this report is on how governance in the NHS in Scotland can support reform. NHS in Scotland 2024 made clear that reform in the NHS is essential. This report considers how governance supports reform.



# 1. Governance arrangements in the NHS in Scotland

The NHS in Scotland has complicated planning arrangements which impact on how accountability and decision-making operates. Significant changes to both planning and governance are under way.

**NHS Scotland is not a legal entity but is an umbrella term to describe a structure comprising 22 NHS boards.**

**17. NHS boards** and the Scottish Government Health and Social Care Directorates work together to deliver health care services to the people of Scotland ([Exhibit 1, page 10](#)).

**18.** While NHS Scotland is not a formal entity, it has a chief executive who is also the director general for health and social care in the Scottish Government. There is also an NHS Scotland chief operating officer, with responsibility for the day-to-day relationship with, and performance management of, health boards who is also part of the Scottish Government's Health and Social Care Directorate and reports to the director general. As NHS Scotland is not a formal entity it does not have its own board of governance.

**19.** The 14 territorial health boards are responsible for the planning and delivery of frontline health care services and for the protection and improvement of their population's health within a specific geographical area. The other eight health boards provide services that support the territorial boards, for example NHS24 and the Scottish Ambulance Service.

**20.** NHS boards are discrete legal entities and are legally accountable for how they carry out their services. Each has its own board of governance, with a chair and both executive and non-executive members. NHS board chief executives are the **accountable officer** for their NHS boards and have personal responsibilities for public finances, and ensuring resources are used well.

**21.** NHS boards are also responsible for putting government policies into practice. The board is accountable to the cabinet secretary for health and social care through the board chair, with board decisions and priorities expected to comply with ministerial directions and guidance. The cabinet



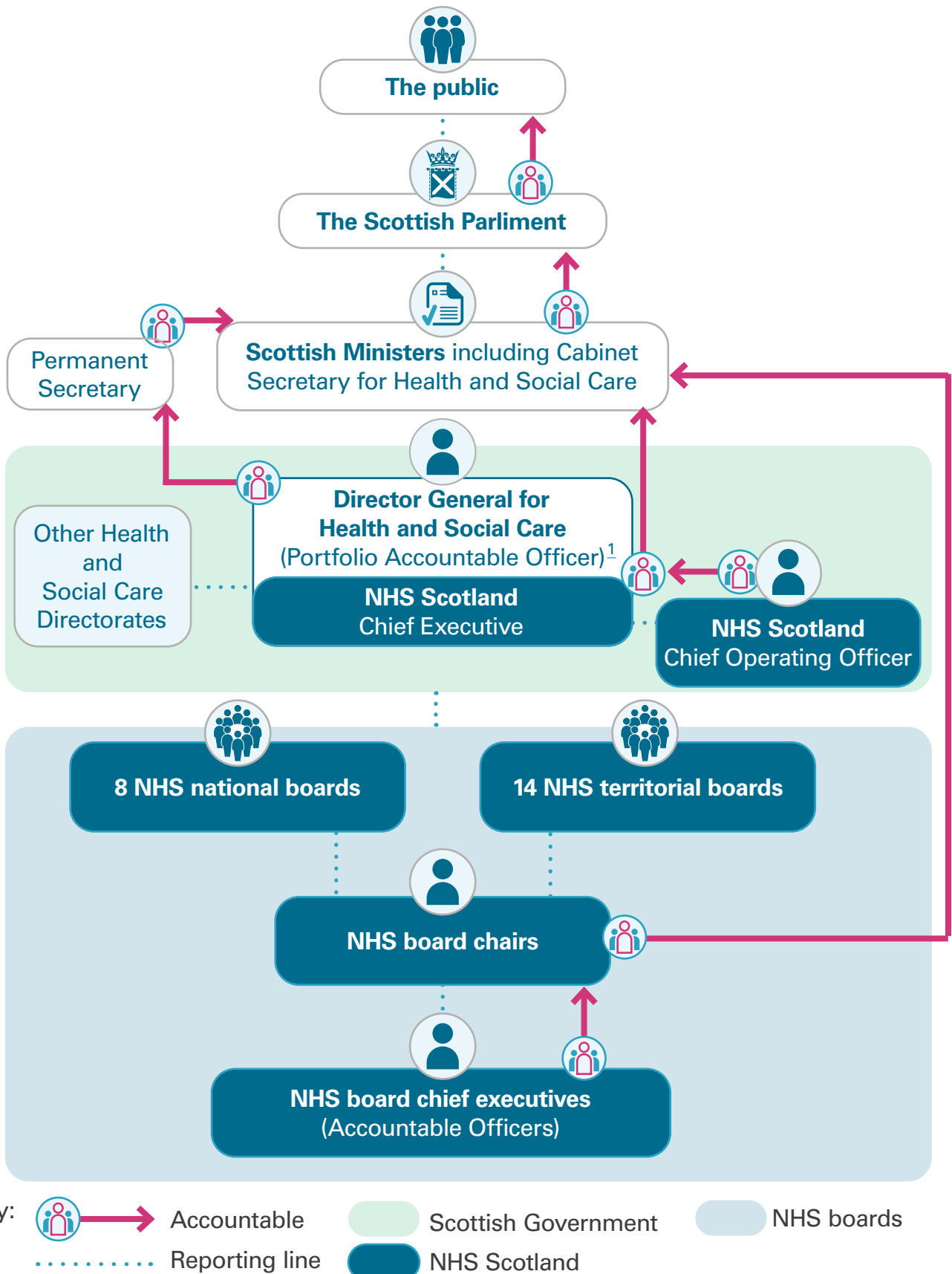
This report refers to **NHS boards** and includes the 14 territorial health boards, the six special health boards with responsibility for specific functions and Health Improvement Scotland and NHS National Services Scotland.



**Accountable Officers** at all levels have personal responsibilities for the propriety and regularity of public finances, and ensuring resources are used economically, efficiently and effectively.

## Exhibit 1.

### The structure of NHS Scotland and accountability arrangements



Note 1. The roles of Director General Health and Social Care (Portfolio Accountable Officer) and NHS Scotland Chief Executive are both fulfilled by the same individual.

Source: Audit Scotland

secretary appoints board chairs and non-executive board members, and approves executive appointees to the board. This structure creates a direct line of accountability between ministers through to the NHS boards.

**22.** The dual role of chief executive of NHS Scotland and director general of health and social care means that responsibility for both the strategic and operational direction of NHS Scotland and holding the NHS to account for its performance lies within the same department in Scottish Government. The introduction of the NHS Scotland chief operating officer is intended to provide some separation between these two functions and manage the risks inherent in the structural arrangements. Exhibit 1 (page 10) sets out how accountability arrangements are structured within the NHS in Scotland.

## **The way in which health care is planned is becoming more complex**

**23.** Local, regional and national planning partners are all involved in the planning, funding and delivery of health services. [Exhibit 2 \(page 12\)](#) sets out the different planning levels for healthcare services and the range of partners involved.

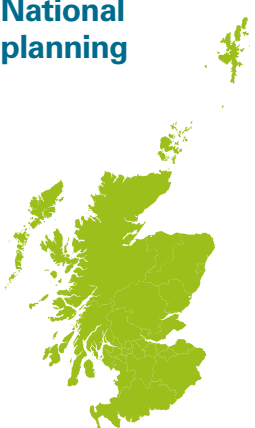








**24.** Further change is taking place, with the Scottish Government outlining in November 2024 a renewed approach and increased focus on population-based planning.<sup>7</sup> This intends to align planning for services with the size of the population that will make use of those services. This will include planning and redesign at a national, regional and local level. There is a plan to publish, on an annual basis, indicative planning populations, ie those specific health services that will be planned on a population basis. The approach is expected to need a strong collaborative culture across boards. Scottish Government have yet to confirm how this population-based planning will operate.

**25.** The Scottish Government recognises this approach as a significant change to the way in which health services are currently planned, organised, delivered and potentially funded. It is too early to say whether the governance structures that have been put in place to support these changes are robust enough, whether the collaborative culture is strong enough across NHS Scotland and whether lines of accountability remain clear. Any change process needs strong communication and a process of learning and evaluation to understand what is working well and where there are problems. There are also opportunities to learn from the changes to health service planning that have taken place through the integration of health and social care.

## Exhibit 2.

### Planning levels in the Scottish health system

Planning takes place at a national, regional and local level.

Planning levels	Structure	Planning activity
<b>National planning</b> 	The Scottish Government and 22 NHS boards  + <b>22</b> NHS boards	<b>The Scottish Government and NHS boards:</b> <ul style="list-style-type: none"> <li>Services that can be delivered more efficiently nationally will be done on a 'Once for Scotland' basis.</li> <li>National treatment centres – a national network of healthcare facilities across Scotland for planned care.</li> <li>Scottish Government Executive Group – set up to support boards and senior leaders to work cooperatively both regionally and nationally.</li> </ul>
<b>Regional planning</b> 	3 regions  North  West  East	<b>Regional planning initiatives and groups:</b> <ul style="list-style-type: none"> <li>Some services will be planned and delivered on a regional basis. The aim is that services should be provided more efficiently and lead to better outcomes for patients.</li> </ul>
<b>NHS boards</b> 	<b>14</b> territorial NHS boards	<b>14 NHS territorial boards:</b> <ul style="list-style-type: none"> <li>will continue to plan and provide a range of acute services to their population.</li> </ul>
<b>Community Planning Partnerships (CPPs)</b> 	<b>32</b> CPPs	<b>32 community planning partnerships (CPPs), one for each council area:</b> <ul style="list-style-type: none"> <li>Each CPP is responsible for improving outcomes and tackling inequalities of outcome in their area.</li> </ul>
<b>Integration authorities (IAs)</b> 	<b>31</b> IAs	<b>31 integration authorities (IAs):</b> <ul style="list-style-type: none"> <li>They are responsible for planning and commissioning a range of health services in their area. This includes community and primary care, and all adult social care. IAs are statutory members of CPPs.</li> </ul>

Source: Audit Scotland

## The complexity of planning arrangements can make lines of accountability unclear and decision-making difficult

**26.** The operation of [Integration Joint Boards](#) (IJBs) and the collaborative governance that is required for the planning of delegated services has proved difficult in practice. Some NHS boards have worked to create strong relationships to support better planning and decision-making. For example, NHS Lanarkshire has created an Interface Committee which has allowed more detailed discussion on the impact of different service models and shifting the balance of care into community settings, so helping put a whole system approach into practice.

**27.** However, other boards have found these decision-making processes to be difficult. Some boards report that they have limited control or influence over decisions that IJBs are taking, even though these decisions can impact on health services and the financial planning within the health board. Membership of IJBs is designed to provide parity between the interests of the health board and the council, with equal voting membership from the NHS board and the council. The IJB must also appoint a chair and vice-chair, one from the NHS board and the other from the council. However, boards report that a more partisan approach is being taken by some board members.

**28.** The Auditor General's and Accounts Commission's joint report on [Adult mental health](#) services (2023) outlined some of the challenges that arise from these planning arrangements. The report notes that IJBs, NHS boards, councils and third sector organisations are all involved in the planning of adult mental health services. It stated that challenges with information sharing and complicated governance and approval processes, made it more difficult to develop and provide person-centred services. The roles and responsibilities of health and social care partners are not always clearly distinct, and sharing of data and information between health and social care partners is another area of difficulty. It highlights the Independent Inquiry into Mental Health Services at NHS Tayside that found that governance arrangements for the planning and provision of services were complex and unclear.

**29.** NHS boards have a duty to cooperate with other health boards that is set out in legislation. Integration arrangements provide the most significant models of collaborative governance and shared planning and decision-making for NHS Scotland to date. These have been challenging for many NHS boards. Further learning from this experience is needed if collaborative governance is to work well and inform new approaches to shared planning of services and resources.

## A new NHS Scotland Executive Group aims to support collaboration and drive reform across NHS Scotland, but its ability to make effective shared decisions has still to be fully tested

**30.** Recent developments in healthcare planning include the creation of the NHS Scotland Executive Group. The group first met in October 2024, with the aim of providing system leadership across NHS Scotland and providing a forum for planning and decision-making. It has been welcomed by NHS boards. [Exhibit 3 \(page 15\)](#) provides more detail on the group and how it will operate.

**31.** The introduction of the group marks a potentially significant change to how planning and decision-making takes place across NHS Scotland. The group is still new and how it will work in practice is still to be seen. To enable reform to be agreed and progressed it will be important that:

- the group supports effective and clear decision-making
- the large size of the group doesn't impede decision-making
- the working of the group is underpinned by strong governance arrangements to ensure that there is clarity on where accountability lies and how decisions will be upheld within boards (Exhibit 3, page 14).

## The introduction of a new framework has helped provide greater clarity on relationships between the Scottish Government and NHS boards

**32. The Scottish Government's Health and Social Care Directorates** work with NHS boards through a framework and direct the operation of NHS Scotland.

**33.** The framework is designed to strengthen the relationship between the Scottish Government and NHS boards, including through the sharing of issues and risks, and the better alignment of the Scottish Government's priorities and the NHS board's planning processes. It is also intended to clarify the respective responsibilities of the Scottish Government and the NHS board's accountable officers, and the relationship with Scottish ministers.

**34.** Territorial boards have welcomed the framework document. Introduced in April 2024, it has brought clarity to the sponsorship relationship between NHS territorial boards and the Scottish Government.<sup>8</sup> Previously, territorial boards did not have a formalised relationship with the Scottish Government, unlike national boards which had established sponsorship arrangements with a relevant Scottish Government directorate.



### The Health and Social Care Directorate includes the following

- Directorate for the Chief Medical Officer
- Directorate for the Chief Nursing Officer
- Directorate for the Chief Operating Officer
- Directorate for Health and Social Care Finance
- Directorate for Health Workforce
- Directorate for Mental Health
- Directorate for Population Health
- Directorate for Primary Care
- Directorate for Social Care.

## Exhibit 3.

### NHS Scotland Executive Group

**The NHS Scotland Executive Group aims to provide a new approach to support NHS boards and senior leaders to work cooperatively at a regional and national level and provide system leadership of NHS Scotland. It aims to support planning at a national level, implementation of one service model across more than one NHS board, and enhance the effectiveness and efficiency of healthcare services and improve patient outcomes by:**



#### **Improving coordination**

allowing multiple health boards to work together, to streamline services across different regions



#### **Improve use of resource**

to improve efficiency and productivity, eg sharing specialist medical equipment and staff



#### **Standardising practices**

to reduce variability in patient care



#### **Innovation and best practice**

fostering an environment for sharing and implementing more widely

The group meets six-weekly and is chaired by the director general/chief executive for NHS Scotland jointly with the chair of the NHS Chief Executives group. Its membership includes all NHS board chief executives and a number of directors from the Scottish Government's Health and Social Care Directorate.

The focus of the group is on enabling reform as well as improving productivity and efficiency. With the terms of reference stating that:

**'NHS boards cannot on their own, drive the pace of recovery and momentum of reform that is required across the health system.'**



It is planned that the Executive Group will develop and take decisions on proposals that will be recommended to NHS boards, with boards reporting back to the Executive Group whether they accept the recommendation, or reject it, in which case further clarification or work is required.



## Sponsorship arrangements have not been applied consistently across all NHS boards

**35.** The chief operating officer of NHS Scotland together with the deputy chief operating officers provide the sponsorship for the territorial boards.

**36.** While some boards report close working relationships and daily interaction with the Scottish Government, others report a less close working relationship with the sponsorship team. A number of factors could be impacting on this. Some NHS boards have become important partners for government in addressing the wider issues that the NHS faces. Some of the smaller NHS boards feel that they are less of a priority. It may also be due to issues of capacity in the sponsorship team being able to provide the same level of input to all NHS boards.

**37.** Applying sponsorship arrangements consistently across NHS Scotland will be important for both Scottish Government and NHS boards in planning and delivering health services. Also, as plans for the reform of the NHS increasingly involve collaboration and regional working, sponsorship arrangements, currently based on a relationship between the Scottish Government and an individual board, may need to be revised to reflect and enable this model of joint working.

## The Blueprint for Good Governance clearly sets out principles of good governance and the role of NHS boards

**38.** The Framework is supported by other documents including the Blueprint for Good Governance (the Blueprint), first published in 2019 with an updated edition published in November 2022. The Blueprint aims to set out how the functions of good governance should operate within NHS boards. It provides a guide for boards in fulfilling their oversight and decision-making responsibilities and aims to create stronger systems for effective scrutiny.<sup>9</sup>

**39.** More detail on how NHS boards have used the Blueprint is provided in [Part 2 \(page 21\)](#) of this report.






## There are weaknesses within the scrutiny and assurance processes at Scottish Government level

**40.** While a new planning and decision-making group has been introduced, the Scottish Government has not made any changes to its assurance processes to provide scrutiny of the decisions being made. [Exhibit 4 \(page 17\)](#) provides detail of the key governance groups that are in place across NHS Scotland that provide oversight of different parts of the system. While some groups provide an assurance role, others provide more operational planning and delivery oversight at an NHS Scotland level.



## Exhibit 4.

### Key governance groups in the Scottish Government Health and Social Care Directorate

Assurance groups	Members	Remit
 <b>Health and Social Care Assurance Board</b>	Director general health and social care (DGHSC) (Chair), Scottish Government (SG) Directors, Non-Executive Directors (NEDs), Audit Scotland	To provide internal assurance to the Scottish Government's Director General (DG) family that there are robust processes for risk management across the NHS system, and consider any issues requiring escalation to the Scottish Government Audit and Assurance Committee or Corporate Board
 <b>Health and Social Care Management Board</b>	DGHSC (Chair), SG directors of health and social care	The group is used by the DG to gain assurance from SG Directors to carry out role of Accountable Officer
 <b>National Planning and Performance Group</b>	Chief Operating Officer (Chair)	<p>Provide oversight of planning, performance and escalation issues of individual boards</p> <p>Operates the Support and Intervention Framework</p> <p>Reports to Management Board</p>
Planning and decision-making groups	Members	Remit
 <b>NHS Scotland Executive Group</b>	DGHSC (Co-Chair) and Chair of Chief Execs group (Co-Chair); all NHS board Chief Execs; SG Directors Health and Social Care	To support effective governance, planning and delivery of healthcare services across Scotland ( <a href="#">Exhibit 1, page 10</a> )
 <b>NHS Planning and Delivery Board</b>	NHS Scotland chief operating officer (co chair), the vice chair of the NHS board chief executives group (co chair), representatives from NHS boards and SG Health and Social Care Directorates	<p>To look at main planning and service change issues across NHS Scotland</p> <p>Reports to NHS Scotland Executive Group</p>

**41.** All groups are chaired by either the director general for health and social care (DGHSC), who is the accountable officer for the portfolio within Scottish Government and also the chief executive of NHS Scotland, or by the chief operating officer for NHS Scotland who reports directly to the chief executive. Non-executive directors (NEDs), whose function is to provide independent scrutiny and challenge, only sit on the Health and Social Care Assurance Board. As NHS Scotland is not a formal entity it does not have its own board of governance. NEDs could play a greater role across these groups in supporting scrutiny and challenge.

**42.** With the introduction of the new NHS Scotland Executive Group to support collaborative planning and decision-making, the Scottish Government needs to make sure its assurance function is sufficient to support this model. There also needs to be clarity on how risks at an individual board level are flagged through the National Planning and Performance Group (NPPOG) to the Health and Social Care Assurance Board (HSCAB), as the main point of assurance with non-executive director input.

### **NHS boards operate within parameters set by Scottish Government which impacts on how well they can plan and make decisions to deliver the reform needed**

**43.** While boards are independent legal entities and are responsible for implementing health policy and delivering services, they do not have unlimited autonomy. The Scottish Government retains influence and control over boards through setting financial and policy parameters and formal mechanisms of planning, approval and resource allocation. This includes:

- **Annual delivery plans:** Boards submit annual delivery plans to the Scottish Government for approval. The Scottish Government provides guidance and sets out priority areas that should be incorporated in the plans.
- **Financial plans:** Boards submit three-year financial plans each year, setting out the actions needed to deliver a balanced position. The Scottish Government sets revenue resource limits and makes financial agreements at a national level that boards need to take account of, eg national pay deals.
- **Regular monitoring and performance management:** Boards prepare monthly finance performance reports which are discussed with Scottish Government finance leads. Quarterly meetings are followed by a letter issued by the Scottish Government to the board confirming agreed actions. Quarterly reviews of performance are carried out against delivery plans.
- **Capital funding:** The Scottish Government allocates capital funding. The Scottish Government has currently paused new

capital investment projects and boards' capital budgets have been reduced over the last two financial years. This means that boards have little influence over infrastructure investment and capital budget is used mainly to maintain existing hospitals and estate. The Scottish Government is developing a National Infrastructure Plan. NHS boards have submitted business continuity capital plans to inform this national plan.

- **Service change:** NHS boards make most decisions about service change locally, with engagement from the community. However, all proposals for major service change require Scottish Government ministerial approval.
- **Directions from Scottish Government:** The Scottish Government issues letters, directions and guidance to NHS boards on a wide range of issues, for example there has been a recent directive letter on the need for NHS boards to work collaboratively across boundaries.
- **The NHS Scotland Support and Intervention Framework** is a tool the Scottish Government uses that aims to return to a steady state any NHS board where there are concerns about its ability to deliver the expected standards, targets and associated governance.<sup>10</sup> It applies to NHS territorial boards only, with separate arrangements for national NHS boards.

**44.** Some boards report that they have a strong relationship with the Scottish Government and can work within these parameters. Other boards, however, find these parameters constraining and cite difficulties in undertaking major service change or capital investment to address the financial and operational performance challenges they face.

## **It is essential that the Scottish Government and NHS boards work collaboratively to manage the risks and drive reform**

**45.** If the Scottish Government wants to drive reform across NHS Scotland, then it must be transparent about and take account of the extent of influence and control that it has. It is important that they work collaboratively with boards in developing and implementing national strategies. The Auditor General's [NHS in Scotland 2024](#) report made recommendations for the Scottish Government to publish national strategies and plans including a national capital investment and asset management strategy, and revised medium-term financial framework, to provide greater certainty for boards as they prepare their plans. The Scottish Government has also committed to delivering three national plans this year which they should work with boards to deliver, providing a more certain context for NHS boards. This includes:

- an operational improvement plan (published in March 2025)
- a population health framework (due May 2025)

- a medium-term approach to health and social care reform (before summer Parliament recess).

**46.** NHS boards have a role to play in working with Scottish Government to develop and finalise these plans. Individual boards should also proactively prepare for different funding scenarios to help boards in responding and being agile in different operating contexts.

## 2. Governance in NHS boards

Good scrutiny and setting a clear direction are essential functions of NHS boards. Boards are making use of the Blueprint for Good Governance to develop their governance arrangements. There is more work for boards to do in setting a clear direction and working with others to deliver reform and work towards a sustainable future.

### **The roles and responsibilities of boards and board members are clearly set out in the Blueprint for Good Governance and supported by other codes such as NHS Scotland values**

**47.** The Blueprint for Good Governance sets out the responsibilities that NHS boards have for planning, commissioning and delivering health services, and for the health and wellbeing of the populations they serve. As [Part 1 \(page 9\)](#) of this report sets out, the planning and delivery of healthcare services involves a wider range of partners that NHS boards must work with.

**48.** NHS boards and board members are responsible and accountable for the overall functions of governance which is set out in the Blueprint for Good Governance.<sup>11</sup> This includes setting direction, holding to account, managing risk, engaging stakeholders and influencing culture. Boards are required to have a code of conduct in place that sets out standards of behaviour expected of board members. [Exhibit 5 \(page 22\)](#) sets out the core roles and responsibilities; skills and experience; and the behaviour and values required of NHS Scotland board members.

### **Recruitment of senior leaders within the NHS has been challenging**

**49.** Board chairs provide leadership of the board, ensuring it effectively delivers its governance role and makes sure that governance arrangements are kept under review. This includes setting the agenda, format and tone of board activities in a way that promotes effective decision-making.

## Exhibit 5.

### Requirements of board members

Roles and responsibilities	Skills, knowledge and experience	Behaviours and values
<p><b>Setting direction</b> – overall strategy and direction and driving change and transformation.</p> <p><b>Holding to account</b> – monitoring performance, scrutinising results and challenging outcomes, and seeking assurance.</p> <p><b>Managing risk</b> – considering the wider operating context that could impact the organisation, and manage these risks.</p> <p><b>Engaging stakeholders</b> – to establish and maintain confidence in the organisation.</p> <p><b>Influencing culture</b> – the shared values, norms and beliefs of the organisation.</p>	<p>Insight into the organisation and awareness of its operating environment.</p> <p>Capacity to question, challenge and influence decision-making.</p> <p>Capability to recognise, listen to and respect differences.</p> <p>Ability to analyse and review complex issues, and make informed, risk-based decisions.</p> <p>Interpersonal skills to communicate and engage with a wide range of individuals and organisations.</p> <p>Confidence and self-awareness to chair or participate as a member of a committee.</p> <p>Individual board members can bring a wide range of experience, eg finance, clinical, operations, strategic.</p>	<p><b>NHS values:</b></p> <ul style="list-style-type: none"> <li>• care and compassion</li> <li>• dignity and respect</li> <li>• openness, honesty and responsibility</li> <li>• quality and teamwork.</li> </ul> <p><b>NHS code of conduct:</b></p> <ul style="list-style-type: none"> <li>• duty</li> <li>• selflessness</li> <li>• objectivity</li> <li>• accountability and stewardship</li> <li>• openness</li> <li>• honesty</li> <li>• leadership</li> <li>• respect.</li> </ul>

Source: Audit Scotland

**50.** Recruitment of effective board chairs can be challenging given this range of duties and the difficult operating context that NHS boards operate in. **The Commissioner for Ethical Standards** reports that the number of NHS chair recruitment rounds that fail to identify a suitable candidate is an area of continuing concern. The commissioner's 2021 survey of non-executive board members across all public bodies considered remuneration, time commitment and other issues.<sup>12</sup> While the survey includes not just NHS boards, there are some common themes from NHS board respondents from the 2021 survey:

- **Time commitments** – board members' and chairs' time spent on board work is far in excess of the expected time commitment and not reflected in the number of days paid.
- **Remuneration** – many report that this is low for the time required to do the role and the level of responsibility and high profile involved. This could be a barrier to some.

**51.** The Commissioner has recently undertaken further research in this area and will be publishing results from the 2025 survey this spring. This will again report on issues regarding time commitment and remuneration and other aspects of the role.

**52.** Remuneration for NHS chairs and board members was revised in November 2024 with a phased approach to remuneration uplift to take place over a four-year period.<sup>13</sup> This will standardise the daily rates and set an expected time commitment of three days per week for board chairs. Rates and expected time commitment currently varies from board to board, and the revised remuneration may help address some of the challenges in recruiting board chairs and members.

**53.** An Aspiring Chairs Programme for NHS Scotland was introduced in 2023 and is now entering its third year. The programme is aimed at making sure there is a pipeline of chairs prepared to take on the role when a vacancy arises.

**54.** There has been a high turnover in NHS board chief executives during 2023/24 and 2024/25. Twelve new chief executives have been appointed, including ten new chief executives for territorial boards. More than half of IJBs have also reported turnover of their senior leadership, either their chief officer and/or chief finance officers in 2023/24.<sup>14</sup> The relationship between the board and senior executives and effectiveness of the executive team is crucial to the overall effectiveness of the board. Effective partnership working across the wider system also relies on stability in leadership.



**The Commissioner for Ethical Standards** regulates how Scottish ministers make appointments to the boards of public bodies. They prepare a Code of Practice for appointments, provide guidance on the process and provide reports on outcomes from the public appointments process.



**55.** There is a renewed focus on succession planning and leadership skills development at various levels, both within individual boards and nationally. The Scottish Government has commissioned NHS Education for Scotland (NES) to deliver a range of leadership development programmes, known collectively as Leading to Change. The national programmes offered include the Aspiring Chief Executives Programme (for senior leaders nominated by boards) and the Developing Senior Systems Leadership Programme (with a focus on system-wide collaborative leadership). Five of the most recent appointments to the role of Chief Executive have participated in the Aspiring Chief Executives Programme.

### **While a range of skills, experience and diversity is needed across boards, the skills that are needed to support reform and transformation are not well defined**

**56.** Boards include both non-executive and executive members. Non-executives include representatives from local authorities in the board area, other stakeholders and appointees from the public appointments process. They have a key role in carrying out effective scrutiny and challenge, and managing risk, while not drifting into operational matters. In territorial boards executives include the chief executive, director of finance, nurse director, medical director and director of public health. Good scrutiny is essential for boards to deliver on their responsibilities, principles that support good scrutiny are set out in [Exhibit 6 \(page 25\)](#).

**57.** Some chairs are using a skills matrix to understand the skills within the board and identify any gaps that can be addressed through board recruitment. The skills requirements of the board will vary depending on the current risks and issues that the NHS board is facing meaning that boards need to continually review their skills requirements. Boards report that it is not just skills and experience that are important in board members but also how their values fit with the organisation.

**58.** While the skills required for scrutiny and management of risk are better understood there is a less clear definition of the skills needed among board members to lead reform and transformation. Setting direction is a core function of governance. Boards need to be clear on how that is carried out within the business of the board and what skill set board members need to ensure there is an effective programme of reform and transformation in place. The Scottish Government intends to enhance the Executive Management Appraisal System and appraisals of NHS chairs to encompass how they are facilitating and supporting working across board and wider system boundaries, to fit with the ambitions for more collaborative NHS Scotland working.

**59.** Scottish Government and NES provide support for board members and chairs. The main challenge new board members face is the high



volume of learning material and guidance that is available. Chairs note the importance of new members combining online learning from the NES Turas system with local programmes of induction, allowing them to familiarise themselves with local issues and how services operate. Peer-to-peer connection and learning is also seen as a useful mode of learning for **Non-executive directors (NEDs)**. The uptake of online learning modules varies across boards, some board chairs have made them mandatory for new members but not all.

**60.** Issues of diversity remain in some boards, both in terms of protected characteristics and in bringing in the perspective of people who use services. Boards' Blueprint self-assessments scored low on how the board make-up reflects the diversity of the communities it serves. Challenges to board recruitment are also particularly acute in rural areas, with smaller population sizes making it more difficult to recruit and ensure there is local insight on boards. Some boards are considering other stakeholder engagement mechanisms that can support the board to gain input from different groups where they are not represented within the board membership.



Appointments to **Non-executive director** positions within NHS Scotland boards are regulated by the Commissioner for Ethical Standards in Public Life and subject to a number of requirements.

## Exhibit 6.

### Principles that support good scrutiny



#### Access to good quality information and data

Board papers need to be prepared well in advance, they should be data driven and sufficiently detailed to provide boards with assurance but not too long.



#### A committee structure that supports scrutiny and assurance

Committees need to have sufficient time for scrutiny and challenge, this includes opportunity for deep dives into areas of significance. Subcommittees and integrated governance committees can support scrutiny and assurance to the wider board.



#### An effective and skilled chair

The chair is key to the effectiveness of the board; in developing board members and making sure the board has the right capacity and capability; making sure the board has a culture of constructive challenge and provides effective scrutiny; and making sure there are good working relationships with the chief executive and executive team.



#### Board members prepared and ready to ask appropriate questions

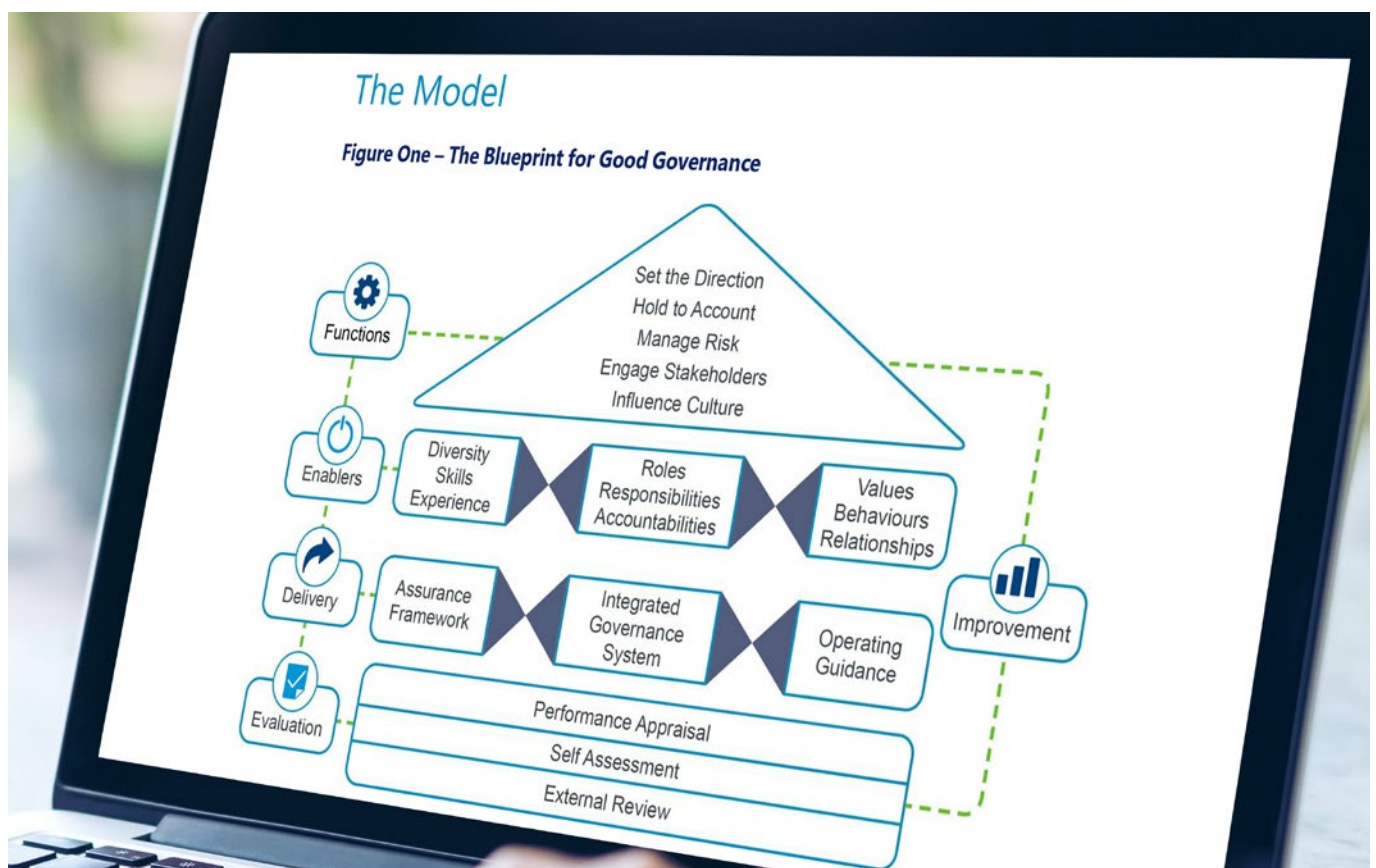
Boards require a mix of non-executives with the skills and experience to address the key issues.

## Some NHS boards have used the Blueprint for Good Governance to review and improve their governance arrangements and approach to risk

**61.** The original Blueprint for Good Governance in NHS Scotland (the Blueprint) was published in February 2019 and aimed to strengthen systems to provide more effective scrutiny and assurance in the NHS in Scotland.<sup>15</sup> The second edition published in November 2022 provided an update, focusing on how good healthcare governance could support the NHS as it recovered following the Covid-19 pandemic.<sup>16</sup>

**62.** The Blueprint aims to provide guidance to NHS boards on how to deliver good corporate governance and has been well received by boards. It is based on wider frameworks of good governance such as the Good Governance Standards for Public Services.<sup>17</sup> The model of governance within the Blueprint includes the functions and enablers of good governance, and how this is delivered to provide an overall system of good governance. (Exhibit 7).

### Exhibit 7. Blueprint for Good Governance Model of governance.



Source: Audit Scotland

**63.** NHS boards report that the Blueprint is a useful tool in setting out the principles of good governance. It has been used across NHS boards to carry out self-assessment and develop improvement plans. Boards are positive about the experience of using the Blueprint and that it provides a valuable reference point for boards and board chairs in carrying out their day-to-day governance activities.

**64.** There are examples of boards making significant changes to their governance arrangements to improve scrutiny and decision-making. [Case study 1 \(page 31\)](#) outlines the work that NHS Lanarkshire has carried out to improve data and information, put in place a more effective committee structure, and a new approach to risk management.

**65.** The management of risk was identified as one of the key areas for boards to develop from the first round of Blueprint self-assessments. Boards that have made improvements report that risk is given much greater prominence in board activity, with the risk report the first item on the agenda at board meetings and driving the activity of the board.

**66.** [Case study 2 \(page 32\)](#) outlines the approach taken by the Scottish Ambulance Service to risk management and reporting as part of their wider assurance activity.

## **Self-assessments show that boards have work to do in developing their approach to stakeholder engagement**

**67.** Boards used the findings from self-assessments to develop individual improvement plans. These were put in place across boards by the end of April 2024. Boards will be reporting progress to the Scottish Government in spring 2025.







**68.** While there is some variation across boards in self-assessment scores, the most notable differences are between national boards and territorial boards, with the former having assessed themselves more favourably against the Blueprint than territorial boards. It is not clear what underpins this variation between territorial and national boards.

**69.** In both sets of self-assessments, boards generally scored themselves as carrying out most functions 'well' or 'exceptionally well' (the top two tiers of responses in the self-assessment). [Exhibit 8 \(page 28\)](#) sets out the areas that scored less well across boards. While 'holding to account' and 'assessing risk' scored less well in 2019, 'engaging stakeholders' has scored less well across the two assessments.

## Exhibit 8.

### Blueprint for Good Governance self-assessment

Key development areas for boards.

Areas for development 2022	Areas for development 2019
 <b>Engaging stakeholders</b>	 <b>Holding to account</b>
 <b>Diversity, skills and experience</b>	 <b>Assessing risk</b>
 <b>The Assurance Framework</b>	 <b>Engaging stakeholders</b>

Source: Audit Scotland

### External validation of the Blueprint self-assessments could help in identifying boards where governance is not effective

**70.** Both versions of the Blueprint set out the requirement for independent external reviews to take place to enhance and validate the findings of NHS board self-assessments. As it stands, external reviews have not been completed following the publication of either version of the Blueprint. An external review based on the first version of the Blueprint was cancelled due to the pandemic. The external review for the second version of the Blueprint has not yet taken place and there are no clear plans to do so.

**71.** While the Blueprint is a useful resource for driving improvement in governance, it is not clear if the self-assessment process is sufficient to identify those boards where things are not working as well as they should. External validation could help in identifying boards where governance is not effective.

**72.** There is no clear link between the Blueprint evaluation process and the performance management and sponsorship arrangements, including the NHS Scotland Support and Intervention Framework. There is scope for the Blueprint evaluation process, including robust external review, to bring to light governance issues and risks at an earlier stage.

**73.** External review will also ensure that boards are considering evidence and information in a consistent way, it can add value to the self-assessment process and can create an opportunity to share good practice and set minimum standards. For example, in the results from the most recent round of self-assessments NHS Dumfries and Galloway, NHS Forth Valley, NHS Tayside, NHS Orkney and NHS Shetland consistently rated themselves lower than the other boards across all questions. It is not possible to tell if these boards are performing more poorly than the rest or are marking themselves more harshly than other boards.

### There are opportunities for learning across boards from improvement action that has been put in place to address poor board governance

**74.** The Auditor General has previously reported on NHS Forth Valley and the significant governance issues at the board. [Case study 3 \(page 33\)](#) outlines the issues that the board has faced and the improvement activity that has been put in place. Improvement actions for culture, leadership and governance provide opportunities for wider learning across boards.

### The Blueprint needs to be further strengthened to focus on innovation and reform, and collaborative working

**75.** The second iteration of the Blueprint has more detail on those areas that scored less well in the first round of self-assessments by NHS boards. This includes 'holding to account, managing risk and engaging with stakeholders'. It also sets out more clearly the need for NHS boards to adopt both '**active**' and '**collaborative**' approaches to governance.

**76.** While the revised Blueprint has much more emphasis on delivering transformational change, innovation, and collaborative working including the role of integration authorities, these are areas that need to be further strengthened. This could include more practical guidance and examples of how boards can bring innovation and collaborative working into the business of the board. The greater emphasis on reform and collaborative working should also be reflected in the evaluation tools for the Blueprint, including board member appraisal, self-assessment and external review.

**77.** As a working tool for boards, there is scope for the Blueprint to provide further examples of good governance in practice, including how it supports reform and innovation.



#### Active governance

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



#### Collaborative governance

is described in the Blueprint as the following: 'Collaborative governance exists when all parties who have an influence in the delivery of health care outcomes, understand and respect the needs of each other and work together to integrate or align their arrangements for the governance of the delivery of services and products within the healthcare environment.'

## While boards have a key role in setting strategic direction, their role in undertaking reform is not well defined in their governance structures

**78.** NHS boards have a role to play in delivering reform and working collaboratively with the Scottish Government and other boards as part of this. While most NHS boards already have some programmes of reform underway how they sit within the overall governance arrangements of boards varies. For example, the Scottish Ambulance Service, to support its ten-year strategic plan, put in place two papers that are presented to the board: one paper focused on day-to-day delivery, performance and risks; and the second paper focused on performance against strategic programmes.

**79.** Boards need to consider how change and reform sits within the overall governance system, so that there is effective and sufficient senior scrutiny of not only day-to-day operational and financial delivery but also of plans and progress on reform programmes. This includes:

- which committees have the remit to scrutinise reform programmes
- whether any board members have a particular responsibility for reform
- whether a board champion for reform would help
- whether the risks around reform and not delivering reform are well reflected in corporate risk registers
- whether executives are providing sufficient information on reform programmes and the outputs being achieved
- that learning is taking place.

**80.** The Scottish Government's forthcoming framework on reform may also help in setting out the role of boards in delivering reform.



## Case study 1.

### NHS Lanarkshire: Revising governance to support better scrutiny

NHS Lanarkshire undertook a governance review in 2024 to support better scrutiny and strengthen leadership and oversight. The review took place as part of the boards continuous improvement approach and to address issues such as capacity in the Performance Planning and Resource Committee to adequately carry out its scrutiny role. The governance review led to:



**Introduction of a new board subcommittee structure** – In June 2024, governance committees were reviewed and updated, terms of reference were revised, and four new sub committees were formed to support the Performance Planning and Resource Committee. These have allowed deeper dives on key issues and provide greater assurance to the overall board. Subcommittees include:

- an interface performance subcommittee – to focus on issues around integration arrangements
- a finance and resources subcommittee
- a hospital services subcommittee – focused on acute services
- and a Monklands project subcommittee.

**New Integrated Performance and Quality Report (IPQR)** – The IPQR is a new data led performance reporting tool, made up of standardised performance indicators. It is updated with new data monthly and provided to all committees to allow performance to be monitored and tracked over time. Board members report that the data gets richer month on month, and allows committees to undertake 'deep dives'. The report also supports openness and transparency, providing a single source of truth on performance for the board to consider.

**New approach to risk** – Following a review, a new approach to risk management was introduced in autumn 2024. This included a review of all corporate risk descriptions and which governance committees they are aligned to. All risks on the corporate risk register are updated and reported monthly. Risk statements are clearer – 'there is a risk to X, due to y, resulting in z'. Understanding the root cause of risk has helped in setting out mitigation. The board reports that there is now more ownership of risk, that risk is now the first item on most agendas and that there are better conversations on risk. Further work is to be done on risk appetite which is important as the board considers how to do things.

The board reports that the overall approach has supported more mature scrutiny, and better management of risk, better use of non-executives through committees and stronger relationships between executives and non-executive board members.

Source: Audit Scotland

## Case study 2.

### Scottish Ambulance Service: Active governance and a dynamic and collaborative approach to risk

As part of their Blueprint for Good Governance improvement plan, the Scottish Ambulance Service (SAS) has developed their **Board Assurance Framework** (BAF).

The BAF is essential to good corporate governance – it brings together the strategic objectives of the organisation, its purpose, aims, values and objectives, together with strategic and operational plans and projects, and the risks that it faces to deliver outcomes.

The **management of risk** is an integral and essential part of the BAF. The corporate risk register shows the 'risk on one page'. It is designed to support active governance, allowing the board to focus on the risks that really matter and can then drive the activity of the board.

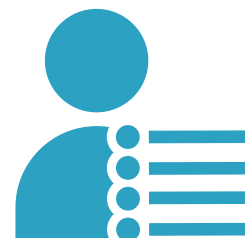
Escalation arrangements are in place so that different levels of management are informed and can take action if needed. Key features of the approach to corporate risk management include:

- focusing on a smaller number of risks that really matter
- every risk is actively owned, regularly reviewed by the executive team, with changes proposed and additions highlighted in red to be visible to the board
- corporate objectives aligned with the risk register
- each risk description includes the cause and implications
- mitigating actions to control the risk are set out alongside the timescales and likely impact on the risk
- integrated governance committee in place to get assurance across committees and identify areas of common interest on risk
- work to develop risk appetite across the board and being clear on the amount of risk the board will accept in pursuing its goals.

For example, the highest scoring risk for the SAS in January 2025 was hospital handover delays, which present multiple risks to patient safety and staff wellbeing and can result in a range of harms and poor experiences for both patients and staff. The risk is linked to the SAS strategic ambition to 'provide the people of Scotland with compassionate, safe and effective care where and when they need it'. Mitigating actions show the reliance of SAS on other health boards and the range of actions in working with others at a local and regional level to mitigate this risk.

Joint working and learning on risk is part of the approach to risk management. SAS have a joint board group with NHS 24 to support this.

Source: Audit Scotland





## Case study 3.

### Improving scrutiny, culture and leadership at NHS Forth Valley

In November 2022, NHS Forth Valley was escalated to stage 4 of the NHS Support and Intervention Framework due to concerns related to governance, leadership and culture.

Several services were underperforming, including unscheduled care, out of hours services, and mental health services. Serious concerns had also been raised in Healthcare Improvement Scotland inspection reports. And there was a lack of progress on integration of health and social care services in the board area. The Scottish Government stated that the 'effective governance, strong leadership and improved culture' needed to deliver sustained change was lacking in the board.

An Assurance and Improvement Plan was put in place, and as part of that an independent review of NHS Forth Valley governance arrangements was commissioned by NHS Forth Valley.

The review found that the root causes of many of the significant challenges faced by NHS Forth Valley were the failure to agree a business model for the delivery of integrated health and social care services and difficulties within the Executive Leadership Team. The following key issues were identified and actions put in place:



#### Key issue

- Failure by NHS Forth Valley to focus attention on difficulties within the Executive Leadership Team.
- Board members not seeking assurance from the chief executive on whether these difficulties were being resolved.
- Failure of the board to hold individuals to account for response to HIS reviews and completing actions.
- A lack of a collaborative approach to governance in the integration of health and social care.

#### Key actions – leadership and culture

- Executive Leadership Team development programme and stabilisation of the Executive Leadership Team
- Review and strengthening of professional leadership and management structures, eg acute services leadership
- Continuation of the implementation of the Culture Change and Compassionate Leadership programme
- Review of opportunities for staff to speak up and strengthening of Whistleblowing processes and communication
- A number of staff networks developed including the Ethnic Diversity Network.

## Key actions – governance

- Independent governance review aligned to Blueprint for good governance carried out resulting in 51 recommendations with actions aligned to the board's self-assessment and discussion against the Blueprint for Good Governance
- Whole system decision-making structures more clearly defined across NHS boards and IJB's
- Partnership Assurance meetings to support effective performance management and ensure clarity of individual and team responsibilities and accountabilities.

## Impact

The board was de-escalated in October 2024 with the Scottish Government reporting<sup>18</sup> that there was a stronger sense of team working across health and social care, supporting the reduction in unfunded beds and improved performance in a number of areas. They also reported a change in the way that the board operates where individuals were engaged and felt psychologically safe to raise issues. And that there is increased stability in the leadership team and strengthening of governance.

Source: Audit Scotland

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# Endnotes

- 1** Shrewd approach needed for public sector success, Stephen Boyle – Auditor General for Scotland, August 2024.
- 2** Improving public services and NHS renewal: First Minister’s Speech, John Swinney – First Minister of Scotland, January 2025.
- 3** Health Secretary Neil Gray’s opening speech to Scottish Parliament, 4 June 2024.
- 4** NHS Scotland Operational Improvement Plan, The Scottish Government, May 2025
- 5** National Care Service: factsheet, Scottish Government, March 2025.
- 6** The Good Governance Standard for Public Services, The Independent Commission on Good Governance in Public Services, OPM and CIPFA, 2004.
- 7** A renewed approach to population-based planning across NHS Scotland, The Scottish Government, November 2024.
- 8** Framework Document for NHS Boards, The Scottish Government, April 2024.
- 9** A Blueprint for Good Governance, The Scottish Government, January 2019.
- 10** NHS Scotland: Support and Intervention Framework, The Scottish Government, September 2023.
- 11** The Blueprint for Good Governance in NHS Scotland, The Scottish Government, November 2022.
- 12** Report on a survey on time commitment, remuneration and other aspects of the role of public appointees 2020, Ethical Standards Commissioner, February 2021.
- 13** NHS health boards and special health boards, Remuneration increase 2024–25: Chairs and non-executive members, Scottish Government, November 2024.
- 14** [IJB report Integration Joint Boards’ Finance Bulletin 2023/24](#), Audit Scotland, March 2025.
- 15** See endnote 9.
- 16** See endnote 11.
- 17** See endnote 6.
- 18** NHS Forth Valley – Update on NHS Scotland Support and Intervention Framework, letter to Scottish Parliament Health and Sport Committee, Scottish Government, September 2024.

# Appendix

## Audit methodology

### **We aim to answer the following audit question in this report:**

- What governance arrangements are in place in NHS Scotland and how effectively are they supporting scrutiny and reform?

### **Our findings are based on:**

- relevant Scottish Government strategies, plans and publications
- relevant documents and plans produced by NHS boards
- the 2023/24 audited accounts and annual audit reports of NHS boards and supplementary returns provided by appointed auditors
- field work conducted with a sample of NHS boards including NHS Lanarkshire, NHS Ayrshire and Arran and the Scottish Ambulance Service.

### **This central work was supplemented by a series of interviews and discussions with:**

- appointed external auditors
- senior Scottish Government staff
- NHS Education for Scotland
- NHS Orkney
- a group discussion with a sample of NHS board chairs and chief executives.

Alongside our wider ongoing programme of stakeholder engagement across the health and social care sector.

### **Advisory panel**

- To support our work, an advisory panel was established to provide feedback and insight at key stages of the audit process. Members sat in an advisory capacity only and the content and conclusions of this report are the sole responsibility of Audit Scotland.
- We wish to extend our thanks to the members of the panel: Caroline Hiscox (NHS Lothian); Stuart Lyall (NHS Tayside); Neena Mahal (NHS Forth Valley); Alan Payne (Scottish Government); and Claire Gardiner (Audit Services Group, Audit Scotland).

# NHS in Scotland: Spotlight on governance



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