

MINUTES – Approved

**Public Meeting of the Board of Healthcare Improvement Scotland**

Date: 28 June 2023

Time: 11.00

Venue: Virtual Meeting, MS Teams

**Present**

Carole Wilkinson, Chair

Abhishek Agarwal, Non-executive Director

Keith Charters, Non-executive Director

Suzanne Dawson, Non-executive Director/Chair of the Scottish Health Council (up to item 3.2)

Gill Graham, Non-executive Director

Nicola Hanssen, Non-executive Director

Judith Kilbee, Non-executive Director

Evelyn McPhail, Non-executive Director

Robbie Pearson, Chief Executive

Michelle Rogers, Non-executive Director

Duncan Service, Non-executive Director

Rob Tinlin, Non-executive Director

**In Attendance**

Sybil Canavan, Director of Workforce

Lynsey Cleland, Director of Quality Assurance

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

Ben Hall, Head of Communications

Jane Illingworth, Head of Planning and Governance

Angela Moodie, Director of Finance, Planning and Governance

Clare Morrison, Director of Community Engagement

Lynda Nicholson, Head of Corporate Development

Safia Qureshi, Director of Evidence

Belinda Robertson, Associate Director and deputy for Director of Improvement

Simon Watson, Medical Director

Anne Marie Machan, Audit Scotland (up to item 3)

**Apologies**

Jackie Brock, Non-executive Director

Doug Moodie, Chair of the Care Inspectorate

Ruth Glassborow, Director of Improvement

**Board Support**

Pauline Symaniak, Governance Manager

**Declaration of Interests**

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

**Registerable Interests**

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

1.	<b>OPENING BUSINESS</b>	<b><u>ACTION</u></b>
<b>1.1</b>	<b>Chair's welcome and apologies</b>	
	<p>The Chair opened the public meeting of the Board by extending a warm welcome to all in attendance including those in the public gallery. The Chair asked the meeting to note that Ruth Glassborow would not be in attendance at a Board meeting ahead of the move to her new post. Thanks were extended to her for her contribution to the organisation over many years.</p> <p>Apologies were noted as above.</p>	
<b>1.2</b>	<b>Register of Interests</b>	
	<p>The Chair asked the Board to note the importance of the accuracy of the Register of Interests and that changes for the Register must be provided to the Planning and Governance Office within one month of them occurring. Any interests should be declared that may arise during the course of the meeting.</p> <p>The Register was approved for publication on the website.</p>	
<b>1.3</b>	<b>Minutes of the Public Board meeting held on 29 March 2023</b>	
	<p>The minutes of the meeting held on 29 March 2023 were accepted as an accurate record. There were no matters arising.</p>	
<b>1.4</b>	<b>Action points from the Public Board meeting on 29 March 2023</b>	
	<p>The action point register was reviewed and the single action noted as complete.</p>	
<b>1.5</b>	<b>Chair's Report</b>	
	<p>The Board received a report from the Chair updating them on recent strategic developments, governance matters and stakeholder engagement. The Chair highlighted the following:</p> <ul style="list-style-type: none"> <li>a) The meeting with the Cabinet Secretary for NHS Recovery, Health and Social Care was postponed.</li> <li>b) Thanks were extended to Non-executive Directors for attending recently a significant number of additional activities.</li> </ul> <p>In response to a question from the Board about the meeting with the new Chair of NHS Highland, the Chair advised that she regularly meets with newly appointed Chairs. This meeting did not throw up any unexpected issues and the discussion included service change and the need to raise awareness of it with Non-executive Directors.</p> <p>The Board noted the report and were assured by the activities set out.</p>	
<b>1.6</b>	<b>Executive Report</b>	
	<p>The Board received a report from the Chief Executive and the Executive Team providing information on headline issues and key operational developments.</p> <p>The Chief Executive highlighted the following points:</p> <ul style="list-style-type: none"> <li>a) He reiterated the recognition of the contribution by Ruth Glassborow ahead of her move to Public Health Scotland.</li> <li>b) Regarding One Team, progress is being made and understanding of it is improving across the organisation. However there are still</li> </ul>	

	<p>challenges with resourcing to ensure that One Team is balanced with delivery.</p> <ul style="list-style-type: none"> <li>c) Progress has been made with new formats of impact reporting and examples are included in the paper.</li> <li>d) The joint guideline on stroke is an excellent example of collaboration across the UK and effective use of scarce expertise and resources.</li> <li>e) Excellent work has been delivered by the team to develop the Bairns' Hoose standards which were published in May.</li> <li>f) Regarding service change, progress is being made on approaches to service change for proposals that are not assessed as major and which supports the requirement for NHS boards and health and social care partnerships to continuously engage with their communities.</li> <li>g) Future Citizens Panel activity will cover independent healthcare and will support further discussion with Scottish Government on legislative change.</li> </ul> <p>In response to questions from the Board, the Chief Executive and Executive Team provided the following additional information:</p> <ul style="list-style-type: none"> <li>h) The failure demand noted on page 2 in relation to the public sector reform event refers to the whole health and care system. It is recognised that earlier intervention is needed in the system to reduce failure demand by appropriate early interventions and through tackling public health and poverty.</li> <li>i) Regarding capacity to deliver the safety key delivery area, there is a capacity challenge in executive leadership but this is cross-organisational work and the main vehicle for the safety network to share intelligence and work collaboratively. There will be improved operational support in the near future and an update will be provided in the next Executive Report.</li> <li>j) HIS has been closely involved with the Patient Safety Commissioner developments. There are implications for HIS and opportunities for collaboration so it's important our functions are explained.</li> <li>k) Regarding balancing One Team progress with ongoing delivery, priorities were discussed at the most recent One Team Programme Board and there are plans to release more capacity to support change. This will be balanced with effective staff governance, financial governance and delivery.</li> <li>l) There is a desire to reduce the bad debt related to the regulation of independent healthcare. HIS works closely with National Services Scotland (NSS) on this but powers are limited in the legislation. The consultation on our powers has just closed and one proposal is for HIS to be able to remove a service from the register if they haven't paid the fees.</li> <li>m) The original Scottish Medicines Consortium business case that was submitted to Scottish Government (SG) was ambitious and created before the current financial situation. A further additional allocation has been provided by SG and there will be a need to be clear about priorities for the funding.</li> <li>n) The 40% response rate for the second One Team survey is a good rate for engagement and it may be that staff are feeling better informed about the programme. There will be ongoing focus groups and newsletters to maintain good awareness and a series of line manager briefings is being planned.</li> </ul>	<p style="text-align: center;"><b>Medical Director</b></p>
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	<p>o) There are numerous resources to support staff through periods of change including the Employee Assistance Programme, the Occupational Health Service and Trade Union representation. There are also skills support and resilience support.</p> <p>The Board examined in detail the report from the Executive Team and the additional information provided above, and were assured by the information reported.</p>	
<b>2.</b>	<b>SETTING THE DIRECTION</b>	
<b>2.1</b>	<b>Annual Delivery Plan (ADP) 2023-24 and Medium Term Plan (MTP)</b>	
	<p>The Head of Planning and Governance provided a paper which set out these two plans and highlighted the following points:</p> <ul style="list-style-type: none"> <li>a) The plans align to SG guidance and have already been considered by the Quality and Performance Committee.</li> <li>b) The ADP is based on the work programme agreed by the Board but with added narrative in relation to the ten drivers of NHS recovery.</li> <li>c) The MTP is a high level overview of priorities linked to the strategy.</li> <li>d) The ADP is with SG and they will provide feedback by the end of July. The MTP requires to be submitted to SG by 7 July.</li> </ul> <p>In response to questions from the Board, the following additional information was provided:</p> <ul style="list-style-type: none"> <li>e) There is a challenge for HIS as a national Board to fit within the guidance and align all programmes to the ten drivers, especially as some programmes contribute to multiple drivers. The full contribution is captured in the MTP. SG recognise the challenges for national boards to use the templates which are primarily designed for territorial boards but the guidance did allow for some flexibility. It is an ongoing discussion and the guidance applies for the next three years so plans can evolve rather than be re-written.</li> <li>f) Regarding the aim to increase the number of patients managed by Hospital @ Home, the outcome is not fully within our control but there is high confidence that this target will be achieved in light of the expansion of the programme.</li> <li>g) The work programmes in relation to maternal health, neonatal health, placenta health and pre-eclampsia are linked across the organisation and have an inequalities element also.</li> </ul> <p>The Board considered the two plans provided and were content to approve them.</p>	
<b>3.</b>	<b>HOLDING TO ACCOUNT – including FINANCE AND RESOURCE</b>	
<b>3.1</b>	<b>Annual Report and Accounts 2022-23</b>	
	<p><u>3.1.1. Draft Annual Accounts 2022-23</u></p> <p>The Director of Finance, Planning and Governance provided the 2022-23 draft Annual Report and Accounts and highlighted the following:</p> <ul style="list-style-type: none"> <li>a) The out turn is £40.1m which is a 0.2% underspend which is within the 1% tolerance.</li> <li>b) The spend was £5.6m higher than the previous year and the majority of this is staff costs with a 12% increase in whole time</li> </ul>	

	<p>equivalents (WTE).</p> <p>c) There is no change in these figures since they were presented to the Board at the seminar on 31 May 2023.</p> <p>d) The only significant changes are in relation to the treatment of leases and the addition of information on the eFinancials incident, the Information Commissioner Office audit and Network and Information Systems Regulations (NISR) audit. These have no impact on the financial position.</p> <p>e) The Audit and Risk Committee reviewed the Annual Report and Accounts at its meeting the previous week and was content to recommend their adoption to the Board.</p> <p>In response to questions from the Board, the following additional information was provided:</p> <p>f) The apparent discrepancy in the standards and indicators target versus the actuals, is due to the process having multiple stages and assurance is provided that the target was met.</p> <p>g) Regarding the accessibility of the document, it is designed to meet the legal requirements but it will be accompanied by more inclusive communications that also promote the human element of our work.</p> <p>h) The value for money target appears amber due to automatic rounding of the figure.</p> <p><b><u>3.1.2. 2022-23 Annual Audit Report</u></b>  Audit Scotland provided their annual audit report and highlighted the following key messages from the report:</p> <p>a) They have issued an unmodified audit opinion across all areas.</p> <p>b) In relation to wider scope areas, they are assured that HIS has detailed financial plans for 2023-24 and subsequent years but there remains a risk which will be monitored closely.</p> <p>c) Significant findings related to the staff remuneration report and management have actioned the changes; the treatment of the independent healthcare income surplus which is not strictly in line with accounting practices and management have chosen not to adjust this. Audit Scotland are not concerned as it is below materiality levels so it does not affect the financial position.</p> <p>d) Regarding the actions in relation to journals authorisation, NISR and best value, they are content with the management response.</p> <p><b><u>3.1.3. Letter of Representation</u></b>  Audit Scotland provided the Letter of Representation and advised it will be signed by the Chief Executive as part of the accounts signing process and returned to Audit Scotland.</p> <p>Having considered all of the documents under item 3 and the additional information provided, the Board were content to approve adoption of the Annual Report and Accounts for 2022-23.</p> <p>The Board thanked all of the teams who were involved in the preparation of the accounts.</p>	
<b>3.2</b>	<b>Whistleblowing Champion Annual Report</b>	
	<p>Keith Charters, Non-executive Whistleblowing Champion, provided his annual report and highlighted the following:</p> <p>a) There have been no cases of whistleblowing in HIS during 2022-</p>	

	<p>23.</p> <p>b) The organisation is in a period of significant change and having a high profile for the Whistleblowing Champion supports issues surfacing even if they are not whistleblowing.</p> <p>c) The whistleblowing arrangements within HIS remain effective but proportionate to the size and nature of the organisation.</p> <p>The Board noted the annual report.</p>	
<b>3.3</b>	<b>Organisational Performance Report Quarter 4</b>	
	<p>The Director of Finance, Planning and Governance provided the performance report and highlighted the following:</p> <p>a) At the end of quarter 4, eight out of the sixteen key performance indicators (KPIs) were on target.</p> <p>b) 86 projects were active at the end of quarter 4 and 78% were on target. Of the projects behind or repositioned, this was largely due to funding delays or challenges with delivery.</p> <p>c) There were 12 'high' operational risks and 7 'very high' operational risks and the new risks include one on mandatory training.</p> <p>d) During the quarter, 12 new commissions were received and taken forward for consideration. One was declined. This brings the total number of new commissions for the year to 26. There is concern related to the number of new commissions and balancing these with delivery.</p> <p>e) The full performance report was provided to the Quality and Performance Committee.</p> <p>In response to questions from the Board, the following information was provided:</p> <p>f) It is difficult to compare the volume of new commissions to previous years as the individual commissions vary in size. However, the overall sense is of an increase in these.</p> <p>g) Regarding the impact of funding from SG being delayed, the budget for this year took a risk based approach and it was decided to progress some areas of work on the assumption that funding would be confirmed, for example, Scottish Medicines Consortium.</p> <p>h) The use of more grant funding is being explored and these will always involve SG as a partner. To date they have been mostly small but the Right Decision Service is an example of a grant funded service with a cost of £2.3m.</p> <p>The Board scrutinised the performance report and were content with the progress set out.</p>	
<b>3.4</b>	<b>Financial Performance Report</b>	
	<p>The Director of Finance, Planning and Governance provided a summary report setting out the financial position as at the end of May 2023 and highlighted the following points:</p> <p>a) There is an underspend of £200k driven by reduced staff costs due to being 25 WTE below the budgeted position. This is due to delays in some recruitment as a result of the current organisational change.</p> <p>b) The budget for the year is £41.1m and the current forecast for year end is a £400k underspend which is at the upper limit of the</p>	

	<p>tolerance. Actions are in hand to address this including a review of areas for investment and non-recurrent spend.</p> <p>c) The full financial report was provided to the Audit and Risk Committee.</p> <p>In response to questions from the Board, it was advised that the underspend will be tracked monthly and initiatives implemented to bring it down while ensuring best value. If it is still high at the mid-year point, the possibility of returning some budget will be discussed with SG but this needs to be balanced with risks for delivery of work programmes. Consideration will also be given to non-recurring investment that mitigates key risks such as cyber security.</p> <p>The Board scrutinised the financial report and were content with the position reported as well as the actions to address the underspend.</p>	
<b>3.5</b>	<b>Business Cases</b>	
	<p>Two business cases were provided in relation to Rapid Review of Co-occurring Substance Use and Mental Health Conditions, and Personality Disorder Improvement Programme. They were provided to the Board as the value of each is in excess of £500k.</p> <p>Belinda Robertson advised the following:</p> <p>a) The substance use/mental health business case is an extension of work already being delivered and is a ministerial priority. It will mitigate some of the risks related to redeployment.</p> <p>b) The personality disorder work has completed phase 1 with a number of recommendations from the expert reference group to take into phase 2. It also has ministerial support.</p> <p>The Chair of the Quality and Performance Committee advised that the Committee considered the business cases and were content that they aligned with strategic priorities.</p> <p>In response to questions from the Board, the following additional information was provided:</p> <p>c) A public involvement adviser was part of phase 1 of the personality disorder work to ensure lived experience but for phase 2 this will be provided through joint work with third sector partners. There is an option to make payment for lived experience contributions.</p> <p>d) HIS is only responsible for delivering the aspects of the programmes set out in the commission so the reputational risk is minimised. The programme also links to our broader work in mental health treatment standards and medication assisted treatment standards.</p> <p>The Chief Executive drew attention to the high profile nature of the commissions and for continuous clarity about our role in supporting improvement, rather than us shifting into the direct delivery space.</p> <p>The Board examined both business cases and were content to approve them.</p>	
<b>3.6</b>	<b>Workforce Report</b>	
	The Director of Workforce took the meeting through the summary	

	<p>workforce report and highlighted the following points:</p> <ul style="list-style-type: none"> <li>a) The full report was provided to the Staff Governance Committee.</li> <li>b) The headcount at the end of May 2023 is 560.</li> <li>c) There has been an increase in the turnover rate, the sickness absence rate and recruitment activity.</li> <li>d) There is active horizon scanning through the vacancy review group to align workforce activity with balancing the budget.</li> </ul> <p>In response to questions from the Board, the following information was provided:</p> <ul style="list-style-type: none"> <li>e) Additional allocations create variance in figures due to fixed term contracts even though more funding has become baselined.</li> <li>f) One Team activity is looking at how to better manage redeployment and turnover, and horizon scanning will assist with this.</li> <li>g) Regarding long term sickness absence, it is not known if this data includes those affected by long Covid. This will be checked but the main reason for absence is mental health issues.</li> </ul> <p>Having scrutinised the report, the Board were assured by the workforce information set out.</p>	<b>Director of Workforce</b>
<b>4.</b>	<b>ASSESSING RISK</b>	
<b>4.1</b>	<b>Risk Management: strategic risks and updated Risk Management Strategy</b>	
	<p>Paul McCauley, Risk Manager, joined the meeting for this item.</p> <p>The Board received a report on the current status of risks on the strategic risk register and an updated strategy. The Risk Manager advised the following:</p> <ul style="list-style-type: none"> <li>a) The strategic risks are reported under the new risk appetites and the proposal going forward is that the focus will be on risks out of appetite. Risk tolerance will be overlaid on this and it may be the case that some risks out of appetite will be tolerated, for example, if the resources to bring them into appetite would be too great.</li> <li>b) Future developments include testing the effectiveness of controls and provision of levels of assurance on strategic risks.</li> <li>c) The Risk Management Strategy presented has been revised in line with the new risk appetites.</li> </ul> <p>The Chair of the Audit and Risk Committee advised that the Committee had reviewed these documents ahead of the Board and welcomed the progress with risk management in the organisation.</p> <p>In response to questions from the Board, the following points were clarified:</p> <ul style="list-style-type: none"> <li>d) The safety risk, number 1922, is out of appetite but actions are in progress. The safety network will help to reduce this risk as it will create a model for better data on safety linking to the Sharing Intelligence for Health and Care Group.</li> <li>e) The service change risk, number 1163, will be reduced by the current organisational change in the directorate and the testing of a framework for service change that is not deemed major. A short life working group has been formed to take this forward.</li> </ul>	

	<p>The Board considered the strategic risk register and, subject to the comments above, gained assurance that the risks presented were being effectively treated, tolerated or eliminated.</p> <p>The Board approved the revised Risk Management Strategy subject to the following changes:</p> <ul style="list-style-type: none"> <li>f) Table A: the definition of operational risks is too narrow.</li> <li>g) Table B: Information and Communications Technology risks to be assigned to a Committee; Clinical and Care Governance risks to be assigned to the Quality and Performance Committee; “Committee” to be removed from Scottish Health Council Committee and “Council” to be removed from Community Engagement Council.</li> </ul>	
<b>5.</b>	<b>GOVERNANCE</b>	
<b>5.1</b>	<b>Governance Committee Annual Reports and Code of Corporate Governance Update</b>	
	<p>The Director of Finance, Planning and Governance provided these reports and advised the following:</p> <ul style="list-style-type: none"> <li>a) The Code of Corporate Governance requires annual reports to be completed by each Committee. All Committees reported that they met their remits for 2022-23. The action plan set out will be updated and provided to the Board at mid-year.</li> <li>b) At the same time as creating their annual reports, Committees reviewed their terms of reference and significant changes are summarised in the cover paper.</li> </ul> <p>The Board noted the annual reports and approved the changes to the terms of reference for incorporation into the Code of Corporate Governance.</p>	
<b>5.2</b>	<b>Governance Committee Chairs: key points from the meeting on 26 April 2023</b>	
	The Chair advised that the meeting had considered cross-committee matters, especially any implications for governance in light of the appointment of a new Cabinet Secretary. The Board noted the key points.	
<b>5.3</b>	<b>Audit and Risk Committee: meeting held on 20 June 2023; approved minutes from the meeting on 2 March 2023</b>	
	The Committee Chair provided a verbal update advising that the Committee had considered the Annual Accounts which were covered earlier in this agenda, cyber security risks in light of not appointing a cyber security manager and the counter fraud action plan for 2023-24. The Board noted the key points and minutes.	
<b>5.4</b>	<b>Quality and Performance Committee: key points from the meeting on 17 May 2022; approved minutes from the meeting on 22 February 2023</b>	
	The Committee Chair highlighted the discussions covering assurance of progress with the strategy and the redesign of the housing work in HIS. They were assured that plans would still deliver a strong housing offer. The Board noted the key points and minutes.	
<b>5.5</b>	<b>Scottish Health Council (SHC): key points from the meeting on 25 May 2023; approved minutes from the meeting on 2 March 2023</b>	

	The Vice Chair of the SHC highlighted that the Committee's development day will include a review of the terms of reference. The meeting heard that funding has been confirmed for the new volunteering system and they discussed work on non-major service change. The Board noted the key points and minutes.	
<b>5.6</b>	<b>Staff Governance Committee: key points from the meeting on 3 May 2022; approved minutes from the meeting on 1 March 2023</b>	
	The Committee Chair highlighted that organisational change and One Team had been covered by earlier agenda topics at this meeting but that the Committee had also discussed the need for a co-ordinated approach to employability and modern apprenticeships, and national Board collaboration. The Board noted the key points and minutes.	
<b>5.7</b>	<b>Succession Planning Committee: next meeting 10 October 2023</b>	
	The Committee Chair noted that the next scheduled meeting will be in October.	
<b>6.</b>	<b>ANY OTHER BUSINESS</b>	
<b>6.1</b>	There were no items of any other business.	
<b>7.</b>	<b>DATE OF NEXT MEETING</b>	
<b>7.1</b>	The next meeting will be held on 27 September 2023.	
	Name of person presiding: Carole Wilkinson  Signature of person presiding:   Date: 27/9/23	