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# **NHS 24**

# **FRAMEWORK DOCUMENT**

**SCOTTISH GOVERNMENT HEALTH AND SOCIAL  
CARE DIRECTORATES**

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## **Introduction**

1. This framework document is agreed between NHS 24 and the Scottish Ministers. It summarises how NHS 24 and Scottish Government (SG) will work together, and the key roles and responsibilities of:

- the Board
- the Chief Executive and Accountable Officer of NHS 24;
- the Scottish Ministers; and
- the Portfolio Accountable Officer within the SG whose remit includes NHS 24.

While this document does not confer any legal powers or responsibilities, it forms a key part of the accountability and governance framework and as a live document it should be reviewed by SG and NHS 24 regularly, and at least every 2-3 years. Any significant changes will be agreed between the Board and the Scottish Ministers.

2. Any question regarding the interpretation of the document will be determined by the SG after consultation with NHS 24. Legislative provisions take precedence over any part of the document.

3. NHS 24 is not permitted to establish any subsidiaries or enter into joint ventures without express approval from Scottish Ministers.

4. Copies of the document will be published on the NHS 24 website.

## **Purpose**

5. NHS 24 is a Special Health Board constituted by the Scottish Ministers under the NHS 24 (Scotland) Order 2001 (2001 Order), using powers in the National Health Service (Scotland) Act 1978 (1978 Act).

6. The 2001 Order and 1978 Act set out a number of functions that are held by NHS 24.

7. NHS 24 is responsible for the delivery of clinical assessment and triage, health advice and information by telephone and online services to the population of Scotland, 24 hours a day, every day of the year.

NHS 24's purpose, strategic aims and objectives, as agreed with the Scottish Ministers are to:

- triage calls, assess patients' symptoms and refer patients to the most appropriate healthcare professional within an appropriate timescale based on clinical need;
- provide a range of online and digital services that support delivery of a right care, right place model;
- work in partnership with local health services provided by NHS Boards, NHS staff organisations and local communities through integration with other parts of the NHS- in particular the Primary Care Out-of-Hours Services provided by

NHS Boards throughout Scotland, the Scottish Ambulance Service and the Acute Hospitals Accident and Emergency Departments;

- promote inter-agency working between NHS Boards by working collaboratively to achieve wider system benefits;
- build relationships across different sectors, understanding the requirements of local authorities on NHS Boards and the need to integrate health and social care working to improve the quality of services to patients;
- support the prevention and health improvement agenda across Scotland by working in partnership with NHS Boards to provide added value service where and when required, using the IT telephony and infrastructure to benefit patients 24 hours a day;
- support the reform of Unscheduled Care, access to Mental Health, and Primary Care sustainability.

## **Governance and Accountability**

8. This section summarises the specific responsibilities and accountabilities of the key people involved in governance of NHS 24.

### **The Board**

9. Members of the Board of NHS 24, including the Chair, the non-executive directors of the Board, the Executive Directors of the Board and the Employee Director are appointed by the Scottish Ministers in line with the [Code of Practice for Ministerial Public Appointments in Scotland](#). The Chair and Board Members are accountable to the Scottish Ministers and also to the Scottish Parliament and may be required to give evidence to Parliamentary Committees.

10. The Board has overall responsibility for the delivery of the functions of NHS 24, as set out in the NHS 24 (Scotland) Order 2001 and the National Health Service (Scotland) Act 1978, in accordance with the aims, policies and priorities of the Scottish Ministers. The Board has corporate responsibility, under the leadership of the Chair, to:

- a. set strategic plans to deliver the functions of NHS 24, focusing on how the work of NHS 24 can most effectively contribute to achievement of the outcomes in the [National Performance Framework](#), the [Programme for Government](#) and Scotland's Economic Strategy in collaboration with the SG and other public bodies;
- b. regularly scrutinise current and projected performance against the aims, objectives and targets set out in plans and take decisions on remedial action where required;
- c. ensure that effective governance is established and maintained, including ensuring that decision-taking is open and transparent and, with support from the Accountable Officer and the Audit and Risk Committee, ensure that key risks are identified and managed;
- d. approve the annual report and accounts and ensure these are provided to the Scottish Ministers to be laid before the Scottish Parliament;

- e. promote the efficient, economic and effective use of resources consistent with the principles of [Best Value](#), and regularly scrutinise financial performance and compliance with financial guidance issued by the SG;
- f. promote the wellbeing, learning and development of staff, provide support and challenge to the Chief Executive on staffing matters and ensure that NHS 24 meets the [NHS 24 staff management](#) responsibilities described in the section below.

11. The Chair will:

- a. lead the Board, ensuring that all Board members have suitable induction to understand the role and their responsibilities, that the skills and experience of all Board Members are used effectively and that the Board undertakes regular self-assessment of its performance;
- b. ensure that the performance of each Board member is reviewed at least once per year and that the Board and/or individual Board members undertake development activity when required to ensure the effectiveness of the Board;
- c. ensure that the Board reviews its effectiveness annually;
- d. ensure that a Code of Conduct (aligned to the [Model Code of Conduct for Board Members](#)) is in place, that corporate actions are taken to implement it as required and that Members understand their responsibilities, using the [guidance provided by the Standards Commission](#);
- e. work with the Portfolio Accountable Officer or their delegate(s) and the Public Appointments Team in SG on succession planning for the Board, action necessary to fill vacancies as they arise, skills requirements and promoting diversity by encouraging applications from less represented groups, including younger people, people from minority ethnic backgrounds and people with disabilities.

12. Specific guidance on how the Chair and Board Members should discharge their duties will be provided in their appointment letters and in [On Board – A Guide for Members of Statutory Boards](#). Guidance on governance good practice is available in the [Scottish Public Finance Manual](#) and from the sponsor team, who may consult the SG Governance and Risk Team. A list of key aspects of governance to consider is included in the section on Governance and Risk below.

### **The Chief Executive**

13. The Chief Executive is employed and appointed by the Board [with the approval of the Scottish Ministers] and is the principal adviser to the Board on the discharge of its functions and is accountable to the Board. The Chief Executive role is to provide operational leadership to staff working for NHS 24 and to ensure that its aims and objectives are met, its functions are delivered, and its targets are met through effective and properly controlled executive action.

14. The specific duties of the Chief Executive will be set out in a job description, and annual objectives will be agreed with the Chair and used in appraisal of the Chief Executive's performance.
15. In addition to any other specific duties, the Chief Executive will:
- a. advise the Board on the discharge of its responsibilities – as set out in this Framework Document, in the founding legislation and in any other relevant instructions and guidance issued by or on behalf of the Scottish Ministers;
  - b. implement or oversee implementation of the decisions of the Board;
  - c. work with the Board on preparation of the Corporate Plan, including liaising with the Senior Sponsor and/or Sponsor team on key points which need to be addressed and the timetable for preparation and review, and work with the Board to ensure that business plans are put in place to meet the Corporate Plan aims, objectives and performance measures;
  - d. lead and manage the staff of NHS 24, ensuring their wellbeing, learning and development are prioritised, and ensuring that the [NHS 24 staff management responsibilities](#) set out in the section below are addressed;
  - e. manage the budget for NHS 24 in line with Scottish Government Finance guidance, policies and procedures, including the [Scottish Public Finance Manual](#), and advise the Board on financial implications of all Board decisions, ensuring that appropriate financial appraisal and evaluation techniques are followed (see the [Appraisal and Evaluation](#) section of the SPFM);
  - f. agree with the Board and the Portfolio AO or Senior Sponsor what information is required to enable the Board and SG to scrutinise the performance of NHS 24 and progress against overall strategic and business plan aims and objectives, and ensure that the agreed information is provided and that is both accurate and timely;
  - g. the Chief Executive's Executive Team will manage the day-to-day relationship with the Senior Sponsor and/or Sponsor team, with other SG officials who have an interest in the work of NHS 24 and other key stakeholders, including staff of other public bodies.
16. In advising the Board, the Chief Executive will ensure that the key governance issues highlighted in the section on Governance and Risk below are addressed.

### **The Accountable Officer**

17. The Principal Accountable Officer for the Scottish Administration will designate a senior official in NHS 24, usually the Chief Executive unless there are specific reasons not to, as the Accountable Officer. The Accountable Officer is personally responsible for the propriety and regularity of the public finances of NHS 24 and ensuring that its resources are used economically, efficiently and effectively, as required by section 15 of the Public Finance and Accountability (Scotland) Act 2000 and may be called to give evidence to the Public Audit Committee of the

Scottish Parliament. The responsibilities of the Accountable Officer are set out in full in the [Memorandum to Accountable Officers for Other Public Bodies](#) in the Scottish Public Finance Manual.

18. It is important for the Chair and Board members to recognise that one aspect of these duties is the requirement under section 15(8) of the Public Finance and Accountability (Scotland) Act 2000, where the Accountable Officer considers that any action they are required to take is not consistent with their Accountable Officer responsibilities, they must obtain written authority from the Board and send a copy of the written authority to the Auditor General for Scotland as soon as possible and sent to the Clerk of the Public Audit Committee. The Accountable Officer should consult the Portfolio Accountable Officer before seeking written authority from the Board in these circumstances and should always notify the Portfolio Accountable Officer when such a written authority has been issued.

19. Where the duties of the Accountable Officer and the Chief Executive are not combined in one person, the Accountable Officer will work closely with the Chief Executive on governance, and in particular to ensure that the key governance issues highlighted in the section on Governance and Risk below are addressed.

### **The Scottish Ministers**

20. The Scottish Ministers appoint the Chair and Board Members and hold the Board to account for the performance of NHS 24 and its use of resources. Ministers are ultimately accountable to the Scottish Parliament for ensuring that the Board is discharging its duties effectively, although the Parliament will scrutinise the performance of NHS 24 directly as it does with all public sector bodies. The Scottish Ministers are not directly responsible for the operation of NHS 24 [and founding legislation prevents them from directing the Board in relation to specific statutory functions<sup>1</sup>].

21. The Scottish Ministers will:

- a. agree the strategic aims, objectives and key targets of NHS 24 as part of the corporate planning process;
- b. agree the budget for NHS 24, and secure the necessary Parliamentary approval;
- c. approve the Code of Conduct of the NHS 24 Board;

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<sup>1</sup> Article 4(4) of the NHS 24 Order says:

"(4) Nothing in this Order shall prevent or restrict from exercising any function under the Act—

(a) the Scottish Ministers;

(b) any Health Board;

(c) any other Special Health Board; [...]

(d) the Common Services Agency [ ; or ]

[ (e) Healthcare Improvement Scotland. ]"

Ministers may also direct NHS 24 under the 1978 Act.

- d. approve pay remits or proposals and superannuation arrangements for the staff, Chief Executive, Chair and Board members;
- e. lay the accounts of NHS 24 before the Scottish Parliament.

### **SG Portfolio Accountable Officer**

22. The Principal Accountable Officer for the Scottish Administration (the Permanent Secretary of the SG) has designated the Director General for NHS Recovery, Health and Social Care as the Portfolio Accountable Officer (AO) for the SG portfolio budget which will provide funding for NHS 24.

23. The Portfolio AO's duties are to establish a framework for the relationship between SG and a public body, oversee the operation of that framework, ensure the public appointments to the body are made appropriately and ensure that appropriate assurance is provided on the performance and governance of the body. These activities are known collectively as 'sponsorship'. In practice, the Portfolio AO is likely to delegate some or all sponsorship duties to a Director or Deputy Director as Senior Sponsor and/or to other SG officials in a 'Sponsor team'. The responsibilities of a Portfolio Accountable Officer are set out in detail in the [Memorandum to Accountable Officers for Parts of the Scottish Administration](#).

24. The Portfolio AO will:

- a. make sure the framework document is agreed between the Scottish Ministers and the Board of NHS 24, reviewed regularly and oversee the operation of the roles and responsibilities set out;
- b. ensure that financial and other management controls being applied by NHS 24 are appropriate and sufficient to safeguard public funds and conform to the requirements both of propriety and of good financial management;
- c. in line with [Code of Practice for Ministerial Appointments](#), ensure that public appointments are made in good time and secure appropriate skills, experience and diversity amongst Board members, working with the Chair on succession planning; that there is effective induction for new appointees; and ensure that there is regular review and formal appraisal of the performance of the Chair, at appropriate intervals;
- d. support regular and effective engagement between NHS 24 and the relevant Scottish Minister(s); and
- e. make sure there is clear, documented delegation of responsibilities to a Senior Sponsor and/or Sponsor team and that the Board and senior officials of NHS 24 are aware of these delegated responsibilities.

25. The Portfolio AO remains personally answerable to the Scottish Parliament for the effectiveness of sponsorship activity.



## **Relationship between the Scottish Government and NHS 24**

26. Strategic engagement between the SG and NHS 24 is essential in order that they work together as effectively as possible to maintain and improve public services and deliver improved outcomes. Specific governance and accountability roles are described in the section above, but more generally, both the SG and NHS 24 will take all necessary steps to ensure that their relationship is developed and supported in line with the jointly agreed principles set out in this framework agreement. This emphasises the need for cooperation and good communication, and particularly early warning from either side about any emerging risk or issue with significant implications for the operation or governance of NHS 24.

27. The Sponsor team's primary function is to carry out the responsibilities delegated to it by the Portfolio AO, directly or via the Senior Sponsor, as described above. In addition to ensuring that the arrangements in this framework document operate effectively, managing public appointments and providing assurance to the Portfolio AO, the Sponsor team will usually be the first point of contact for the body on any issue with SG. As part of the assurance they provide to the Portfolio AO, they must ensure that key actions and decisions agreed are documented and implemented. This includes ensuring that SG teams implement any agreed actions.

## **Scottish Government Director and Deputy Director**

28. The Director and Deputy Director of Primary Care have responsibility for overseeing and ensuring effective relationships between the SG and NHS 24 which support alignment of NHS 24's business to the SG's Purpose and National Outcomes. They will work closely with the NHS 24 Chief Executive and be answerable to the Portfolio Accountable Officer for maintaining and developing positive relationships with NHS 24 characterised by openness, trust, respect and mutual support. They will be supported by a sponsor team in discharging these functions. The Portfolio Accountable Officer shall be responsible for assessing the performance of the NHS 24 Chair at least annually.

29. Sponsor team responsibilities:

- discharging sponsorship responsibilities in line with the principles and framework set out in this framework agreement, and ensuring that sponsorship is suitably flexible, proportionate and responsive to the needs of the Scottish Ministers and NHS 24;
- ensuring that appointments to the NHS 24 Board are made timeously and, where appropriate, in accordance with the [code of practice](#) for Ministerial Appointments in Scotland;
- proportionate monitoring of NHS 24's activities through an adequate and timely flow of appropriate information, agreed with NHS 24, on performance, budgeting, control and risk management;

- addressing in a timely manner any significant problems arising in NHS 24, alerting the Portfolio Accountable Officer and the responsible Minister(s) where considered appropriate;
- ensuring that the objectives of NHS 24 and the risks to them are properly and appropriately taken into account in the SG's risk assessment and management systems;
- informing NHS 24 of relevant SG policy in a timely manner.

The Sponsor team will meet regularly with NHS 24, with the programme of engagements including:

- six-weekly operational meetings with relevant SG and NHS 24 stakeholders;
- quarterly Strategic Sponsorship meetings, which will include Mid-Year and Annual Reviews;
- strategic joint meetings with the Scottish Ambulance Service twice yearly;
- monthly joint collaboration board meetings with the Scottish Ambulance Service;
- ad hoc meetings with Health Finance/NHS 24 finance, as required.

### **Organisational security and resilience**

30. As part of risk management arrangements, NHS 24 shall ensure that it has a clear understanding at Board level of the key risks, threats and hazards it may face in the personnel, physical and cyber domains, and take action to ensure appropriate organisational resilience to those risks/threats/hazards. It should have particular regard to the following key source of information to help guide its approach:- [Cyber resilience: framework and self assessment tool - gov.scot \(www.gov.scot\)](http://www.gov.scot).

### **Performance management**

31. NHS 24 shall operate management information and accounting systems that enable it to review, in a timely and effective manner, its financial and non-financial performance against the strategic aims, objectives, targets and milestones set out in the corporate and business plans. The results of such reviews should be reported on a regular basis to the NHS 24 Board and copied to the SG. The SG shall assess NHS 24's performance, proportionately, on a continuous basis and hold a formal review meeting at least twice a year. The responsible Cabinet Secretary/Scottish Minister shall meet the NHS 24 Chair at least once a year.

### **NHS 24 staff management responsibilities**

Broad responsibilities for NHS 24 staff

32. The Chief Executive, challenged and supported by the Board, has responsibility for the recruitment, retention and motivation of its staff. The broad responsibilities toward staff are to ensure that:

- HR policies, practices and systems comply with employment, equalities legislation, and standards expected of public sector employers;
- the level and structure of staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness (subject to the SG [Pay Policy for Staff Pay Remits](#));
- the performance of staff at all levels is regularly appraised and performance management systems are reviewed from time to time;
- staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve the body's objectives;
- proper consultation with staff takes place on key issues affecting them, as appropriate, including working in partnership with trades unions;
- effective grievance and disciplinary procedures are in place and that staff know where to access and how to use;
- effective whistle-blowing policy and procedures consistent with the [Public Interest Disclosure Act 1998](#) are in place and ensures that staff know where to access and how to use; and
- a code of conduct for staff is in place.

### **Pay and conditions of service**

33. NHS 24 will comply with SG Pay Policy in relation to staff and the Chief Executive. The Chief Executive will ensure that a pay remit, in line with the SG [Pay Policy for Staff Pay Remits](#), is submitted to the SG for approval in line with the timetable notified and negotiate a pay settlement within the terms of the approved remit. This should normally be done annually, unless a multi-year deal has been agreed. Payment of salaries should also comply with the [Tax Planning and Tax Avoidance](#) section of the SPFM. Proposals on non-salary rewards will comply with the guidance in the [Non-Salary Rewards](#) section of the SPFM.

34. NHS 24 will also seek appropriate approval under the SG [Pay Policy for Senior Appointments](#) for the chief executive's remuneration package prior to appointment, annually or when a new appointment or change to the remuneration package is being proposed.

### **Pensions, redundancy and compensation**

35. Superannuation arrangements for staff are subject to the approval of the Scottish Ministers. NHS 24 staff will normally be eligible for a pension provided by the Scottish Publics Pension Agency; the National Health Service Superannuation Scheme (Scotland) 1995 Section and 2008 Section, and the NHS Scotland Pension Scheme 2015. Staff may opt out of the occupational pension scheme provided, but the employers' contribution to any personal pension arrangement, including stakeholder pension, will normally be limited to the national insurance rebate level.

36. Any proposal by NHS 24 to move from existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of the Scottish Ministers. Proposals on compensation payments will comply with the [Settlement Agreements, Severance, Early Retirement and Redundancy Terms](#) section of the SPFM. This includes referral to the Scottish Ministers of any proposed severance scheme (for example, a scheme for voluntary exit), business case for a settlement agreement being considered for an individual, or proposal to make any other compensation payment. In all instances, a body should engage with the Sponsor team prior to proceeding with proposed severance options, and prior to making any offer either orally or in writing.

### **Corporate and business plans**

37. NHS 24 will prepare a draft strategic or corporate plan every 3 years setting out its strategic aims, objectives and targets over that period, for consideration by the Scottish Ministers. When a new plan is to be prepared, the Chief Executive or their delegate will liaise with the Sponsor team to agree the key points to be addressed and the timetable for preparation and review. The final, agreed version of the strategic or corporate plan will be published on the NHS 24 website.

38. The strategic or corporate plan will include NHS 24's:

- purpose and principal aims;
- contribution to the national outcomes set out in the [National Performance Framework](#), the Programme for Government and Scotland's Economic Strategy in collaboration with the SG and other public bodies;
- analysis of the environment in which it operates;
- key objectives and associated key performance targets for the period of the plan, and the strategy for achieving those objectives;
- indicators against which its performance can be judged;
- details of planned efficiencies, describing how better value for money will be achieved, including through collaboration and use of shared services; and
- other key points agreed with the Sponsor team as described above.

39. The strategic or corporate plan will inform the development of a separate annual business plan for each financial year, which will include key targets and milestones for the year immediately ahead, aligned to the [NPF](#), and be linked to budgeting information so that, where possible, resources allocated to achieve specific objectives can be identified. A copy of the business plan will be provided to the sponsor team prior to the start of the relevant financial year.

### **Annual report and accounts**

40. NHS 24 will publish an annual report of its activities together with its audited accounts after the end of each financial year. The annual report and accounts will cover the activities of any corporate, subsidiary or joint ventures under the control of NHS 24. It will comply with the Government [Financial Reporting Manual](#) (FReM)

and outline NHS 24's main activities and performance against agreed objectives and targets for the previous financial year. It is the responsibility of the Chief Executive, as Accountable Officer, to sign the accounts.

41. The accounts will be prepared in accordance with relevant statutes and the specific accounts direction and other relevant guidance issued by the Scottish Ministers. Any financial objectives or targets set by the Scottish Ministers should be reported on in the accounts and will therefore be within the scope of the audit.

42. The SG Sponsor team should receive a copy of the annual report for comment, and a copy of the draft accounts for information, by 31 May each year. NHS 24 is responsible for the publication of the annual report and accounts after they have been laid by the Scottish Ministers. Whilst the statutory deadline for laying and publishing accounts audited by the AGS is 31 December after the end of the relevant financial year, the Scottish Ministers expect that accounts will be laid before the Scottish Parliament and published as early as possible.

### **External audit**

43. The Auditor General for Scotland (AGS) audits, or appoints auditors to audit, NHS 24's annual accounts and passes them to the Scottish Ministers who then lay them before the Scottish Parliament, together with the auditor's report and any report prepared by the AGS. The AGS, or examiners appointed by the AGS, may also carry out examinations into the economy, efficiency and effectiveness with which the body has used its resources in discharging its functions and/or carry out examinations into the arrangements made by NHS 24 to secure Best Value.

44. The AGS, or the AGS's appointed auditors or examiners, have a statutory right of access to documents and information held by relevant persons, including any contractors to or recipients of grants from NHS 24. NHS 24 will ensure that this right of access to documents and information is made clear in the terms of any contracts issued or conditions of any grants awarded and will also use its best endeavours to secure access to any other information or documents required which are held by other bodies.

### **Internal audit**

45. NHS 24 will:

- establish and maintain arrangements for internal audit in accordance with the [Public Sector Internal Audit Standards](#) and the [Internal Audit](#) section of the SPFM;
- set up an Audit Committee of its Board, in accordance with the [Audit Committees](#) section of the SPFM, to advise both the board and the Accountable Officer;
- ensure that the Sponsor team and the Portfolio AO/Senior Sponsor receive promptly after they are produced or updated: the audit charter, strategy, periodic audit plans and annual audit assurance report, including the Head of Internal Audit opinion on risk management, control and

governance – and provide any other relevant audit reports as requested by sponsors;

- keep records of, and prepare and forward promptly to the SG an annual report on fraud and theft suffered by NHS 24 and notify the Portfolio AO or Senior Sponsor immediately of any unusual or major incidents.

46. The SG's Internal Audit and Assurance Directorate has an expectation of cooperation and access to relevant material when required, the parameters for which would be set out in an engagement document before information was shared. NHS 24 should make it clear on their own Privacy Notice that material may be shared with SG's Internal Audit and Assurance Directorate in certain circumstances.

### **Budget management and delegated authority**

47. Each year the Sponsor team will send the Board a Budget Allocation and Monitoring letter, notifying NHS 24 of the budget provision, any related matters and details of the budget monitoring information required. NHS 24 will comply with the format and timing of the monitoring information requested and with any requests for further information.

48. The statement of budgetary provision will set out the budget within the classifications of resource Departmental Expenditure Limits (RDEL), capital DEL (CDEL) and Ring-fenced (non-cash) (RfDEL) – and, where applicable, Annually Managed Expenditure (AME). These categories are explained in [Annual Budget Processing](#) in the SPFM, and NHS 24 will not transfer budgetary provision between the categories without the prior approval of the SG Finance Directorate, which should be sought via the Sponsor team. Transfers within the categories are at the discretion of the Board or, subject to delegated authority, the Chief Executive or relevant senior manager, if these do not breach any other constraints, for instance the approved pay remit.

Where budgetary provision includes projected income, including any income from disposal of non-current assets, the Chief Executive will ensure that the SG Finance Directorate and Sponsor team are made aware promptly of any forecast changes in income – usually via the monthly budget monitoring statement. The Scottish Ministers expectation is that any shortfall in income will be offset by a matching reduction in gross expenditure, and prior approval from the SG Finance Directorate and the Sponsor team must be sought for any alternative arrangement. Similarly, if income is higher than originally projected, this may only be used for additional spending or to meet pressures with the prior approval of the SG Finance Directorate and Sponsor team. Failure to obtain prior approval for the use of excess income to fund additional expenditure may result in corresponding reductions in budgets for the following financial year. The only exception is where the income is from gifts, bequests and donations but this must be spent within the same financial year as the receipt.

49. NHS 24's specific delegated financial authorities - as agreed in consultation between the Board and the Scottish Ministers - are set out in Annex A. The Board

will obtain the prior written approval from the Sponsor team and SG Finance before entering into any undertaking to incur any expenditure that falls outside these delegations, and before incurring expenditure for any purpose that is or might be considered novel, contentious or repercussive or which has or could have significant future cost implications.

## **Governance and Risk**

50. Guidance on governance requirements is available in several documents referred to earlier in this framework document:

- [the Scottish Public Finance Manual](#) (SPFM)
- [the Audit and Assurance Committee Handbook](#)
- [On Board – A Guide for Members of Statutory Boards](#)

51. If in any doubt about a governance issue, the Chair or Chief Executive should consult the Senior Sponsor or Sponsor team in the first instance, and sponsors may in turn consult the SG Public Bodies Unit, the SG Governance and Risk Branch and/or other teams with relevant expertise.

52. The Board and Chief Executive are advised to pay particular attention to guidance on the following issues.

## **Risk management**

53. NHS 24 must develop an approach to risk management consistent with the Risk Management section of the Scottish Public Finance Manual and establish reporting and escalation arrangements with the Portfolio AO or Senior Sponsor.

54. The Board should have a clear understanding of the key risks, threats and hazards it may face in the personnel, accommodation and cyber domains, and take action to ensure appropriate organisational resilience, in line with the guidance in: [Having and Promoting Business Resilience](#) (part of the Preparing Scotland suite of guidance) and the [Public Sector Cyber Resilience Framework](#).

55. Reporting arrangements should ensure that the Sponsor team is made aware of relevant risks and how they are being managed. The NHS 24 audit committee is also required, at the earliest opportunity, to notify the relevant Director General if it considers that it has identified a significant problem which may have wider implications.

56. As a patient facing Special Health Board, NHS 24 has its own internal escalation processes to help manage risk and ensure consistent performance in line with key performance indicators.

57. NHS 24 continues to report performance to the Scottish Government on a weekly basis with the sponsor team responsible for scrutinising these reports and engaging with the Board on any issues regarding performance, reporting to Senior Management within SG and Ministers as appropriate. The Board is now also publishing data on performance against its Key Performance Indicators on a weekly basis.

58. As well as regular reporting and publishing of data, NHS 24 has regular engagement with its sponsor team formally through annual/mid-year reviews, supported by a programme of performance monitoring meetings throughout the year. This regular engagement allows the sponsor team to work collaboratively with Board colleagues on any issues affecting performance, workforce, finance or any other concerns impacting service delivery. This engagement will continue to be the method used for the sponsor team to engage appropriately with internal colleagues within SG, as well as with partners within the Board to make decisions on any required escalation of performance issues.

### **Internal control**

59. The Board should establish clear internal [delegated authorities](#) with the Chief Executive, who may in turn delegate responsibilities to other members of staff and establish an assurance framework consistent with the [internal control framework](#) in the SPFM.

60. Counter-fraud policies and practices should be adopted to safeguard against fraud, theft, bribery and corruption - see the [Fraud](#) section of the SPFM.

61. Any major investment programmes or projects undertaken should be subject to the guidance in the [Major Investment Projects](#) section of the SPFM and in line with delegated authorities. The Sponsor team must be kept informed of progress on such programmes and projects and Ministers must be alerted to any developments that could undermine their viability. Information and Communication Technology investment plans must be reported to the SG's Office of the Chief Information Officer.

62. NHS 24 must comply with the requirements of the [Freedom of Information \(Scotland\) Act 2002](#) and ensure that information is provided to members of the public in a spirit of openness and transparency. NHS 24 must also register with the [Information Commissioners Office](#) and ensure that it complies with the Data Protection Act 2018 and the UK General Data Protection Regulation, commonly known as UK GDPR, and any other relevant data protection legislation as appropriate.

### **Budget and finance**

63. Unless covered by a specific delegated authority, financial investments are not permitted without the prior approval of sponsors and SG Finance. This includes equity shares in ventures which further a body's objectives. Public bodies should not invest in any venture of a speculative nature.

64. Non-standard tax management arrangements should always be regarded as novel and/or contentious and must therefore be approved in advance by the Portfolio AO and SG Finance. Relevant guidance is provided in the [Tax Planning and Tax Avoidance](#) section of the SPFM. NHS 24 must comply with all relevant rules on taxation, including VAT, and recover tax where it is entitled to do so.

65. Optimising income (not including grant-in-aid) from all sources should be a priority, and sponsors should be kept informed about any significant projected



changes in income. Novel or contentious proposals for new sources of income or methods of fundraising must be approved by sponsors and SG Finance. Fees or charges for any services supplied must be determined in accordance with the [Fees & Charges](#) section of the SPFM.

66. Gifts, bequests or donations received are recorded as income and should be provided for in the agreed resource DEL and capital DEL budgets, but should not fund activities or assets normally covered by SG grant-in-aid, trading or fee income, and conflicts of interest must be considered – see the principles in the [Gifts](#) section of the SPFM. Note that this relates to gifts to the body - gifts to individuals are covered in the [Model Code of Conduct](#).

67. Borrowing cannot be used to increase NHS 24's spending power. All borrowing - excluding agreed overdrafts - must be from the Scottish Ministers in accordance with guidance in the [Borrowing, Lending & Investment](#) section of the SPFM.

68. Any lending must be in line with the guidance in the [Borrowing, Lending & Investment](#) section of the SPFM on undertaking due diligence and seeking to establish a security. Unless covered by a specific delegated limit NHS 24 must not lend money, charge any asset, give any guarantee or indemnity or letter of comfort, or incur any other contingent liability (as defined in the [Contingent Liabilities](#) section of the SPFM), whether or not in a legally binding form, without the prior approval of sponsors, SG Finance and where necessary the relevant committee of the Scottish Parliament. Guarantees, indemnities and letters of comfort of a standard type given in the normal course of business are excluded from this requirement.

69. An accurate and up-to-date record of current and non-current assets should be maintained, consistent with the [Property: Acquisition, Disposal & Management](#) section of the SPFM. NHS 24 is also subject to the [SG Asset Management Policy](#), including the requirement for acquisition of a new lease, continuation of an existing lease, decision not to exercise a break option in a lease or purchase of property for accommodation / operational purposes, to be approved in advance by Scottish Ministers. The SG Property Controls Team should be consulted as early as possible in this process.

70. Assets should be recorded on the balance sheet at the appropriate valuation basis in accordance with the Government Financial Reporting Manual FReM. When an asset (including any investment) suffers impairment, when there is significant movement in existing provisions and/or where a new provision needs to be created, this should be communicated to sponsors and SG Finance as soon as possible to determine the implications for NHS 24's budget.

71. Any funding for expenditure on assets by a third party should be subject to appropriate arrangements to ensure that they are not disposed of without prior consent and that a due share of the proceeds can be secured on disposal or when they cease to be used by the third party for the intended purpose, in line with the [Clawback](#) guidance in the SPFM.

72. Unless covered by a specific delegated authority, prior approval from sponsors and SG Finance is required before making gifts or special payments or

writing off losses. Special payments and losses are subject the guidance in the [Losses and Special Payments](#) section of the SPFM. Gifts by management to staff are subject to the guidance in the [Non-Salary Rewards](#) section of the SPFM.

73. Unless covered by a specific delegated authority NHS 24 must not enter into any finance, property or accommodation related lease arrangement – including the extension of an existing lease or the non-exercise of a tenant’s lease break - without prior approval from sponsors. Before entering/continuing such arrangements, NHS 24 must be able to demonstrate that the lease offers better value for money than purchase and that all options of sharing existing public sector space have been explored.

Non-property / accommodation related operating leases are subject to a specific delegated authority. There must be capital DEL provision in the budget allocation for finance leases and other transactions which are in substance borrowing.

74. Procurement policies should reflect relevant guidance in the [Procurement](#) section of the SPFM and any other relevant guidance issued by the SG’s Procurement and Property Directorate. The SG’s directory of [SG Framework Agreements](#), is available to support organisations but they should check the Framework Agreement’s ‘buyer’s guide’ before proceeding to ensure they are eligible to use the Framework.

75. All matured and properly authorised invoices relating to transactions with suppliers should be paid in accordance with the [Expenditure and Payments](#) section of the SPFM wherever possible and appropriate within Scottish Ministers’ target of payment within 10 working days of their receipt.

76. NHS 24 is subject to the SG policy of self-insurance. Commercial insurance must however be taken out where there is a legal requirement to do so and may also be taken out in the circumstances described in the [Insurance](#) section of the SPFM - where required with the prior approval of sponsors and their finance business partner subject to the level of inherent financial risk. In the event of uninsured losses being incurred the SG shall consider, on a case by case basis, whether or not it should make any additional resources available to NHS 24. The relevant sponsor team will provide a Certificate of Exemption for Employer's Liability Insurance.

77. Unless covered by a specific delegated authority NHS 24 must not provide grant funding to a third party without prior agreement from sponsors and SG Finance. Guidance on a framework for the control of third party grants is provided as an annex to the [Grant & Grant in Aid](#) section of the SPFM. Subsidy control requirements for any such funding are discussed below.

78. The Subsidy Control Act 2022 sets out the framework for the UK’s domestic subsidy control regime, and the requirements that apply to the giving of subsidies. This is supplemented by related statutory instruments and statutory guidance published by the UK Government. The UK’s international obligations, including various Free Trade Agreements and those arising as a consequence of World Trade Organisation membership also continue to apply. Currently, any activity that NHS 24 undertakes itself, or funds other bodies to undertake, that can

be offered on a commercial market for goods and services, is subject to these requirements. A full subsidy control assessment is required prior to disbursing any funding, in line with the guidance in the Subsidy Control section of the SPFM. As also set out in this section of the SPFM, the Subsidy Control Team should be consulted on all proposals which may have subsidy implications.

### **Remuneration**

79. Remuneration, allowances and any expenses paid to the Chair and Board Members must comply with the latest [SG Pay Policy for Senior Appointments](#) and any specific guidance on such matters issued by the Scottish Ministers.

80. Staff pay, pensions and any severance payments must be in line with the requirements of Public Sector Pay Policy and the responsibilities described in the section on NHS 24 Staff Management Responsibilities.

81. All individuals who would qualify as employees for tax purposes should be paid through the payroll system with tax deducted at source.

### **Banking and cash management**

82. Banking arrangements must comply with the [Banking](#) section of the SPFM.

83. Cash management arrangements need to be addressed as well as overall budget management. Any [grant in aid](#) (i.e. the cash provided to NHS 24 by the SG to support the allocated budget) for the year in question will be authorised by the Scottish Parliament in the annual Budget Act. NHS 24 will normally receive monthly instalments based on updated profiles and information on unrestricted cash reserves and will not seek any payment in advance of need. NHS 24 will keep its unrestricted cash reserves held during the year to the minimum level needed for efficient operation and any relevant liabilities which have to be met at the year-end. Grant in aid not drawn down by the end of the financial year will lapse. NHS 24 will not pay Grant-in-Aid into any restricted reserve it holds.

### **Helpful information**

84. The Public Bodies Support Unit has produced a register of reporting requirements for devolved public bodies which will help in regard to compliance with certain legislative asks. Copies of the register can be obtained from the [PBSU mailbox](#).

## Annex A

### Annex A: Specific Delegated Financial Authorities

Item No	Category	
	<b>Theft / Arson / Wilful Damage</b>	
1	Cash	10,000
2	Stores/procurement	20,000
3	Equipment	10,000
4	Contracts	10,000
5	Payroll	10,000
6	Buildings and fixtures	20,000
7	Other	10,000
	<b>Fraud, Embezzlement &amp; other irregularities (inc. attempted fraud)</b>	
8	Cash	10,000
9	Stores/procurement	20,000
10	Equipment	10,000
11	Contracts	10,000
12	Payroll	10,000
13	Other	10,000
14	<b>Nugatory &amp; Fruitless Payments</b>	10,000
15	<b>Claims Abandoned</b>	
	(a) Private Accommodation	10,000
	(b) Road Traffic Acts	20,000
	(c) Other	10,000

	<b>Store Losses</b>	
	Incidents of the Service -	
	- Fire	20,000
16	- Flood	20,000
	- Accident	20,000
17	Deterioration in Store	20,000
18	Stocktaking Discrepancies	20,000
19	Other Causes	20,000
	<b>Losses of Furniture &amp; Equipment and Bedding &amp; Linen in circulation:</b>	
	Incidents of the Service -	
	- Fire	10,000
20	- Flood	10,000
	- Accident	10,000
21	Disclosed at physical check	10,000
22	Other causes	10,000
	<b>Compensation Payments - legal obligation</b>	
23	Clinical*	250,000
24	Non-clinical*	100,000
	<b>Ex-gratia payments</b>	
25	Extra-contractual Payments	10,000
26	Compensation Payments - Ex-gratia – Clinical*	250,000
27	Compensation Payments - Ex-gratia - Non Clinical*	100,000

28	Compensation Payments - Ex-gratia - Financial Loss*	25,000
29	Other Payments	2,500
	<b>Damage to Buildings and Fixtures:</b>	
30	Incidents of the Service	
	- Fire	20,000
	- Flood	20,000
	- Accident	20,000
	- Other Causes	20,000
31	<b>Extra-Statutory &amp; Extra-regulatory Payments</b>	Nil
32	<b>Gifts in cash or in kind</b>	10,000
33+	<b>Other Losses</b>	10,000

Other limits are subject to individual agreement by Scottish Government Health & Social Care Directorates and NHS 24.