



OFFICIAL REPORT
AITHISG OIFIGEIL

Public Audit Committee

Wednesday 24 September 2025

Session 6



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Wednesday 24 September 2025

CONTENTS

	Col.
DECISION ON TAKING BUSINESS IN PRIVATE	1
“NHS IN SCOTLAND: SPOTLIGHT ON GOVERNANCE”	2

PUBLIC AUDIT COMMITTEE

25th Meeting 2025, Session 6

CONVENER

*Richard Leonard (Central Scotland) (Lab)

DEPUTY CONVENER

*Jamie Greene (West Scotland) (LD)

COMMITTEE MEMBERS

*Colin Beattie (Midlothian North and Musselburgh) (SNP)

Joe FitzPatrick (Dundee City West) (SNP)

*Graham Simpson (Central Scotland) (Reform)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Fiona Bennett (Scottish Government)

Keith Brown (Clackmannanshire and Dunblane) (SNP) (Committee Substitute)

Ian Bruce (Ethical Standards Commissioner)

Caroline Lamb (Scottish Government)

Christine McLaughlin (NHS Scotland)

Melanie Stronach (Commissioner for Ethical Standards in Public Life in Scotland)

CLERK TO THE COMMITTEE

Katrina Venters

LOCATION

The Sir Alexander Fleming Room (CR3)

Scottish Parliament

Public Audit Committee

Wednesday 24 September 2025

[The Convener opened the meeting at 09:30]

Decision on Taking Business in Private

The Convener (Richard Leonard): Good morning. I welcome everyone to the 25th meeting in 2025 of the Public Audit Committee. We have received apologies from Joe FitzPatrick, and I welcome Keith Brown, who is substituting for him.

Item 1 on the committee's agenda is a decision on whether to take items 3 and 4 in private. Do we agree to take those items in private?

Members indicated agreement.

“NHS in Scotland: Spotlight on governance”

09:30

The Convener: Item 2 is further consideration of the Auditor General for Scotland's report “NHS in Scotland: Spotlight on governance”. I am very pleased to welcome our witnesses: Ian Bruce, the Ethical Standards Commissioner, and Melanie Stronach, the public appointments manager in the office of the Commissioner for Ethical Standards in Public Life in Scotland.

I understand that Mr Bruce does not have an opening statement and would like us to go straight to questions. Is that correct?

Ian Bruce (Ethical Standards Commissioner): Yes—if that is acceptable. I will simply say that, as ever, I welcome the opportunity to talk about the work of the office. I have Melanie Stronach with me, so, if it is acceptable to you and other members, I might ask her to intervene on the odd occasion if she feels that additional information and more granular detail might be of assistance to the committee in its deliberations.

The Convener: Yes. Ms Stronach, I presume that your job role involves oversight of public appointments, which is what we will be discussing.

Melanie Stronach (Commissioner for Ethical Standards in Public Life in Scotland): Yes.

The Convener: Good. Mr Bruce, could you provide us with a bit more detail about your role in regulating public appointments?

Ian Bruce: Certainly. The role of Commissioner for Public Appointments in Scotland was established in 2003 by virtue of an act of the Scottish Parliament. I am to publish a code of practice for the making of public appointments, which ministers and their officials are expected to follow, and I am expected to publish a diversity strategy for the boards of Scotland's public bodies. I have done work on that recently, and I hope that we will turn to that later. I investigate complaints that appointments to the boards of public bodies have not been made in accordance with the code of practice, and I report to the Parliament if the code has not been adhered to in a material regard. I also promote compliance with the code of practice by using a team of public appointments advisers who are experts in recruitment and selection, with a particular focus on diversity, equality and inclusion.

It might help members if they understand the way in which I fulfil my role. The legislation is quite dry, but I view myself very much as a supportive regulator. I oversee appointments to the boards of

more than 100 of Scotland's public bodies—some of the most significant in Scotland—and I oversee the appointments to in the region of 800 roles, including chairs and non-executive board members. Those people spend a significant proportion of the Scottish budget and, in turn, provide strategic leadership, scrutiny and oversight of the work of those public bodies, so it is vital that the right people are in those roles.

I do not operate as an audit-type body. I allocate people to oversee appointment rounds on the basis of a number of factors. The intention is to assist the Scottish ministers and their officials in getting appointments right. Cases of non-compliance with the code are vanishingly rare. It is absolutely about getting the right outcome for the boards.

That is how I fulfil my role. I hope that that answer assists.

The Convener: How would you respond to the accusation that the same old people on the quango gravy train keep popping up all the time?

Ian Bruce: I am not sure that that is entirely true. We are very transparent about the work that we do. Each year, in our annual report, we publish the number of people who have applied for the first time and the number of people who have been appointed for the first time. I certainly would not say that it is always the same old faces, but you could argue that there is an element of that. As you and I will understand, certain individuals have served on more than one board. That has certainly been the case during my 20 years in the field of regulating appointments. The process could be opened up to more individuals, and more people could be encouraged to apply.

With regard to those who have held multiple roles, my only view is about whether they have done a good job. Are they being appointed because they have been successful in a role? Perhaps ministers feel that they are a safe pair of hands and the appropriate person for the role. My view is certainly that the whole process is set up to appoint people who meet the person specifications that are set by the Scottish ministers.

The Convener: Are you a kind of gatekeeper for who gets through the sieving process and who is in the pool of people who can be sought to serve as board members of public bodies?

Ian Bruce: In order for compliance with the code of practice, the fundamental principle must be that of merit. In order for people to be appointed to the role, they must meet the criteria for selection that are set by the appointing minister at the outset of the appointment round.

You talked about a sieving process. The code does not dictate the process that must be used,

but, generally speaking, it tends to involve written applications and then a shortlisting process. Those who survive the shortlisting process go through to the next stage of assessment, which usually involves interviews of those who meet the criteria for selection most closely.

The Convener: Okay, but are you involved in the shortlisting process?

Ian Bruce: I provide oversight of the shortlisting process by using public appointments advisers. If they felt that someone who had been given an interview was not as meritorious as other applicants who had applied, that, in effect, would represent non-compliance with the code.

The Convener: Do you have a right of veto?

Ian Bruce: I do not have a right of veto. Ultimately, the Scottish ministers are responsible for the appointments, but that responsibility is devolved to the chair of the selection panel, who is usually the sponsor and senior civil servant.

If one of my advisers identifies that the code is not going to be complied with—potentially in a material regard, because, if someone is treated fundamentally unfairly by the process, that represents material non-compliance—they are obliged to write to the responsible person to let them know why they feel that the code is not being complied with, and they are obliged to copy me in. The responsible person is told the options that they have in order to bring the appointment round back into compliance. If they choose not to take one of those options, I become involved. That means that I will get in contact directly with the senior civil servant and, potentially, with the minister. If they insist on pursuing that course of action, I will end up reporting to the Parliament. I also have the power to halt an appointment round until such time as the Parliament has considered the matter. Therefore, as you will understand, civil servants take the advice that I give in that area very seriously.

The Convener: In relation to the system, if the sponsorship team or the director general in a civil service department is in charge of the public appointments process, and if one of the roles of the appointees is to challenge the sponsor division as well as the public body that they are appointed to, is there a danger that individuals who might be more challenging will not get through the process because the civil servants involved in that process will not want that?

Ian Bruce: If you will forgive me, I think that there is a bit more nuance than that. Usually, the ability to constructively challenge is, rightly, in the person specifications for non-executive members, so someone would not be considered to be suitable if they were not able to demonstrate that ability.

In relation to the challenge function of non-executives, I would suggest that it is not necessarily about providing challenge to the sponsors, who are, rightly, separate from the body itself, which is meant to be at arm's length. People are appointed to those boards in order that they can challenge the public body's executive team as opposed to its sponsors, who sit, quite rightly, separately from it.

The Convener: I have a final question before we get into some of the more detailed points about how the system works in the national health service. NHS governance arrangements were subject to the spotlight of the Auditor General's report. Indeed, we will speak to the chief executive of the NHS later this morning. Do you have any plans to use your powers of audit and review to look at how things are working in the national health service in Scotland?

Ian Bruce: Yes. We have already undertaken a couple of pieces of work that might be of interest to the committee. I am very concerned about the failure rate for NHS chair appointments, in particular. When I introduced the new code, which is only three years old—I introduced it in 2022, but there was quite a long run-in time before it had to be implemented—I required the officials who were running the processes to provide, at the conclusion of each appointment round, a report that articulated properly the reasons for both success and failure.

I have been analysing the results of all those reports, which are provided not only to me but to the relevant minister, because ministers have a role in holding officials to account if they are not delivering ministerial ambitions. On the back of that research, I provided some feedback to the Government. I said, "Here are the reasons for failure that your own people have identified. What are you going to do to address that?" That is one strand of work.

Another piece of work that we have been engaged with—I had hoped that our report would have been published by now, but it is currently sitting in draft form with the Scottish Government—involved looking at time commitment and remuneration for chairs and board members of public bodies. Things have changed a lot since I started working on public appointments. Such roles are very significant and carry a very significant amount of responsibility, and all of this happens in the public eye. The roles have become increasingly difficult or challenging—that might be a better way of putting it—to fulfil.

I thought that it was important for us to review whether the time commitment—the stated impact—was sufficient for people to fulfil the roles and whether they felt that the remuneration was appropriate. Clearly, we need to attract people to

the roles and, if there is a high failure rate, lack of remuneration might be a factor.

I also wanted to look at board culture and how people felt about fulfilling the roles. Given the other hat that I wear in relation to investigating complaints about board members and so on, I feel that civility in public life is quite important, and incivility could be putting off people, too. That is another piece of research that I have conducted.

Over and above that, we have produced the report "State of the Nation: Diversity in Public Appointments in Scotland". We first published a diversity strategy in 2008, and we have looked at all the societal changes that have happened since then. We are now looking to develop some proposals, and I would genuinely welcome the committee's views in that area, because, as the Public Audit Committee, you know what works well for governance and what causes things to go wrong.

There is a very clear link between diversity on boards, good governance, cognitive diversity in the main and public sector reform. I have read the papers for today's meeting, and that came through clearly in the Auditor General's "Spotlight on governance" report. Is enough being done to search for people who are capable of innovating, collaborating and ensuring that community engagement is meaningful? All those things can be achieved by looking at the wider public appointments system and thinking about how things might be done differently from the way in which they are being done at the moment.

The Convener: Thank you. I will move things along by inviting Graham Simpson to ask you some questions.

Graham Simpson (Central Scotland Reform): You said earlier that you have oversight of more than 100 bodies and 800 roles.

Ian Bruce: I think that it was 770 roles at the last count, and 101 bodies precisely.

Graham Simpson: Do you look at the shortlist for every one of those roles?

09:45

Ian Bruce: No. One could describe the way in which I operate as risk based, but, as well as providing a code of practice, I provide statutory guidance on its application. The statutory guidance includes all the factors that I look at in determining what level of oversight I will provide for a particular appointment round. To give you a reductive example, I provide full oversight of any NHS chair appointment round, so I would have someone looking at the shortlisting process for those appointments.

However, there will be quite a number of other bodies' appointments that I provide oversight of only at the start, when we are looking at succession planning, which I think that there ought to be more focus on, or I can provide oversight of that stage and the planning stage. I can extend that to the stages of assessment as well.

There is a range of factors set out in the statutory guidance that I take into account, which include things such as the budget of the body, its responsibilities, the level of public interest and whether it has been the subject of a section 22 report. That forms part of our briefing for our advisers, because they need to know the context in which that public body is operating in order to provide advice and guidance to those who are looking to fill those roles and to ensure that they are looking for the right people at the right time.

Graham Simpson: So you look at the shortlist for every health board chair.

Ian Bruce: Yes.

Graham Simpson: Do you have the power to step in and halt a process?

Ian Bruce: Yes.

Graham Simpson: Have you ever done that?

Ian Bruce: Yes, to an extent, but only to the extent that I have said, "This looks like non-compliance with the code. Are you going to bring it into compliance?" As I explained earlier to the convener, if an organisation does not do that, that could potentially involve a report to Parliament, and—believe me—officials wish to avoid that.

Graham Simpson: Out of interest, where was that?

Ian Bruce: I am not sure that it would be appropriate for me to—

Graham Simpson: Wherever it was, can you tell us how that process was non-compliant?

Ian Bruce: An example would be seeking to take someone forward to the next stage of the process who was not as meritorious as other applicants for a role.

Graham Simpson: What happened in that case?

Ian Bruce: The official undertook to do the appropriate thing, which was to shortlist those who were the most meritorious, as opposed to taking forward someone who did not meet the criteria for selection to the same extent as the others, which would have been fundamentally unfair.

Graham Simpson: Essentially, that involves you saying, "Well, actually, that person should not be going through."

Ian Bruce: Yes, but there are other options. Again, the code is not prescriptive—it is very flexible, and it is open to panels to interview as many people as they wish to. If they think, "This potential candidate has merit—we'd like to interview them," I will be perfectly happy with that as long as everyone else who meets the criteria to the same extent gets an interview, too. It is simply a question of fairness for people.

Graham Simpson: Earlier, you used the phrase "failure rate". What did you mean by "failure rate"?

Ian Bruce: That is when an organisation runs an appointment round and fails to identify a suitable candidate for appointment.

Graham Simpson: So it means not being able to find somebody.

Ian Bruce: Yes.

Graham Simpson: That has been an issue that has come through in the Auditor General's report and, I think, in your various surveys. How big a problem is that?

Ian Bruce: We have tracked all the statistics. Since the new code came in, the chair failure rate is 25 per cent.

Graham Simpson: So 25 per cent of boards have not found a chair.

Ian Bruce: Yes.

Graham Simpson: I presume that, eventually, they have.

Ian Bruce: Yes.

Graham Simpson: That seems quite high to me.

Ian Bruce: I would agree; I think that the rate is very concerning. I spoke earlier about supporting the Government, and I am supportive of the Government, because it is in none of our interests for any public body to be without a chair when it needs them, or at least a level of continuity. Therefore, with my agreement, other measures are put in place to ensure that that happens. If an organisation is looking for a new chair and it is unable to identify one, that is not good news.

The Scottish Government has implemented the aspiring NHS chairs programme, which is a relatively new programme—I think that it is three years old. I have provided one of my public appointments advisers, who was previously the chair of an NHS trust, to provide advice and guidance in respect of that activity. I speak to the cohort myself every year about leadership, culture and so on. That is something that the Scottish Government is doing, which I hope bears fruit.

Graham Simpson: Earlier, the convener used a phrase that pointed to the existence of an

impression that there is of a revolving door of people in quangos. You did not fully accept that, but if we look at health board chairs, the convener and I have a good example in the region that we represent. The former chair of NHS Lanarkshire is now the chair of NHS Forth Valley. Do you consider it an appropriate state of affairs for someone to be able to jump from one role to the other like that?

Ian Bruce: What I can tell you is that the code of practice was complied with on that appointment round, in as much as, of all the people who applied, the person who was appointed most closely met the criteria for selection that had been set by the minister.

If I take a step back—which I presume that the committee may find it helpful for me to do—I do not think that such a state of affairs is ideal. This is not a new message from me. I do not think that sufficient people who are not currently in the system are encouraged to apply, and I am not sure that the system is set up to appoint people who will be needed to deliver against the ministerial priorities under the public sector reform agenda. I think that things need to be opened up to a much wider pool.

There are several factors that may have an impact on that. I have said that I genuinely believe that not enough thought is given to succession planning. You mentioned NHS Forth Valley. I am not sure that enough thought was given to the operational context of that body when the role description and person specification were designed.

I see an awful lot of coincidence across person specifications for the chairs of NHS bodies. That is perhaps understandable. They have a blueprint for good governance, which discusses the sorts of attributes that they are looking for. That is fine. My only observation—which is perhaps a trite one—is that, if you keep asking for the same things, it is inevitable that the process will deliver the same things for you.

Graham Simpson: The same people.

Ian Bruce: Yes.

Graham Simpson: Do you think that, when boards advertise for a board chair, they should change the way in which they advertise the role?

Ian Bruce: Yes, I agree. There is definitely more that can be done. We frequently see NHS chair roles being advertised in tandem, and I am not sure that enough attention is paid to the area that is served by a board. People are very loyal to the NHS, and people in a territorial area will have a great deal of loyalty to that particular board. It is difficult for me to determine how many people in that area, or how many people with a connection

to that area, would also have the skills that we would want a chair of that NHS board to have, or whether they would find it attractive and so on, but I think that there are other ways in which people could be attracted to fulfil such roles.

To go back to one of the intentions behind the 2022 code, I had said that I needed officials to start reporting on the reasons for success and failure. It is true that it is helpful to know why something has failed, because that enables you to work out what to do better the next time, but it is also helpful to identify why a recruitment round has been successful, because I am not sure that the corporate memory within the Government is sufficiently well developed to share that intelligence. Sometimes, recruitment rounds are run very successfully, and they attract someone who has never previously fulfilled a role in the public sector in Scotland and who ends up going on to do a great job. It would be helpful to know what was done on that occasion and what can be learned in order to achieve that with a particular appointment. I think that there is scope for the Scottish Government to do better in that area.

Graham Simpson: That is interesting. You mentioned the issue of a local connection. I live in Lanarkshire. If I were to apply to be the chair of a board, why would I apply to be the chair of a board anywhere other than Lanarkshire, given that I have lived there for more than 30 years? Do you feel that a local connection is important?

Ian Bruce: Not necessarily. In fairness to the NHS, it used to be a qualifying criterion that a candidate needed to live or work in the area. That was potentially problematic because, with every new criterion that you introduce, you are restricting your pool to an extent. People might have connections to Lanarkshire that are not live at the moment—for example, they might have had family there previously. Alternatively, they might see that a board has a particular issue and think, “That’s a challenge that I would really like to step up for.” There are people in industry who have faced particular challenges and been successful, who might think, “What I’ve done there, I can transfer here and make a significant change.” I would not want to rule people out simply because they were not based in the area.

Graham Simpson: Have you come across any evidence of people applying to be members of multiple boards?

Ian Bruce: Obviously, we cannot prevent people from applying for roles, but we have a fit-and-proper person test in the code, which is applied in quite an exacting fashion. One of the things that people need to meet in order to apply successfully is the time commitment. If they cannot meet that, they are simply ruled out. It is not possible to fulfil a great many roles, because

the panel will be aware of them. I require the Scottish ministers to publish the identities of everyone who is appointed to every board—again, that sits in the code. There are only so many roles that someone can fulfil, and people are quizzed quite closely on their time commitments, not only on boards but in relation to their other activities, to provide assurance that they will be able to dedicate sufficient time to the role.

Graham Simpson: Have you come across any examples of people who serve on more than one board?

Ian Bruce: Yes. Again, that information is all published and in the public domain. I require that to be the case.

Graham Simpson: Do they sit on two boards? Are there any people who sit on more than two boards?

Ian Bruce: I think that two is probably the maximum. We could certainly look at that for you, do some research and come back to the committee, if that is of interest.

Graham Simpson: That would be interesting.

I want to ask about time and remuneration. Obviously, people need to have the time to perform a role. That is a factor. However, you have raised the issue of remuneration. Are you saying that board chairs, for example, are not paid enough—or not enough to attract the right people?

Ian Bruce: I tend to base my views on evidence, and I hope that the committee does the same. I undertook a survey of chairs and board members in order to get an answer to that question. We ran the survey, and we also ran a number of focus groups. I will ask Melanie Stronach to come in; we have some details here. As I said, the report is currently sitting with the Scottish Government, to ensure that it is accurate.

Melanie Stronach: We are limited in what we can pass on, but what we asked was whether people felt that the remuneration that they received for the role was appropriate and proportionate to the level of responsibilities that they held, rather than whether it was enough, as such. That was also closely tied in with the amount of time that they committed to the role.

When we ran the survey in 2020—it was published in 2021—55 per cent said no, they did not think that the remuneration was appropriate or proportionate. We asked a slightly different question when we ran the survey this time, because in 2020 we had another category—non-remunerated, which was 7 per cent. Therefore, it was slightly different. This time, 64 per cent said no, they did not think that the remuneration was proportionate or appropriate.

Graham Simpson: The figure has clearly gone up.

Melanie Stronach: Yes, but if we count the 7 per cent as separate, because we did not previously have that category in the question—we asked a slightly different question this time—I would say that it has gone up by a couple of percentage points.

Graham Simpson: What is the level of remuneration for, say, a board chair or a member of a board?

10:00

Melanie Stronach: It is different, depending on which board it is. I was about to follow on and say that, in the focus groups, one of the key thoughts that came through was that it is as much about understanding remuneration as about the actual amount of remuneration and people's lack of clarity around why different boards attract different types of remuneration. Some are unpaid and others attract closer to private sector-type remuneration. It is based on the Scottish Government's pay policy, but board members and chairs found it difficult to understand who was getting what and why.

Graham Simpson: Sorry—what is difficult to understand?

Ian Bruce: The different levels of remuneration for different boards and why they are different.

Graham Simpson: Can you give us some example figures?

Ian Bruce: In the NHS, I think it is in the region of £30,000 for a chair and in the region of £10,000 for a member. We can certainly come back to you with precise figures, but there is significant variance. When boards are not remunerated, it is because they have charitable status—it is the likes of National Museums Scotland and National Galleries of Scotland. The chairs and non-executive members of those boards get no remuneration at all.

Graham Simpson: We are focusing on the NHS.

Ian Bruce: Yes, I understand, but the survey was of all boards.

Graham Simpson: Okay. So, in NHS boards, a board chair gets about £30,000.

Ian Bruce: That is my understanding.

Graham Simpson: How much time is expected?

Ian Bruce: That is published in the packs. It is roughly two days a week, but I think it is in excess of that. Again, we can come back to the committee

with the latest and most precise figures. I am more than happy to do that after today.

Graham Simpson: It is useful for us to know that. If there is an issue—if people are thinking that about £30,000 for two days a week is not of interest—it is good to know about it.

Ian Bruce: The code requires that, at the point at which the roles are advertised, it needs to be stated what the time commitment is and what the remuneration rate is. The survey has highlighted that people feel that they are actually doing more than was advertised, which is why it is problematic from my perspective.

Graham Simpson: They are told that it is two days a week, but it ends up being more.

Ian Bruce: It ends up being more.

Graham Simpson: The pay does not go up.

Ian Bruce: Do we have some figures on that?

Melanie Stronach: Just for the time commitment. The percentage of respondents—they were chairs and members of all boards, not just those in the NHS—who felt that they were doing more than had been advertised in the pack was 62 per cent in 2020 and 64 per cent this time. So, it is significant.

The Convener: Before we move on, I want to pick up on another issue that Graham Simpson raised, which is the connection with local communities. I understand that, for a considerable period of time, the only member of the NHS Western Isles board who lived on the Western Isles was the chair. In fact, some of the non-executive members of that board had not even visited the Western Isles. There was a public outcry about that. How do you ensure that that kind of situation does not arise?

Ian Bruce: It is up to the minister, to be honest with you. I have said already that, if they wish to include a geographical criterion, it is open to them to do that.

The code used to talk about the attributes that you were looking for in terms of skills, knowledge and experience only. When I introduced the new, revised code, I said that you can define things much more widely than that and look for things like lived experience of, for example, accessing healthcare from a particular perspective, or you can say that someone needs to be based in a certain region in order to serve on a certain board. That is entirely in the gift of ministers. They have a balancing act in determining whether they are going to get the best possible person to fill a role that is based in a certain place, given the time commitment, the remuneration, the board's current circumstances and so on, if they restrict it

geographically or whether the outcome will be better if they open it out.

It is not for me to determine what ministers want for a particular board, but that is certainly not something that I would preclude.

The Convener: Is it not also about diversity and having some kind of blend?

Ian Bruce: Yes.

The Convener: A situation like the one I have just described does not seem to me to be in any way acceptable at all.

Ian Bruce: You are entirely right, and that is why I have said that it is so important, when ministers are planning for succession, that they look at the current board's composition. What is the composition of the board? What are its circumstances? What challenges is it facing? What does its strategy say? Who is best able to come in and complement the existing membership in order for it to be as successful as it possibly can be?

You are quite right that homogeneous boards are less effective than heterogeneous ones, and there is a growing evidence base for that.

The Convener: I invite Colin Beattie to put some questions to you.

Colin Beattie (Midlothian North and Musselburgh) (SNP): I would like to circle back to diversity. Paragraph 60 of the Auditor General's report says:

“Issues of diversity remain in some boards, both in terms of protected characteristics and in bringing in the perspective of people who use services.”

How can that situation be improved? There is a great difficulty in getting non-executive directors at the best of times. I have had the experience of jobs being re-advertised and so on when trying to increase that pool. Getting diverse representation is quite complex, because diversity is very diverse. How do you reach out to the different groupings that you would like to see represented on the boards?

Ian Bruce: I am going to give you a nuanced response—I hope that you will forgive me. It is very important that we do not think of diversity simply in terms of protected characteristics. The fact that a board is balanced in terms of protected characteristics is not necessarily an indicator that it is diverse. It could be 50 per cent women and 50 per cent men, but they might all come from similar backgrounds and have similar outlooks. From my perspective, diversity is much wider than that, and it needs to be. As I say, we have just produced a state of the nation report, which I think discusses it in a helpful way.

Cognitive diversity is important to board effectiveness. When you are looking at things like risk, strategy and community engagement, it helps to have people from different backgrounds, and people who are willing to challenge each other and non-executives to help boards to reach better decisions. Simply being visibly diverse is not, in and of itself, sufficient. That is not to say that it is not important, though, because people and communities need to see themselves reflected on boards as well, so it is important to that extent.

Going back to the 2022 code, something that I said was quite important but that I did not see much evidence of—I still do not—is boards and ministers taking positive action measures to encourage people from different backgrounds, and perhaps those with different protected characteristics, to apply. I have suggested that boards should go further. To be honest with you, I would love to see every board with a succession planning committee of its own, mirroring the good practice that goes on in the private sector. Are they reaching out to their communities? Are they running mentoring schemes for people who perhaps are not board ready at the moment but could be in the future? Are they running apprenticeship schemes? They could be doing all of these things alongside their current board work.

In the community outreach work that they are doing, are they helping people to understand that board membership could be an option for them? At the moment, most members of the public view all of this as quite arcane and separate from them, and not necessarily something for them, when, in fact, they could make a great contribution.

Colin Beattie: You want to tap into different pools of talent, but, over a number of years, the committee has had difficulty with the quality of the governance of boards. People with the skills and the willingness to do the job, frankly, are few and far between. How do we ensure that quality is maintained while still getting people from those diverse pools to step forward for the job? How do we maintain the quality? I say “maintain the quality”, but I mean, how do we get the quality up?

Ian Bruce: I am going to say something that I have said before—I hope that you will forgive me. Diversity on boards is not achieved by lowering the bar—that is a misconception. Merit is an overriding principle in the code of practice. People can and should be appointed only if they meet the selection criteria that have been set by the appointing minister.

I understand what you are saying about failures in governance. As I have said, I review the work of this committee regularly and it forms part of our briefing for the people who are going to provide oversight of the next appointment round for a public body. Whether it was the quality of

appointments that led to those failures is debatable. It would potentially be helpful to do some research in that area.

We do reach out to senior civil servants and public body chairs a year after the appointments are made. We say, “You planned for succession. You wanted to bring people on board who could do X, Y and Z, to make this contribution. They have been there for a year now. What difference are they making?” We are doing that research and sharing it with the Scottish Government, with a view to achieving continuous improvement.

Colin Beattie: The Auditor General has commented on particular issues in rural areas. How do you see those being tackled?

Ian Bruce: It is a challenge. At the moment, my influence is on an appointment-round-by-appointment-round basis, and that is an issue for us, which is why I am looking to refresh the diversity strategy. We now need to lift our heads, because quite a lot of the discussion is about the appointments process and whether it is delivering X, Y and Z. We collectively need to lift our heads. We face significant challenges in Scotland, and we are not going to address them by using the current system. There are national and regional issues that need to be addressed, and they are not going to be addressed on a round-by-round basis. I would welcome the committee’s views on things that the system could do differently in order to address regional issues such as the lack of people who are willing and able to put themselves forward, or who are considered suitable, for appointment in rural areas.

Colin Beattie: Are any boards particularly good at engagement?

Ian Bruce: Yes, some are, although I would hesitate to put anyone in the spotlight at this point in time. I would be happy to see whether there are any examples, because, when we get the reports from our public appointments advisers and from the chairs at the end of appointment rounds, there are quite a few who say that the level of engagement with the community was one of the factors in the success of the particular appointment round.

Going back to an earlier point, I would like to see more of that rolled out, to find out what precisely a territorial NHS board, for example, did that genuinely engaged the community in its area and delivered something different for the board on that occasion.

Colin Beattie: I was going to ask you what boards have done that is different and has enabled them to get a better result.

Ian Bruce: Any number of things have been tried in the past. Part of my frustration is in the fact

that they are not necessarily recognised and rolled out.

Going back a wee while, I remember that NHS Grampian had a really compelling publicity campaign, with board roles being advertised in public places—in the train station, in NHS waiting rooms and in other places where people congregate. The level of engagement was different, and the materials that were used were much more accessible. We saw that those measures made a significant difference to the number and diversity of people who put themselves forward.

Colin Beattie: It is a bit random, picking a public place and banging up a few posters and so on. You would think that they would be a bit more scientific about it.

Ian Bruce: That is a very good point. That is why we are asking people, at the end of the process, to reflect on what worked well and what did not. If you do not try new things, you are not going to have the evidence base to know whether something was good and you should do it again or whether it was not good and you should not do it again.

10:15

Colin Beattie: I will move on a little bit. The Auditor General's report highlights the turnover of senior staff in 2023-24 and 2024-25, with 12 new chief executives, including 10 new chief executives of territorial boards. In addition, more than 50 per cent of integration joint boards have reported a turnover in their senior leadership. That is a huge challenge. What process is in place to manage stability, and is it successful? You need synergy among the senior management to be able to run a successful organisation, and recruiting so many new people will obviously create, at least temporarily, a slight hiatus in the process. How can the appointment process ensure that the chairs and non-executives are able to provide stability during a period of leadership change?

Ian Bruce: That is a good question. It is problematic that there is such a high level of turnover. I mentioned earlier my recommendation, which I stand by, that boards should have succession planning committees. Clearly, my area of focus is chairs and non-executives, and I have no oversight whatsoever of staff appointments. However, if boards had succession planning committees, they could consider not only chair and non-executive roles but executive roles. I could see such committees having a role in doing that. It is about ensuring that you have a pipeline and processes in place so that, when senior leaders depart, others are available to step up and provide

cover through appropriate schemes of delegation and by upskilling existing staff.

For my part, on NHS chair and non-executive appointments, if the operational context for a board is that it has had significant turnover in its leadership team, I would expect it to be looking for someone to come in with previous experience of successfully managing a situation such as that, to bring their expertise to the board to assist it during that period.

Colin Beattie: That would require a lot of people with such skills to come in and cover for all those changes.

Ian Bruce: As the convener pointed out, boards should not be homogeneous and, when you are looking for someone new for a board, they do not need to have all the skills that the board needs overall. You perhaps need someone with a particular focus or a particular background to assist a board with a particular project or issue for a set period of time. Appointment periods are usually three to four years, although people can potentially be reappointed; therefore, if a board has a short-term issue, I see nothing wrong with it looking for a specialist to assist in the oversight for that period alone.

Colin Beattie: The high level of turnover among senior executives must create issues of stability and continuity, and there does not seem to be much in place to manage that.

Ian Bruce: That is not really my bailiwick—I am sorry to duck that. On chairs and non-executives, Scottish ministers can certainly come to me at any time to make a case for what is called a code variation. If a board is having particular continuity issues with a chair or NHS board members, we can make relatively short-term emergency appointments to ensure that continuity is in place. Although the code sets an eight-year limit on people serving on boards, that can be extended, with my agreement, to provide the continuity that boards need.

As I have said previously, I am all about ensuring the right outcome for boards and, once people are appointed, I am all about—as is, I trust, the committee—boards being able to do the best they possibly can given the circumstances that they face, which sometimes means varying the rules to allow continuity to be assured.

Colin Beattie: You mentioned reappointments and extensions. The code of practice requires that there is proper appraisal of a board member's performance and evidence that they continue to meet the board's needs. Are you satisfied that that process is robust enough?

Ian Bruce: I think that there is some variation, but that is simply based on anecdotal evidence.

We do not get many complaints and certainly none that I can recall in respect of a reappointment. Actually, no—I have received one, but it certainly was not in the NHS; it is in the public domain. It is very rare that we have complaints about reappointments. All that I can say is that reappointment is not guaranteed, but I think that there is some variation in the appraisals.

Colin Beattie: Is the process that the code of conduct requires robust enough for the job?

Ian Bruce: I feel that it is. Appraisal could perhaps be more robust than it currently is, and perhaps more consideration could be given to whether people genuinely meet the current and future needs of the board. Reappointment tends to be the norm rather than the exception.

Colin Beattie: Is there adequate analysis in the appraisals? You have presumably seen quite a few of them go past your desk. Is there enough analysis about a board's future needs and the ability of the person being considered for extension or reappointment to contribute to those needs?

Ian Bruce: That is a good question. The reality is that I currently do not provide direct oversight of those appraisals. You have made me think, though, and I will certainly take that away and think about running a thematic review on it. I was asked earlier whether I provide oversight of every shortlisting process, the answer to which is no. As with every other public sector organisation, my resource is limited, and I dedicate it to what delivers the best public assurance. I will certainly give some thought to whether it is appropriate that reappointments tend to be the norm and whether more thought should be given to that in the future. We will add that to our list of potential thematic reviews.

Colin Beattie: Is there a template for the appraisal process?

Ian Bruce: It varies across all the boards.

Colin Beattie: It is freehand, if you like.

Ian Bruce: My guess—this is conjecture on my part, and I am sure that, in the next evidence session, the chief executive of the NHS will be able to give you precise detail on this—is that, based on the way in which the NHS works, which is quite different from the other director general areas in which I operate, NHS boards probably have quite a sophisticated process in place, and it is probably relatively standardised. That is simply because of work that has been done such as “The Blueprint for Good Governance in NHS Scotland”. The NHS tends to be ahead of the game in comparison with other director general areas when it comes to the level of formality and so on, so I

imagine that there is probably something quite robust in place.

The Convener: I invite the deputy convener, Jamie Greene, to put some questions to you.

Jamie Greene (West Scotland) (LD): Good morning. My first question, off the back of the previous series of questions, is on the diversity of boards and public appointments. Mr Bruce, you will obviously be aware that, outside of this room, there is a much wider discussion and narrative on the use of diversity, equality and inclusion in public appointments, including those of board members and chairs. There is a large school of thought in either direction as to the importance or necessity of that.

I am not particularly asking for your view on the politics of all that but, as someone who has oversight of appointments to quite senior positions across 100-odd agencies, what is your view on that?

Ian Bruce: Diversity on boards is vitally important, but, to build on the answer that I gave earlier, we should not view diversity through the lens of protected characteristics. That is very important. Diversity is about different backgrounds, perspectives, viewpoints and types of experience.

I will lapse into a bit of a story at this point. In 2008, the previous diversity strategy was launched and, shortly thereafter, there was an international financial crisis, which we are still feeling the effects of today. I have been studying board governance for a long time—for 20 years. In the report that came out on the back of that disaster was an annex that was produced by the Tavistock Institute of Human Relations—it was that long ago. It spoke about the difficulties that arose from boards of non-executive directors of significant financial institutions who, basically, had lapsed into groupthink and, when you lapse into groupthink, you do not identify risks properly and so on. The paper is by Mannie Sher; I recommend it.

I have a genuine and deep understanding of the value of diversity, and I am hoping to engage everyone on this committee, members of the public, boards themselves and Scottish ministers in a conversation about what that should look like. It is not about tokenism; it is about ensuring that boards are properly equipped with all those different viewpoints to fulfil the role that they are appointed to fill.

Jamie Greene: That is interesting. There is a valid debate around how far one should go to ensure diversity; again, there is a spectrum of views on that. I am sure that other members around the table have sat on recruitment panels for public appointments; I have done a couple over the years, and there was little diversity among the

candidates that made it through the sifting process, yet there were good candidates who I felt would have added diversity due to not just their protected characteristics but what they would have brought to the table. People simply do not make it through due to the quite rigorous and specified points-based systems that we often use for such panels; they rule people out of the process early on, unfortunately, and I have not found that to be a good thing.

Ian Bruce: I agree. I do not believe in scoring. Scoring can only ever be a proxy for what is in front of you, and there is a level of subjectivity when it comes to assessing people. However, again, I am the guardian of fairness in this process, for want of a better expression, and once the criteria for selection have been set, it is simply not fair to other people to bring someone through because they appear to have some attributes that are attractive.

It is vital that, at the start, an awful lot of thought is given to what a board needs and does not need. Things have improved over the years—do not get me wrong. Diversity in terms of protected characteristics can only ever be an indicator. As I said, you can have a sex-balanced board without necessarily having lots of diverse views; protected characteristics can only ever be an indicator. I have seen lots of improvement and lots of different types of people being appointed over the years since I started in this field. The change has been incremental, but there has been a change.

The code is flexible; more thought can be given to person specifications; and, again, looking back at what did and did not work is always important. I love wash-ups. If you have the opportunity again in the future to be a panel member, why not ask for a wash-up meeting? Our people certainly encourage them. Panels can sit down afterwards and say, “We wish we could have appointed this person because they would have brought X, Y and Z. What was it about their specification that ruled them out?”

Jamie Greene: I can tell you: it was the points. These are live conversations, which I am sure happen with sponsorship divisions as well, among the recruiting people. If someone does not get more than 70 points, and someone got 69, they are shortlisted for the next stage, and I find that an odd way of doing it.

Ian Bruce: I constantly issue guidance to officials, but there has also been significant turnaround in the public appointments team, which is basically the centre of expertise. I have recently issued guidance that says that the code does not require you to score people; that is just a proxy. You do not need to shortlist—you can invite as many people to interview as you want. Those things are not necessarily well understood.

I am always available for a chat. If a panel has concerns that they will not get the best outcome, they can pick up the phone to me and I will happily have a chat with them.

10:30

Jamie Greene: That is very helpful, and I think that members of the Scottish Parliament might be first on my list of people to invite you to talk to. We have obviously had a lot of board members in front of us over the years and we have seen some of the most egregious failures of boards, particularly off the back of reports from the Auditor General, and they tend to fall into one of two categories. One is where there is a blurring of relationships between boards, chairs, executive management teams, the agencies that work for organisations full time, and the Scottish Government sponsors and civil servants.

The other category is where there has been a complete breakdown of those relationships. What proactive work do you do to look at those relationships? What have you identified in any work that you have done?

Ian Bruce: I will need to be relatively reticent about what I say here because, as the committee will be aware, the other part of my role is to investigate complaints about chairs and members of the boards of public bodies. I mentioned the fit-and-proper-person test earlier. In comparison with complaints about councillors, complaints about board members are relatively rare. In the past financial year, I think that there were 137 councillor cases and 15 board member cases.

The fit-and-proper-person test needs panels to ensure that individuals have not previously done anything incompatible with the body that they will be appointed to and that those individuals will commit to the principles of public life in Scotland and adhere to the code. Notwithstanding that, sometimes I get complaints and sometimes I can see that conduct has been inappropriate. In those instances, it tends to be the case that the culture of a body is not working in the way that it should, which picks up on your point about when relationships break down.

Again, I need to be reticent because I am not allowed to discuss live investigations. I share with public appointments advisers anything that is already in the public domain and say, “There are these issues and these tensions, and I think it is important that they are discussed when you are talking about who you are bringing on board.” There should also be a measure of honesty for the prospective candidates about what they are potentially walking into.

On cosiness, I do not get to see that evidence because it is not part of my role. Once people are

appointed, I have few opportunities to look at things unless they are going bad—to an extent, my work resembles the work of the committee in that way. I only get to see things when they are going badly wrong, which is not great.

Jamie Greene: Is that a problem for you? It seems like a reactive role rather than a proactive one. You have already identified some patterns of issues in the NHS around turnover and the failure rate for chair appointments, for example, and the issues that certain boards are having in recruiting board members and so on. You have, over a longer period, a nice wide view of that. Would you like the power to have a more proactive role in digging into investigations in the same way that Audit Scotland, if it so chooses, can do a report on a particular body? Would you like to be able to do the same?

Ian Bruce: How does one put this?

Jamie Greene: Would it be helpful if the commissioner was able to do that as part of its role?

Ian Bruce: I think that I step into spaces that may not necessarily be anticipated. I am currently doing research on incivility in public life, which is a good example, because I firmly believe that incivility is harmful to democracy and that that, in turn, is harmful to governance. That clearly applies to local authorities, this place and boards as well. I am here to provide assurance, but people will not be encouraged to apply for positions unless they feel that they will be treated fairly and that, when they arrive on a given board, they will be treated with respect and appropriately.

On the question whether I should be looking at whether the culture is too cosy or not sufficiently challenging once people are in post, I was recently in front of another committee that was looking at overlaps, and I think that we all want to avoid those. From my perspective, the Auditor General is doing good work in that area, so perhaps you could ask him whether he would like to have powers to look at things before they fall apart, although we may feel that he has sufficient power in that area already. I would not want to be fulfilling a role that is rightly for him.

Jamie Greene: Parliament has power to legislate in that area.

Ian Bruce: Indeed.

Jamie Greene: If there was an appetite or a need to give the commissioner's office more power, we could do so. Is there a gap in the market for somebody to look at these 100 public bodies and how to reduce the level of complaints that come in? In other words, is there a gap for someone to look at improving best practice before it gets to the stage where things are going amiss?

Ian Bruce: Yes—I am absolutely doing that already. I genuinely am.

To elaborate, I am not just doing research on incivility in public life. I am currently working with the Standards Commission for Scotland, the Improvement Service and Audit Scotland on horizon-scanning work that we started last year. I am also part of the Convention of Scottish Local Authorities round table on improving civility in public life, which has the involvement of many partners, such as the Jo Cox Foundation, the Standards Commission again and Police Scotland.

I am not simply reactive. I am being very proactive in that area, because I agree with you. Going back to what I said about my approach to my role, it is about prevention—it genuinely is. I do not want to be here in front of the committee saying, "That went wrong but I had been overseeing it," or, "I did not foresee that it might happen." That is not how I see my role.

Jamie Greene: Please do not take the next question as a difficult one, because I do not want to breach any confidences in your work, but how many complaints against board members—there will be nearly 800 people in this space—have you dealt with over the past year, and how many live cases are you working on? Are you seeing any common patterns or themes emerging from the nature of those complaints—again, without mentioning the specifics of them?

Ian Bruce: In the past financial year, the figure was around 15. I cannot give you the live figure at the moment, because that is constantly changing. We get complaints in all the time. Some complaints turn into cases if they are admissible and others do not. I am aware of at least two at the moment that I would classify as significant and unanticipated, to be honest with you, with regard to a board. I can say no more than that about those particular cases.

Jamie Greene: Do you report on those? Are they a matter of public record?

Ian Bruce: Yes, they are. All my reports go to the Standards Commission for Scotland, which has three options. It can direct for further investigation, hold a hearing or do neither. The last public body hearing that it held was in respect of the Crofting Commission, when a board member was deemed to have acted inappropriately.

I was aware of that complaint going on at the same time as I was aware that there were some governance issues at the Crofting Commission. I understand that I am in a very privileged position. It just so happens that, because of the way legislation is written, I need to be reticent about what I can and cannot report while these things are going on.

As for your last question, incivility in public life is on the rise, and that is the thing that most complaints that come to my office are about. Rates on that are currently sitting at about 60 per cent. It is a worry.

Jamie Greene: Is that people behaving inappropriately in the public sphere in their language or the treatment of staff?

Ian Bruce: It is a mix. Yes, there is inappropriate behaviour in the public sphere. There is no question but that social media is driving some of it up, but some of it is in person.

Jamie Greene: That is quite worrying. My last question in this session—and indeed the next one—is on NHS boards. Do you have any current emerging concerns about behaviour in boards or the quality of board members? We are trying to get as much out of you as we can about the state of the NHS in Scotland.

Ian Bruce: No would be the fair answer. Again, as I do, you see things when things go wrong. There are a lot of NHS boards out there and they are genuinely doing magnificent work. From the complaints that I receive, I do not get the impression that there is an issue either with individual boards or more widely. I could be wrong, but I can only base what I tell you on the evidence that is before me. We work closely with the Scottish Government and perhaps most closely with the NHS, because that is where most of the appointments are. Collectively, I think that we are keen to deliver the very best that we can for the people of Scotland.

Nothing shouts out to me at the moment. We all know what happened in NHS Highland, where there was basically a collapse in culture. I am not aware of anything like that that the committee ought to be aware of.

Jamie Greene: If you have an NHS board that has financial governance issues and is in the red, or has performance or operational issues—if, for example, it is not meeting any of its clinical targets or has high turnover or other issues of governance—do you have to wait on someone complaining to you before there is an investigation into that board? To me, there are clearly situations where the board has a direct level of accountability for overseeing all of the above, and there are clearly failures in many of those areas—we look at them weekly.

Ian Bruce: I understand that. Again, I am not trying to shrink my role, but it is not for me to look at board governance. Complaints come to me when governance failures turn into something else. To use a simple example, if there is not sufficient money, board members with different interests may start to become discourteous and disrespectful to each other because, in effect, they

are fighting their own corner and tensions at the top can trickle down. Why do we have whistleblowing champions in every NHS board? They were introduced for a reason.

Issues and inappropriate culture at the top clearly trickle down, and when that happens, people come and complain to me. Complaints can come from a relatively junior staff-member level, but they also come from the executive level.

Governance is not in my sphere of influence, apart from when it comes to succession planning and ensuring that boards have what they need to face the circumstances that they face.

The Convener: Thank you very much. I will now turn to Keith Brown, who has a final round of questions to put to you.

Keith Brown (Clackmannanshire and Dunblane) (SNP): I am conscious of what you were saying earlier about the development of scrutiny of public appointments. Back in 2007, when I was first elected to the Parliament, a separate committee of the Parliament dealt with public appointments, and I think that I became the first convener of the then Standards and Public Appointments Committee, which joined the two functions together. Since then—I spent a decade of the intervening time making ministerial appointments—the role with regard to public appointments has hugely expanded, as has the role with regard to audit. It is a bit of a chimera that that is all down to ministers. Ministers' freedom of choice is fundamentally limited, not least because of the code of conduct and the various things that you ask them to do and ensure are done. However, that is also due to the nature of civil servants who, perhaps naturally, will tend to focus on like-minded people. They are the ones who will draw up the shortlist by and large, although I concede the point that they will ask ministers for suggestions.

Given all the rules around appointments, to what extent is the environment in which ministers are being asked to operate in order to make appointments now counterproductive? As Jamie Greene mentioned, the freedom to take account of diversity is much more constrained now, because the candidate has to fit the model. Furthermore, we are operating in an environment in which the failure rate to appoint in the first round is 25 per cent.

Consideration of diversity in public appointments must include the ability to look from outside, to be objective about it and to think afresh. To what extent have you looked afresh at the impact of what you do in the appointments process?

10:45

Ian Bruce: There have been several iterations of the code of practice, and the 2022 version is the most flexible that it has ever been. If there is an issue with what ministers are getting, that is highly problematic, and I would be more than happy to engage with any Scottish minister to have a proper discussion about why the process is not delivering for them. I absolutely understand what you say in terms of civil service involvement and so on, but there are views on the rules—that is, about how things need to be done according to the code of practice—that are, frankly, inaccurate.

The 2022 code was designed entirely to deliver the right outcomes. When I talk about outcomes, I am referring to the outcomes being what the minister wants. If that is not delivered, those civil servants work for Government and they are answerable to it for why they have failed to deliver what Government wants.

I am saying publicly that I will speak to any Scottish minister, or to the Scottish ministers collectively, if they have concerns about the system, because, if it is not working for them, it is not working. However, that certainly cannot be laid at the feet of my office, and I am happy to enter into constructive dialogue to that effect.

Keith Brown: The point that I am making is that civil servants are absolutely assiduous at making sure that they comply with the code and that that might be an issue in itself. I was not making the point that feedback from ministers might inform some further thinking. How have you sought to ensure that you have looked at the issue as much as you can from outside? If the environment is such that there is a 25 per cent failure rate—there are other challenges—we are not getting this right.

I should say that the view of ministers, certainly when I was in post, was that your office is co-operative and is pragmatic in applying the rules. However, is the environment such that the freedom to get less conventional candidates even on to a shortlist is being nullified?

Ian Bruce: As I said earlier, you can interview as many people as you want. If you want an unconventional candidate, ask for one. I am sorry to be simplistic about it, but if you are the minister and you want something different, say to the civil servants, “This is what I want this time,” and then it is up to them to deliver. That is the way that it is meant to work.

Keith Brown: You gave an example about singling out a candidate for being non-meritorious. Nobody wants to get into that situation. It is not good for the candidate, either.

I have a separate point on NHS appointments specifically. You might not want to answer this

question, and I would understand why if you did not. Is the proliferation of NHS boards part of the reason that we struggle to fill all of them with the right calibre of candidates all the time?

Ian Bruce: I do not have the evidence to give a proper answer. Anything that I say in that area would be pure conjecture.

However, I can refer to the diversity strategy, which I have already mentioned. We all need to lift our heads up and look more widely. Public sector reform needs to happen—regardless of your political persuasion, we are all on the same page in that regard. You mentioned the number of boards. Clearly, a number of positions are attached to that. We are talking about fewer than 800 people across Scotland. Scotland has an awful lot of talented people. It is debatable whether or not the people are there; people's willingness to apply might be a different aspect.

One workstream within public sector reform is looking at overlap and at whether there is scope for rationalisation. If that, again, is the will of the Government of the day, I have already said that I will work co-operatively with that Government to ensure continuity, to keep the ball rolling and to continue to provide governance while the necessary changes are made.

Keith Brown: If we are agreed on the fact that there is more than enough talent to fulfil all the roles, something is happening, given the failure rate and the inability to appoint to the positions as and when required. That would suggest that something in the system is not allowing us to tap into that talent.

On your point about our needing to step back and look more widely, have you drawn any comparisons with what happens in Wales, Northern Ireland or England in relation to those issues?

Ian Bruce: The Administrations have diverged significantly and so has regulation of them since this office was established by the Public Appointments and Public Bodies etc (Scotland) Act 2003. I have links with those different offices. Last year, I was asked to speak at the boardroom apprentice programme for England and Wales, because there were some Scottish participants in the south.

I can go only on anecdotal evidence with regard to England, but the impression that I get is that the public do not necessarily trust the system, because there is so little assurance. Perhaps it has moved too far in a particular direction. Ministers might have more flexibility in that system, but there are questions about whether it is delivering the ideal candidates for them and for boards.

Wales is currently governed by the Public Appointments Commissioner for England and Wales. The Senedd sent a committee to speak to me about the model that we have in Scotland. They were persuaded that that would be the right model for Wales because, from their perspective, it is delivering. Do not get me wrong: I am not saying that things work perfectly here—every system is always capable of improvement—but that was the committee's recommendation and the Senedd is now pursuing that as a course of action. They liked what they saw in Scotland, and they would like to take it up themselves.

Keith Brown: It would be really useful to compare neighbouring countries. That should be more than what you are able to say about the links that you have with elsewhere. There is a need to look at performance and at the issues that are faced, not just in this area of appointments. That seems to be an obvious piece of work that would be useful.

Also, I agree that we are often the last to see the merits of the things that we do here in Scotland. We tend to concentrate on the problems.

My last question is about what you have been saying about incivility. That is a huge issue. We had a situation last week in Parliament where the refusal to accept an amendment to a justice bill has resulted in a number of members being accused on social media of favouring child rape. That is how bad it is getting here now. Many members have cameras and police patrols around our houses these days because we have received death threats and so on.

I agree with you that incivility is a present problem, and I was interested in the work that you are doing with others in that regard. It is important that you speak up publicly about it. That would not be to say whatever I want you to say but to say what you found. I have a view that perhaps part of the reason that people do not come forward—I think that you alluded to this—is that they have seen how people in public roles can be treated. Unless people and trusted actors like you also speak up about the situation and not just those who are affected by it directly, such as members of boards, Parliaments and councils, it will be hard to turn the tide.

Ian Bruce: I absolutely agree. I have been doing that and I intend to do more of that. Our next quarterly all-staff team meeting is for us to discuss collectively how we might use more channels to try to get some of those messages across to people.

I am sorry to be changing tack slightly, but you mentioned comparisons with the system here. If you look at our state of the nation report, you will see that research has been done on all sorts of

comparisons not just in relation to the UK but internationally. You can see how we fare against others.

Keith Brown: Thanks very much.

The Convener: Thanks very much, indeed. I am conscious that we have run slightly over time, but it has been a really useful session for us.

Once again, I take the opportunity to thank you, Ian Bruce and Melanie Stronach, for your evidence this morning. It has been a very useful illumination of some of the points that were drawn out in the Auditor General's spotlight report.

There are a number of areas that you promised to follow up. As you said, Mr Bruce, giving evidence to a parliamentary committee is a point of reflection for you. You might share some things with us in a material fashion and you might share other things with us in a more spiritual fashion in the future.

Ian Bruce: Thank you very much for the opportunity to be here, everyone.

The Convener: I suspend the meeting to allow for a changeover of witnesses.

10:55

Meeting suspended.

11:00

On resuming—

The Convener: Welcome back to this morning's meeting. Still under agenda item 2, I am pleased to welcome three witnesses from the Scottish Government. We are joined in the committee room by Caroline Lamb, who is the director general for health and social care and the chief executive of NHS Scotland. Joining us remotely is Fiona Bennett, who is the director of public health finance in the Scottish Government. We are also joined in the room by Christine McLaughlin, who is the chief operating officer and deputy chief executive of NHS Scotland. Before we go on, Fiona, can I check that I got your job title correct?

Fiona Bennett (Scottish Government): Hi. I am the chief finance officer for health and social care in the Scottish Government.

The Convener: That is fine. Thank you very much indeed. We will direct questions to you, director general, and you can decide to bring in Christine McLaughlin and Fiona Bennett as appropriate. Before we get to our questions, I invite you to make a short opening statement.

Caroline Lamb (Scottish Government): Thank you very much, convener, and thank you for the

opportunity to speak today in response to Audit Scotland's report.

Strong governance is central to delivering a sustainable, high-performing health service that meets the needs of the people in Scotland. I welcome the continued scrutiny and constructive challenge that Audit Scotland provides. I particularly welcome that the scope of this report considered not just how effectively the governance arrangements in the NHS are supporting scrutiny but how they are supporting reform across the health and care system.

As you know, we published "Scotland's Population Health Framework 2025-2035" and our "Health & Social Care Service Renewal Framework 2025-2035" just a month after the publication of the report, so its key messages and recommendations have been particularly timely. The service renewal framework sets out a bold, long-term strategy to transform how care is planned, delivered and experienced across three horizons: managing immediate pressures, innovating for the future, and creating the conditions for fully transformed services. Its five core principles—prevention, people, community, population and digital—are fully aligned with our governance reform agenda. The service renewal framework has been welcomed by stakeholders and local delivery systems and will provide greater certainty and enable more effective collaboration.

The NHS Scotland executive group, which was established last year, is already helping to drive system-wide leadership and shared decision making. However, we recognise that there is much more to do and, as we stand up our structures for delivering the service renewal framework, we are considering how our non-executive directors can provide scrutiny in addition to the mechanisms already in place through forums such as the health and social care assurance board.

We also recognise that the governance and planning landscape is complex. However, the statutory framework under the National Health Service (Scotland) Act 1978 provides a clear legal foundation of accountability. NHS boards constituted by ministers are distinct legal entities, responsible for service delivery within the parameters of Government policy.

We have already made progress. In June, we published a refreshed model framework document for territorial boards, which strengthens the sponsor relationship and clarifies roles and responsibilities between the Scottish Government and all 22 NHS boards, bringing greater consistency across the system. Although "The Blueprint for Good Governance in NHS Scotland" remains a high-level guidance document, we recognise the need for stronger operational support and external validation of self-

assessments, so we are actively exploring options to promote consistency and shared learning across boards. Our future support will place greater emphasis on innovation, reform and collaborative governance.

As part of the service renewal framework, we have also committed to an NHS accountability review to help to clarify national priorities, strengthen performance oversight and empower leaders to act with confidence. It is about creating the right environment—one that encourages innovation, responsible risk taking, better data sharing and cross-organisational working.

Audit Scotland also notes the risks that may arise from the combined nature of my role as director general for health and social care and chief executive of NHS Scotland. Scotland is not unique in this. Equivalent arrangements exist in Wales and Northern Ireland. In March this year, Wes Streeting announced the integration of NHS England with the Department for Health and Social Care, commenting that its previous separation had caused duplication of responsibilities. However, of course, there must be clarity of responsibilities and appropriate and transparent scrutiny of the discharge of my responsibilities. As Audit Scotland notes, non-executive directors have a role here to enhance the oversight of performance, risk and financial management that is already built into the overall Scottish Government governance structures.

In conclusion, convener, we are keen to use this report and to continue to work with Audit Scotland to ensure that our governance arrangements fully support the ambitions set out in the service renewal framework and the population health framework, providing the strategic direction and coherence needed to deliver a more sustainable, person-centred and community-focused health and care system. I look forward to answering the committee's questions.

The Convener: Thank you very much indeed. I will begin with a fairly stock question, which I am quite sure that you are expecting. Do you accept the findings and the recommendations that are contained in the report?

Caroline Lamb: Yes, we accept the findings and recommendations, and we are actively working to implement those.

The Convener: Five are exclusively targeted at the Scottish Government, and three are targeted at the Scottish Government, along with NHS boards, territorial and otherwise.

Will you tell us a little bit about the progress that you have made? The report came out in May; we are now five months on. We will go into some detail on the recommendations, but will you give us an overall picture of where you have made

progress and how you have been able to implement each of the eight recommendations?

Caroline Lamb: Yes. As you know, the first recommendation is around the operation of the NHS Scotland executive group. A particular recommendation was to refresh the framework document, which we completed and issued in June. I can say a bit more on the NHS Scotland executive group—or you might want to pick that up in questions.

The Convener: We will have questions about some of that.

Caroline Lamb: Okay—I will not cover that now.

On the learning and evaluation framework, as I have said, we are still at a relatively early stage in setting up our overall structures for delivering the service renewal framework. We are absolutely looking at how we evaluate the outcomes of that along the way.

We are looking at how we can engage non-executive directors across the governance groups. I can say a bit more about the groups and how they have been set up to reflect how the frameworks were developed.

We have looked at our sponsorship arrangements. We have made some clarifications to those through the new framework arrangement that has already been published, but we will continue to keep the sponsorship arrangements under review, particularly in looking to ensure that we take a whole-system approach to how we review the performance of different aspects of the system.

As you know, we changed the remuneration for non-executive chairs and appointments. We are still in the early days of that, but I am sure that you will have questions about how we attract and recruit chairs and non-executives.

On our work with boards, boards have specific responsibilities for engaging with their local populations and looking to work with underrepresented groups. We are continuing to look at that. We have now established the national care service advisory board, which deliberately brings in the voice of lived experience into an advisory role, and we are ensuring that that fits into our overall governance.

We are also looking at the mechanisms whereby we will review the blueprint for good governance, but also at the external validation of that, and we have been using the healthcare governance advisory board to provide us with some initial input into the mechanisms by which we might seek to do that. As I recognised in my opening statement, we are keen to ensure that the next iteration of the blueprint for good governance

provides more operational clarity. Have I missed anything there?

The Convener: No, that was a pretty comprehensive starter. That was a really useful introduction. As I said, members of the committee will have more questions in each of those areas.

I want to ask you about the population-based planning approach. In the report, the Auditor General concludes:

“Scottish Government have yet to confirm how this population-based planning will operate.”

Where are we, then, with how that way of planning health services is being developed? What stage are you at with that?

Caroline Lamb: One thing I would say is that planning on a population level is not entirely new. We already do that for a number of services, and we have established mechanisms for doing it, particularly through the way in which we use NHS National Services Scotland.

The ambition set out in the SRF was intended to take that a bit further. As I have already referenced, we also signalled a review of NHS board accountabilities and, through the summer, we have been working to establish how we might plan differently and to reinforce the process of collaboration across boards.

We expect to be in a position to issue information on where we have got to with that relatively soon. I would be happy to write to the committee once we have got to that point.

The Convener: To summarise your answer to that question, you still have yet to confirm how this will operate.

Caroline Lamb: I might ask Christine McLaughlin to come in on how we have been working with the boards, particularly around planned care.

So far, we have been working within the structures that we already have and have been pushing those a bit further away from just mutual aid being offered to boards to being more deliberate in how we seek to use resources across the whole of Scotland and blurring the territorial boundaries so that we ensure that people across Scotland are getting the same or equivalent service. We have been learning from that process.

We are now thinking about how we can plan our activity, particularly as we go into the 2026-27 planning cycle, and how we would approach that differently. That will require different guidance, which we have been working on through the course of the summer. Christine, do you want to come in on that?

Christine McLaughlin (NHS Scotland): Yes. The guidance that relates to the report was issued in November 2024. It was specific about the duty to collaborate and to plan on a population basis.

That was taken forward initially through a number of specialties, such as vascular medicine and oncology, for example. Work has been taken forward in about six specialties on a population basis, with a strategic needs assessment for the whole of the country. The national services division within NSS is leading on that planning work for a target operating model across the whole country. There has been progress since that letter was issued to the service for those specific specialties. Some work has concluded. Vascular is a bit further on, and work in other areas is still in progress. There has definitely been progress in the first stage, and we can provide more information on that if that would be helpful.

As Caroline Lamb said, the service renewal framework takes us further in our ambition and what we would do there. We have specific examples of Scotland-wide population-level plans for specific specialties, but not for all specialties.

The Convener: If you could give us that by way of follow-up, that would be useful to us.

The other area that I wanted to touch on before I bring in other members of the committee was—you spoke about it in your opening remarks and then in answering my first question—the NHS Scotland executive group. You will be aware that, when we took evidence on 11 June, Alison Cumming from Audit Scotland said:

“our objective assessment is that it can be difficult to make decisions when large numbers of people are around the table”.—[Official Report, Public Audit Committee, 11 June 2025; c 11]

How do you respond to that?

Caroline Lamb: I think that it is not so much about the number of people around the table as it is about their shared intent. The NHS Scotland executive group includes all our NHS boards and some members of my directorate, so it is a large group but not an enormous one. The group is also focused on ensuring that it has mechanisms that sit below it as a structure where work can be conducted and we can engage clinicians and others as necessary in the recommendations that come forward to the executive group.

11:15

The executive group has been established to support us to work more collaboratively across NHS Scotland. One challenge—maybe this is what Alison Cumming was referring to—is that there can be circumstances in which groups come together and agree that something is the right

thing to do in principle but it is then hard for people to implement it and make it happen in their boards. We have been clear in the terms of reference for the NHS Scotland executive group that it is there to make decisions that apply particularly to things that should be done on a national or once-for-Scotland basis, and that there is then a feedback loop. It is the responsibility of the NHS chief executives on the group to make sure that their boards are fully briefed about what is being discussed, and then to take those decisions back into their boards. If the boards have concerns about the implementation of those decisions, there is a feedback loop back into the NHS executive group to ensure that we pick up and resolve any challenges to actioning the things that we have agreed collectively should be actioned.

The group has been looking at the implementation of business systems across NHS Scotland. Substantial progress has been made in that process through having the group, taking an approach of genuinely working together and having feedback loops, which are important.

The Convener: How many people are on the executive group?

Caroline Lamb: In terms of the people who sit around the table, all NHS boards are represented—

The Convener: How many people?

Caroline Lamb: That is 22, plus probably about five from our directorate.

Christine McLaughlin: Maybe up to 30.

Caroline Lamb: Thirty is probably the maximum.

The Convener: Again, just to understand, are you saying that it is an NHS Scotland executive group or that it is an NHS Scotland group of executives?

Caroline Lamb: We call it the NHS Scotland executive group. It includes all the chief executives plus directors from the health and social care directorate.

The Convener: But is it a decision-making body?

Caroline Lamb: Yes, it is a decision-making body on behalf of NHS Scotland about the actions that need to be taken to deliver against ministerial priorities.

The Convener: We may probe into that a little bit more as we go along in the session. I will invite Keith Brown to put some questions to you.

Keith Brown: I did not really expect that, but there you go.

The Convener: Life is full of surprises, Keith.

Keith Brown: In what you have talked about, you have referred a couple of times already to accountability. If the public watch First Minister's question time every week—I am sure that you will have to do that as well, whether you want to or not—all that they will see is questions being put to the First Minister, quite legitimately, about issues in the health service. Where do you think they see the accountability of 22 different health boards? Do they see that at all, or do they see it as the Government being responsible?

Caroline Lamb: It is very hard for me to comment on what the public see as the accountability for health boards but, clearly, territorial NHS boards are responsible and accountable for the delivery of health services in their geographical area, and the national boards have different functions. If a member of the public has a concern about the quality of healthcare or about anything relating to their healthcare, their first port of call is the NHS board that delivers services in their area. We expect NHS boards to deal with issues as they arise and to provide the information that enables local people to understand how those services are being delivered.

Keith Brown: It is just that, in my experience, if somebody has an issue with a health board or with health services in their area, the last people they go to will be the health board. They might access the complaint system, or they might go to councillors or MSPs, but the health board does not feature. Unless it is something like the closure of a hospital, the health board does not feature at all. That is my point. Is the health board a needless layer? I suppose that it is difficult for you to comment on this, because it is down to Government policy, but does the current configuration of 22 health boards, a number of which the public do not even know exist, add to accountability in any way?

Caroline Lamb: It is important that the public are able to go to the local leaders of their health services and be able to get a response from them. I do not have the data in front of me—we can certainly get it—but we have patient opinion metrics that enable us to see and enable health boards to see what patients think. People can go online and can comment on the quality of the health services that they are getting, whether that be positive or negative, and that is a pretty well-used service.

I question whether most people do not know who their health board is. The health boards are pretty well established in their territorial relationships. It is important that there is local accountability for the local delivery of services, as well as ministers being held to account for the

national policy within which local boards deliver services.

Keith Brown: I am not sure that it is my experience that people know that. They might know the name of the health board. In my area, they would know that it is Forth Valley NHS Board because the hospital is called Forth Valley hospital; that is probably why they would know that.

You said earlier—I forget how you termed it—that there is an attempt to make sure that the standard of service that people receive across the country is the same. That is often called for in relation to local government, which ignores the fact that there are 32 different mandates in local government but that is not the case in the health service. If you are trying to achieve, quite reasonably, a standard level of service for everybody across the country, is that not another negation of the idea that we need to have 22 health boards?

Caroline Lamb: What we have done consistently over a number of years now is ensure that we have mechanisms whereby we can identify variations across the country and, where local systems have access to that data and can investigate those variations themselves, we absolutely expect them to do so. I guess that it is less about the number of organisations and the structures; it is about the processes that we have to identify differences.

Also, I talked about blurring boundaries across territorial boards earlier. That is important in terms of the work that we have been doing to make sure that the resources that we have across Scotland in our health care system are being used to maximum effect. You will be aware of the work that we have done around national treatment centres, but the work that we have been doing recently goes further than that to ensure that we use the resources that we have across Scotland to provide the timeliest treatment that we can to people across Scotland.

Keith Brown: How would you justify the blurring as opposed to the elimination of boundaries? Why is blurring the right way to go?

Caroline Lamb: As I have said, we are working within the construct that we have. We are focused on ensuring that services are delivered in the best way possible and, where necessary, blurring those boundaries rather than making wholesale organisational change, which tends to involve a huge amount of disruption and potentially taking the eye off the ball in relation to delivering the services that people need.

Keith Brown: My last question is about comparative evidence. What comparisons do you carry out in various areas? The obvious

comparisons would be with Wales, Northern Ireland and England. We have talked about it in relation to attracting the right number of candidates to go on to NHS boards. What are the lessons that could be drawn from what happens down south? Apparently, as we heard earlier, the lesson to be drawn in Wales is to do what Scotland does. What comparisons do you do with elsewhere in the UK to give yourself a sense check of the issues and how well you are dealing with them, particularly in relation to staffing and getting the right personnel in?

Caroline Lamb: We have a number of sources of information. We could look at the data that is published across all the UK nations and compare how Scotland is doing against those. At an individual policy team level, our health workforce team engages regularly with the workforce team in the Department of Health and Social Care to understand what our profile looks like and whether we are facing similar challenges or whether there are quite different challenges and the extent to which those are driven by different geographies.

We also meet as a four-nations group to discuss the key challenges that we are all facing and to share intelligence and ideas and things that different nations are doing to address those issues. Quite a lot of engagement goes on.

Keith Brown: Would you say that it is systematic?

Caroline Lamb: I think that it is relatively systematic in relation to the published data, because we get asked questions about what is happening on different things. That team-to-team engagement will always depend on how good those relationships are. They are pretty good at the moment. I would say that they are pretty strong.

Keith Brown: If it is not too much of a surprise, I will hand back to you, convener.

The Convener: Thanks very much, Keith. I turn to Colin Beattie to ask some further questions around the Audit Scotland report.

Colin Beattie: Thank you, convener. I would like to touch on a couple of areas: the new framework and sponsorship arrangements. The Government introduced a model framework that has helped provide better clarity between the Scottish Government and territorial NHS boards. That has been mostly welcomed. In the case of individual NHS boards, is there a conflict between national strategies and targets, and local priorities and deliveries, and how is that bridged?

Caroline Lamb: There should not be a conflict with national strategies and targets. In the whole process that we went through of engaging with our health board leaders and wider system leadership

in order to develop the population health framework and the service renewal framework, nobody was disagreeing with the general direction of travel and the priorities that we were articulating.

We try to ensure that local priorities can be managed alongside those, because there will be different priorities and different nuances of priorities according to the demographics in a particular area. The integrated joint boards have a role in that they will have a detailed strategic needs assessment of what is required locally. We try to manage that to ensure that there is not a particular conflict.

Colin Beattie: How do you physically monitor that to make sure that there is no conflict or divergence?

Caroline Lamb: We have available to us a huge amount of data that we use for monitoring purposes. We use that data to monitor what is happening against the national targets, but we can do that on a board-by-board level as well. We see the national picture and then we see what is happening at a board-by-board level.

We also have regular engagements. Christine McLaughlin can talk about the engagement that we have with boards to understand where there are any challenges, which might arise for a variety of reasons but might be down to a slight difference between national and local priorities.

Christine McLaughlin: The framework document sets out the planning and delivery cycle. There is a clear commission from the Scottish Government to all the boards. They will plan local service delivery against that and then there will be in-year performance reviews. I will be kicking off in-year reviews with each of the boards over the next few months to understand where they are with progress. That is where we get the understanding of how a board will implement the clear national direction.

A good example this year is the operational improvement programme, which has 17 actions. All boards report clearly in their own governance structures on their progress against each of those 17 actions. Then we can report through to Caroline Lamb and into the executive team and the Government on that. We probably have more clarity on that than we had in previous years, because those documents have been agreed on behalf of the whole of the country.

There can still be local variation in the speed at which boards are implementing things. The implementation of a theatre scheduling tool, for example, is dependent on the readiness of individual boards. The main thing for us is to understand that and be comfortable with the variation in boards, knowing that we will get to the

end point that we need everywhere. That is the balance in how we take it forward.

11:30

Colin Beattie: Would you say that the framework helps with aligning national policies and local planning?

Christine McLaughlin: It has been clear this year that there is very strong alignment. The executive group, which Caroline Lamb talked about, now has a clear change in the structure on the agenda. We have a section on areas to do with the operational improvement plan, the population health framework and the service renewal framework. The chief executives also have their own work plan for the year that covers all those areas so that they can report back to us on progress. It feels to me that we have strengthened the position over the past year.

Colin Beattie: I move on to the slightly more difficult area of sponsorship. The committee has come across sponsorship failures again and again in various areas of the public sector on which we have received reports from the Auditor General. How is the sponsorship system working? Does it have adequate oversight of the individual boards? How does that relate to the interventions and escalations that have been taking place?

Caroline Lamb: In health, the relationship between the department and the delivery system is much closer than it may be in some other areas. Christine McLaughlin described the planning and delivery cycle. As she said, we are clear about what we need boards to deliver and we have robust systems in place to ensure delivery against that in terms of both performance and use of resources. We have well-established arrangements. They can always be strengthened, and the publication of the refreshed framework has been a part of that, but we are clear about the roles and responsibilities.

There is also regular engagement. There is a regular cycle of reporting from the boards into the Scottish Government. We speak to the boards regularly, not just through the meeting structure that you have heard about but through regular engagement when issues arise.

Over and above that, as you referenced, we have the support and improvement framework, which is designed to be clear and transparent on the points at which we will trigger an escalation and the support for improvement that accompanies that to support boards. The whole point of the support and improvement framework is to enable boards to get de-escalated and out of that framework.

Colin Beattie: In the Auditor General's report, he is fairly clear that sponsorship arrangements have not been applied consistently and that some boards are reporting closer relationships than others. I guess that that is code for saying that, in some cases, the relationship is not working so well.

Caroline Lamb: There has been a difference in the approach to sponsorship relationships between the national boards and the territorial boards. That is because the national boards tend to sit in different policy areas in the Scottish Government. For example, NHS Education for Scotland is sponsored by the health workforce area. The territorial boards have noted that it has sometimes felt as if the national boards have a closer sponsorship arrangement than the territorial boards. We have been seeking to address that in the framework, but also in how we continue to develop our sponsorship arrangements.

Christine McLaughlin: I have been in post for four months, and that area sits within my responsibilities. It needs to keep evolving with the circumstances that we have. The framework is a really good, clearly set out description of roles and responsibilities and there is no doubt that it will help us going forward.

I mentioned earlier the in-year reviews with all the boards, and you will know that we have annual reviews with them as well. As well as those mechanisms, there are day-to-day conversations across the whole system. Over the past year, we have introduced regional meetings that the cabinet secretary chairs every month. In the north, east and west regions, the chief executives come together for a discussion with the cabinet secretary on how they are collaborating as a system.

Sponsorship therefore has quite a few different layers. We do not do just one thing. As well as the procedures, there are day-to-day conversations. On any given day, I will speak to a number of boards on different issues, as well as the formal meetings that we have. If I was to read the same thing in a year's time, I would be concerned, because I hope that what we are doing now gives us really good coverage across the country.

On whether the executive group is too big for it to be effective, I note that having everybody round the table means that nobody is left out. Part of the reason for setting it up was to make sure that everyone had a voice.

I do not recognise that right now. It does not feel from my engagement with the boards as if it is disproportionate across the country. It is very much about particular issues and challenges across the country, and I engage with boards and

chief executives on things that are priorities for us every day.

Colin Beattie: You seem to be disagreeing about the inconsistencies in sponsorship arrangements.

Christine McLaughlin: I am not disagreeing personally; I am just saying that, since I have been in post, I have been working really hard to be consistent and have coverage across the whole country. I am sure that comments were made to the Auditor General. I would like to pick up on that and understand them in a bit more detail. I am just saying that I am seeking to improve on that position right now.

Colin Beattie: Do members of the sponsor team sit in on board meetings at territorial level?

Christine McLaughlin: We do not do that routinely for every board meeting. When there are particular issues or a board is escalated, we will have more engagement with the board than we do routinely. The team is also involved in all the preparation for in-year reviews and annual reviews with each board.

Colin Beattie: If they attend board meetings only intermittently, how do they keep up to date with what is happening? What is the line of communication?

Christine McLaughlin: As I said, we will be more engaged with boards that are at stage 2, 3 or 4 of the escalation framework, but a lot of work goes into the preparation for both annual reviews and in-year reviews. We also have the monthly regional discussions. The sponsor team works with all the boards on preparation to understand the situational updates for each board as we go.

Colin Beattie: What you are saying implies that the sponsor team is there only if there is a problem, as opposed to engaging and helping before the problem comes to light.

Christine McLaughlin: The sponsor team is one part of co-ordination. All the teams across the DG will engage on policy and performance in their particular areas. The teams that deal with waiting times or unscheduled care engage every single day with their counterparts in the boards. I would not want you to think that it is only the sponsorship team that engages with boards. Discussions go on across all the policy areas, whether they are in primary care, elective care or mental health. That all happens very regularly across all the teams.

Colin Beattie: Where I am coming from is that, in a number of cases across the public sector, there has been governance failure that seems to be linked consistently to sponsorship not being as effective as it should be and to a lack of engagement. I realise that lots of different parties are involved and that the NHS is a complex beast,

However, if the sponsorship team only engages or focuses on where there is an issue, how does it act as a tripwire to pick up problems, give guidance and advice, and have the input that would help to get past that so that it does not appear as an exception to the Auditor General?

Caroline Lamb: As Christine McLaughlin said, we engage with boards on multiple levels. She talked about the work that the teams in her area do, and our workforce team regularly engages with boards, as our mental health team does. We have a huge amount of data that we monitor to see trends and variations. We are never complacent about any of this, but we are well placed in having that overall system.

I will give an example. We have weekly data coming through on performance in many areas. People review that weekly and, as Christine said, they talk to their counterparts in the boards to understand what is happening on the ground. We are reasonably well placed in operating a system of no surprises. I note again that we continue to refine those processes and look at the areas that we might need to spend more time on.

Colin Beattie: But the feedback from the smaller NHS boards seems to be that they see the sponsorship relationship as not being as good as it should be.

Caroline Lamb: As Christine McLaughlin said, we are doing what we can and we are very focused on improving that. There have been differences in the past, with what has been felt to be a more holistic relationship between the national boards and their sponsors, because it is a slightly different relationship. However, we have put the arrangements in place through the framework, and Christine continues to work on them with her team. As she said, I hope that, if you ask the question a year from now, there will be more recognition, given some of the work that we are putting in place, that there is a more consistent approach to sponsorship across the piece.

Colin Beattie: Thank you.

The Convener: Thank you very much. I am now going to turn to the deputy convener, who has some questions to put in a slightly different area, but one that is pretty central to the report that we are looking at.

Jamie Greene: Thank you, convener. I would like to talk about governance, particularly around high-level appointments and the boards of the NHS boards, if you like. Ms Lamb, you will obviously be aware of the extremely high turnover in chief executives of the territorial boards. Over the past couple of years, 10 of the 14 territorial boards have had a change at the top. Why is that the case?

Caroline Lamb: It is partly down to demographics and a number of chief executives retiring. My figures show that, over the past two years, there were 12 changes. Of those, there were eight retirements. That is one of the fluctuations that we need to deal with. Also, when we have vacancies for chief executives of NHS boards, people will move and be promoted into roles in bigger boards. Four of those vacancies were caused by people applying for and successfully being appointed to chief executive roles in other boards.

Jamie Greene: Is that a good thing? We talked about that earlier in our evidence session with the Ethical Standards Commissioner. I do not know whether you watched that.

Caroline Lamb: I did not.

Jamie Greene: I think that you would find it very enlightening. We talked about that subject in great detail, and committee members raised the point that people jumping from one board to another could be seen as a revolving door, a reward for failure or the result of having a cosy club of chief executives who move on to another board for more money and leave others in the lurch.

Caroline Lamb: There are two separate things here, are there not? One is the appointment of chief executives and the other is the appointment of NHS board chairs and non-executive roles. What I will say probably applies to both. When it comes to either of those cases, we have a very clear and robust appointments process, because we are interested in getting the best people that we can get who meet the criteria and can demonstrate that they will work in accordance with the NHS values. The process for that is very robust. There is no automatic revolving door or anything like that.

11:45

With chief executives, as I said, we go through natural phases where we have more retirements than we might have in other periods. What is important there is not just the fact that we have that robust process, but the fact that we are able to attract people into those roles. Of the number that we have recruited as chief executives, four people were promoted into new posts during the period. Five came from having been at executive director level in NHS boards or chief officers in integration joint boards. One came from the wider public service and two came from NHS England. That is a good mix of people who demonstrated that they have the skills, experience, values and competences to be able to do those roles.

I am sure that the commissioner will have talked to you about the robust process that is in place for any public appointment, and there is also a robust

process for people to go through to become chairs or take up equivalent roles. If, at the end of their term of office, a chair wants to apply to be chair of another board, they have to go through exactly the same recruitment process.

Jamie Greene: That is very helpful. You mentioned that the high level of turnover among NHS chief executives is due in large part to retirement. If I understood you correctly, in the past two years, eight of the 14 NHS board chief executives have left due to retirement. Is that just unfortunate coincidence or is it spectacularly bad planning?

Caroline Lamb: What that reflects is that eight chief execs out of 22 were in a demographic that meant that, over that period, they were in a position to step down. It would be incredibly challenging to try to plan out your chief executives so that you would not get retirements, not least in terms of age discrimination as well as other factors, so I do not think that it is bad planning.

Jamie Greene: Okay—it is just a coincidence, then. However, we have also seen a lot of turnover at IJBs. Audit Scotland reported that over half of IJBs had a turnover of senior leadership positions involving either their chief officer or chief financial officers in the year 2023-24—over half of IJBs had changes at that leadership level. Were those also retirements? Were people moving on to other parts of the health system? Were people sacked for poor governance or performance?

Caroline Lamb: I have a direct engagement in the recruitment of NHS chief executives but I do not have a direct engagement in the recruitment of chief officers to IJBs, so I am less able to comment on that.

I spoke about five of the NHS chief executives coming from executive roles in either NHS boards or IJBs. I could try to do a quick calculation in my head, but it is probably easier if I write you afterwards to tell you how many of the people leaving IJBs went to work as chief executives in the health service. I am not sure that it was all five, but it was probably not far off.

Jamie Greene: It sounds as though there is a bit of movement of professionals within the Scottish health service or the health and social care arena who will go from an IJB to an executive role within an NHS board, from one board to another, or from a management position on a board into a non-exec position on a board. Again, I can see why there may be benefits to that. People will have experience and knowledge of how things are done in other areas. However, equally, does that perhaps point to some problematic areas? People have perhaps failed in one part of the service and are moving to another, or is the predicament that we do not have enough new

blood coming from outside Scotland into the Scottish health service?

Caroline Lamb: I particularly welcome the fact that two of the appointments that we have made in that period have come in from NHS England. It is important that the people who lead our health and social care systems have not only good experience and knowledge of leading complex systems but an understanding of some of the particular complexities around health and social care. I also welcome the movement of people who have been leading IJBs as chief officers because that brings people into the system who have had that direct, close experience of running integrated care systems.

In terms of how we are seeking to develop our health and social care system, it is important to recruit people who have that good experience. The colleagues that we have recruited from England bring not only good experience of running health and social care systems but some experience of doing that in a slightly different system as well.

Jamie Greene: What due diligence takes place to ensure that people are not brought into a health board when the board that they have previously run—or been an integral part of running—has been underperforming operationally, clinically or financially? Are those the people you want in our health boards?

Caroline Lamb: Scotland is a relatively small system. We understand how the system is performing as a whole and we also understand where boards are escalated and where they are not. There is always due diligence in terms of taking up references and around understanding where people have dealt with challenging environments or challenging issues in their previous boards as well.

Jamie Greene: I will ask a more direct question. Is it appropriate for the chief executive or chair of the non-executive board of an NHS board that is under special measures, for example, to be allowed to apply for a job in another NHS board? Is that a sign of success in their role?

Caroline Lamb: You mentioned special measures—we do not have special measures in Scotland. We have the escalation framework.

I think that we would look at candidates on their merit.

Jamie Greene: Right. Has anyone who has run a board that has had such high-level escalation or intervention moved to another board?

Caroline Lamb: Our high-level escalation is levels 4 and 5. I cannot think of an incident where somebody has moved from a level 4 board into another board—

Jamie Greene: That is good to know.

Caroline Lamb: —but we will check that.

Jamie Greene: Yes, please check that and write to us.

We talked a little bit in the earlier session about the importance of the role of the non-executive board in holding the executive to account in any public body or organisation. If someone has been part and parcel of that organisation for a long period of time, although I can see that they may bring knowledge and experience of that sector to their non-exec role, are they simply too close to the system and the people involved in it to be able to hold them properly to account in terms of governance arrangements?

Caroline Lamb: I think that our maximum term of appointment for any particular non-executive role is eight years, which would be two four-year terms of office. If a person is interested in being appointed for a further term of office at the end of their first term of office, that involves a level of scrutiny through the annual appraisal process. A recommendation is then made as to whether that is an appropriate action to take. It is not automatic.

Jamie Greene: We also heard a lot in the previous session about some of the struggles that some of our more rural boards have in recruiting people. Indeed, the convener gave an excellent example of one board where some of the board members do not live in, or had never been to, the board area. Clearly, it is more difficult in a wide range of public bodies to recruit in more rural and Highlands and island areas, but how important is it that these people have local knowledge and understanding of the complexities of delivering health services outside the central belt?

Caroline Lamb: It is really important that we have a balance across our boards. We need the people with the right skills and experience, but we also need people who understand the local context and the local circumstances. The Scottish Government has a role to play in terms of our advertising and promotion of these roles, but the local boards can do a lot, particularly in our rural and island communities. Certainly, I have had conversations with the chairs in all our island boards about the work that they are doing to try to engage local people and encourage them to apply to become non-exec members of those boards.

Jamie Greene: Yes, we heard some good examples of that as well, which is great. There is, however, an issue. There is a 25 per cent failure rate in the first round of recruitment at the highest level. That is one in four vacancies where there is a failure to appoint a candidate. That is an extremely high number relative to other parts of the public sector. Why is it so bad?

Caroline Lamb: Again, I need to check the percentages, but from memory that was over a period where there was a relatively low number of appointments. However, we did experience challenges in recruiting to two particular health boards. At that time, we were already looking at how we could make appointments to non-exec positions in general but also particularly to those high-profile chair positions.

One thing that we recognised was that their remuneration was not comparable to that of other public bodies with a similar remit. Therefore, we took that through the Scottish Government remuneration committee. They have now been approved as tier 1 public bodies, so that issue around remuneration is being addressed. We also recognised that many of the chairs were reporting that, in practice, the time commitment was significantly more than what was set out in the terms and conditions. We are doing a bit of work to review that at the moment.

We have also been working hard with the commissioner on how we can spread the net more widely and how we can attract people into positions as chairs who maybe would not have thought about the role of an NHS chair previously. We are also looking at putting people in the non-exec director positions who can then be further developed because they can then become part of the pipeline for aspiring chairs.

We have had more success in our most recent recruitment rounds. Also, the commissioners who sit on the panels have been supportive in providing advice and guidance about organisations that we can contact so that we can ask to use their networks to promote those opportunities.

Jamie Greene: Yes, the aspiring chairs programme was mentioned and it seems to be reaping some degree of success as a pipeline generating new entrants and bringing people up the chain. That is particularly helpful.

However, the issues of time commitment and remuneration were first brought up in the 2021 survey. We are four years on from that. Those are not new issues, yet many boards are still struggling.

Caroline Lamb: We have now resolved the remuneration issue. As I have said, it is now at tier 1. It is hard to gauge how much that is impacting the improvement in recruitment and how much is down to other factors, but I have no doubt that it is a factor in those roles becoming more attractive.

Jamie Greene: Good. I think that I know what your answer will be to this, but are we struggling to get so many candidates to fill these board positions because there are simply too many boards?

Caroline Lamb: I think that it is hard to say that it is because there are too many boards. If you look at the public sector across Scotland, we are recruiting to a lot of public bodies, so it is not necessarily just about boards; it is about that level of expertise across Scotland.

We have 251 non-executives across boards, which is not a huge number when we set it against the Scottish population. The important thing is for us to try to continue our efforts to improve diversity. Certainly, a number of our boards have been doing good work on attracting younger members on to the boards, which is also important.

Jamie Greene: Thank you very much.

The Convener: Before I move on to Graham Simpson, I have a follow-up to Jamie Greene's line of questioning. Are there any examples of board chairs applying for reappointment for a second term and being refused?

Caroline Lamb: Yes, I can think of one. Sorry—we need to be clear on that. There are examples of board chairs who have gone through a recruitment process after the end of their term of office, which is normally eight years, and who may not have been successful. I am trying to think of examples of that off the top of my head. There will also, I am sure, be examples where chairs might have been keen to be reappointed but where that was not felt to be the right thing.

12:00

The Convener: Was that after having gone through the process, or were they informally told that they would not be successful if they applied for a second term?

Caroline Lamb: The process at the end of the first four-year term is essentially a discussion around the appraisal conversation and how things have been going. It works two ways. One is whether the chair is willing to be put forward for reappointment and the other is, considering the performance over the period, whether that looks like an appropriate route to take.

The Convener: Graham Simpson might pursue some of those lines of questioning, but over to you, Graham—you ask the questions that you want to ask.

Graham Simpson: I will sort of follow on from that. Earlier, I gave an example from the area that the convener and I represent: the former chair of NHS Lanarkshire has moved and is now the chair of NHS Forth Valley. I put it to the commissioner that that might be inappropriate, and he seemed to think that it was not the best situation.

What do you make of that? Is that an example of how we are struggling to fill positions? Would it not be better if we could have got somebody different? That is not to cast aspersions on the chair, who is a fine woman—

The Convener: Agreed.

Graham Simpson: Richard Leonard and I have worked with her over many years. However, it just does not seem right.

Caroline Lamb: I will add a bit of context to that. If my memory serves me correctly—we will correct this if it does not—the chair of NHS Lanarkshire, who is now chair of Forth Valley, as you referred to, stood down as chair of NHS Lanarkshire in 2021, so there was quite a gap before that person was then appointed to Forth Valley. It is not a question of somebody moving from one board to another board. It is about somebody standing down as chair and then coming back into our system.

I am pleased to recognise that you and the convener note that the person is an experienced chair. I am pleased that she made the decision to come back into the system.

Graham Simpson: That is a good point to make. We have no complaints about her at all. You have put on the record that there was a gap, so that is good.

On remuneration, I was not clear whether you said that you have moved one board or all boards into tier 1.

Caroline Lamb: All boards have moved to the same tier. There is a different level of remuneration depending on the board. In terms of the Scottish Government's overall remuneration for non-executives on public bodies, the NHS was in tier 2 and has now moved into tier 1.

Graham Simpson: Does that mean that board chairs, for example, are now being paid more than they were being paid?

Caroline Lamb: That is correct.

Graham Simpson: The figure that we were given earlier was about £30,000 for two days' work a week. Does that sound right to you?

Caroline Lamb: Off the top of my head, it probably is, but let me come back to you on that. It is in the pack somewhere.

Graham Simpson: Okay.

The Convener: Fiona Bennett might know. I do not know whether you can answer that question, Fiona.

Fiona Bennett: Yes. The chair role is advertised with a day rate, and that is then extrapolated up, which roughly comes to the

£30,000 figure. However, there are three rates for a chair, depending on the size of the board and its budget. We can provide information on that in writing, but both the non-executives and chairs are set a day rate, which is then extrapolated up to roughly the number that was given earlier.

Graham Simpson: That is useful. It is good to hear from you, Fiona.

Do the better-remunerated boards find it easier to attract people?

Caroline Lamb: I do not think that that necessarily applies, because the boards with the highest rates of remuneration are the biggest and most complex boards. The variation in rates reflects the complexity of the chair's role.

Graham Simpson: I want to ask about "The Blueprint for Good Governance in NHS Scotland". Paragraph 71 of the Auditor General's report says:

"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."

What would be your comment on that?

Caroline Lamb: It is fair comment. We have been working to identify the differences across those self-assessments. From the data, we can see that there is variation between the number of areas for improvement that boards identify. Sometimes, it is quite easy to recognise the reasons for that, because of what we know about where boards are on the escalation framework, for example. However, as you will be aware, the blueprint for good governance was first developed pre-pandemic and was then updated post-pandemic. The boards have been through their first process of self-assessment against that. As I said in my opening statement, in our future development, we want to start to look at how we can best bring in some external validation for that.

Christine, do you want to say any more on that?

Christine McLaughlin: Yes, that is definitely our next step. The committee will know from the report that we have a governance advisory group to take questions to. That issue will be put to that group at its next meeting, which is in November. We want to look at different options and how to get the best results from external assessment of individual boards' self-assessments. That is active work that is on-going.

Graham Simpson: So is it going to happen?

Christine McLaughlin: Yes.

Graham Simpson: Because self-assessment is marking your own homework.

Caroline Lamb: Yes—although we need to be aware that the process of self-assessment is

carried out by the board as a whole, and we cannot assume that all board members will necessarily be keen to say that everything is fine. Board members are aware of their responsibilities, and the blueprint provides a useful framework for them to step back and consider how well they are discharging those responsibilities.

Graham Simpson: When can we expect to see the results of that external validation?

Christine McLaughlin: I would want to come back to you on that, because I do not have a date. We need to scope out that external assessment and whether we target specific boards or do something comprehensively across all the boards. I will use that meeting in November with the advisory group to test some of those options. I am happy to come back in writing to update the committee on the proposal.

I am quite certain that we will be doing a form of external assessment, partly because there is a reason why we said that we would do it, which is the point that you raised. As well as assurance, it is about learning and improvement across the boards. We want to make sure that that is in place to supplement the support that comes from NES to all the boards.

Graham Simpson: Who would you get to externally validate that?

Caroline Lamb: That is one of the issues on which we are looking for advice from that group, which brings together Audit Scotland—

Christine McLaughlin: —as well as the Chartered Institute of Public Finance and Accountancy and the Good Governance Institute. There are different options. We could go entirely externally, to third parties, or we could bring in a blend of people from across private and public organisations. I would like to be open about how we do that. We are clear that we have committed to doing it, because it is the right thing to do, and we will put in place a mechanism to do that.

Graham Simpson: Right at the start, you mentioned five core principles, one of which was digital, which gives me the opportunity, as you were expecting, to ask how we are getting on with the app that you keep promising us.

Caroline Lamb: Do you mean the digital front door?

Graham Simpson: That is it. It is the equivalent of the NHS England app, which I keep mentioning to you. I am waiting eagerly for an equivalent in Scotland—where is it?

Caroline Lamb: I will ask Christine McLaughlin to come in on some of the detail, as I know that you have been waiting eagerly for this. A lot of what I have described to you previously as the

plumbing work that has been important in that it will enable us to go further than the NHS England app. The community health index number that we have in Scotland and the increasing adoption of the use of that number by local government will mean that we are in a position to start to link health and care records in a way that is not possible in England.

Christine, do you want to give us an update on where we are with the digital front door?

Christine McLaughlin: There will be a more substantial update in the coming days, so I will leave that to the Cabinet Secretary for Health and Social Care.

On the first phase of that with NHS Lanarkshire, we are on track to go live in December with the first test of change, which involves dermatology out-patients in Lanarkshire. That is still very much on track, and we are working through the roll-out plan for the rest of the country.

As Caroline Lamb said, our ambition is for the system to cover health and care. We all know the great functionality that was in it as an NHS app, and our ambition is for it to cover health and care. There is more detail to come soon on the wider ambition on that.

Graham Simpson: The Lanarkshire one is not what I am talking about. I am talking about an app that everyone can access so that they can get their health records and make appointments—

Christine McLaughlin: We are testing the national app in NHS Lanarkshire. The first step in that is testing it out in the NHS. It is not an NHS Lanarkshire app—the test of the national app is in NHS Lanarkshire in dermatology out-patients. That is what we will go live with in December and then look to roll out across the country.

Graham Simpson: I hear what you are saying: the health secretary will make some kind of announcement. Let us hope that it is a good one. When do you anticipate that we will get what I am looking for, which is that national app?

Christine McLaughlin: Soon. We are working through the plan right now.

Graham Simpson: Soon?

Christine McLaughlin: I am not in a position to give the details right now, but we are working on the plan. The first phase of that is in December, and then we will announce the roll-out following that.

Graham Simpson: Okay—good. I look forward to that.

I have one more question, which is for Caroline Lamb. In July, it was reported that you had not

been in a hospital in more than a year. Have you since visited a hospital?

Caroline Lamb: Just to be clear about that, I have been in the health boards. Sorry, I would need to go back and check, but I have been on health board premises and I have been in contact with health boards. Further, in the past year, I have given evidence to the UK Covid inquiry four times, so that has occupied quite a lot of my time.

Graham Simpson: Visiting health board premises is not quite the same as visiting a hospital. I was hoping that you would say, "Yes, I have."

Caroline Lamb: I will need to check. I know that I have a number of appointments coming up in my diary at the moment. I will need to check that.

The other thing that I would say is that, when I have been in health boards, I have met with staff-side and patient representatives on all those occasions.

Graham Simpson: Do you not think that it is part of your role to get out and about and see what is happening on the ground?

Caroline Lamb: Yes, I do. I am now out the other end of the UK Covid inquiry, so I will have more time to be able to do that over the next year, and those visits are being planned for me.

Graham Simpson: Okay. I will leave it there.

The Convener: As we have no further questions, I thank very much for their input Christine McLaughlin and Fiona Bennett, who joined us remotely. I also thank Caroline Lamb for sharing with us her insights and knowledge about these areas on NHS governance. You said that you might come back to us with further detail on a few areas, which we would very much welcome.

I will now follow the earlier agreement that we reached and move the committee into private session.

12:15

Meeting continued in private until 12:36.

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