



NOT PROTECTIVELY MARKED

Public Board meeting

**29 September 2021
Item No 09**

THIS PAPER IS FOR APPROVAL

SCOTTISH AMBULANCE SERVICE FRAMEWORK DOCUMENT

Lead Director Author	Julie Carter, Director of Finance, Logistics & Strategy Lindsey Ralph, Board Secretary
Action required	The Board is asked to approve the revised framework document.
Key points	<p>In September 2017, the Board approved a revised Model Framework Document, drawn up by the Scottish Government in consultation with the Service. It forms a key part of the accountability and governance framework and sets out the broad framework within which the Scottish Ambulance Service will operate and defines the key roles and responsibilities which underpin the relationships between the Service and the Scottish Government. While the document does not confer any legal powers or responsibilities, it forms a key part of the accountability and governance framework. The framework document is reviewed, updated and agreed every 2-3 years.</p> <p>The proposed revisions have been tracked changed on the version that was approved by the Board and the Scottish Government sponsor team in September 2017 and the hyperlinks throughout the document have been updated as required.</p> <p>The model framework was reviewed by the Audit Committee at its meeting in June 2021 and subject to minor amendments which have been incorporated was recommended to the Board for approval. Following approval by the Board, the revised framework document will go through the final clearance stage by Scottish Government before it is placed in the Scottish Parliament's Reference Centre and published on the Service's website.</p>
Timing	The Model Framework Document is reviewed every 2-3 years by Scottish Government.
Link to Corporate Objectives	The document provides a framework to support all of the Corporate Objectives.

Contribution to the 2020 vision for Health and Social Care	The Model Framework Document, produced by Scottish Government, forms a template for individual Boards and their respective Sponsor Teams to tailor. It provides, as far as possible, a standardised broad framework within which Scottish Government and NHS Boards will operate. It defines the key roles and responsibilities which underpin the relationship between the NHS Boards and Scottish Government.
Benefit to Patients	The Board sets assurance around the systems and process and standards of care provided.
Equality and Diversity	None.

1SAS FRAMEWORK DOCUMENT

Introduction

1. This framework document has been drawn up by the Scottish Government (SG) in consultation with Scottish Ambulance Service NHS Board (SAS). It sets out the broad framework within which SAS will operate and defines key roles and responsibilities which underpin the relationship between SAS and the SG. While this document does not confer any legal powers or responsibilities, it forms a key part of the accountability and governance framework and should be reviewed and updated as necessary, and at least every 2-3 years. Any proposals to amend the framework document either by the SG or SAS will be taken forward in consultation and in the light of SG priorities and policy aims. Any question regarding the interpretation of the document shall be determined by the SG after consultation with SAS. Legislative provisions shall take precedence over any part of the document.

2. References to SAS include any subsidiaries and joint ventures owned or controlled by SAS. SAS shall not establish subsidiaries or enter into joint ventures without the express approval of the SG.

3. Copies of the document shall be placed in the Scottish Parliament Reference Centre. It shall also be published on the SAS website.

Purpose

4. SAS is to contribute to the achievement of the Scottish Ministers' objectives and priorities [by aligning its aims and objectives](#) with the [National Performance Framework](#), [Scotland's Economic Strategy](#) and [Programme for Government](#).

5. SAS's statutory duties

The Scottish Ambulance Service Board (the Board) is a Special Health Board responsible to Scottish Ministers through the Scottish Government Health Directorates. The Scottish Ambulance Service Board Order 1999 established the Board as a Special Health Board as from 1 April 1999. For policy/administrative purposes SAS is a Non Departmental Public Body (NDPB), classified as an NHS body. The affairs of the SAS are managed by a "Management Committee" (referred to in this document as the "SAS Board"). The SAS Board is supported by the following sub-committees :-

- Audit Committee – assists the SAS Board in delivering its responsibilities by providing assurance that an appropriate system of internal control has been implemented and is operating effectively;
- Clinical Governance Committee – scrutinises all parts of SAS operation to ensure that clinical governance mechanisms are in place and effective throughout all SAS services;
- Remuneration Committee – ensures the application and implementation of fair and equitable pay systems on behalf of the SAS Board as determined by Scottish Ministers and the SG; and
- Staff Governance Committee – supports and maintains a culture within SAS where the delivery of the highest possible standard of staff management is understood to be the responsibility of every employee and is built upon partnership working and collaboration, and within the direction provided by the Staff Governance Standard.

[In July 2019 the Performance and Planning Steering Group was established as the main performance scrutiny body prior to submission of performance reports to the SAS Board. This Steering Group, with an open invite to Non Executive Board members, receives and scrutinises both the operational and corporate performance of the organisation on behalf of the SAS Board ensuring all activities are aligned to the Board corporate objectives and SG priorities.](#)

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The Board is empowered to exercise the functions of the Scottish Ministers in relation to the provision of ambulances and other means of transport conferred by Section 45 of the National Health Service (Scotland) Act 1978 as amended.

The status of these statutory functions takes precedence over any summary included in the framework document.

6. SAS's purpose, strategic aims and objectives, as agreed by the Scottish Ministers:

Within the founding legislation, the Scottish Ministers identified the overall aims and functions of the SAS as follows:-

Provide throughout Scotland an ambulance service staffed, trained and equipped to:

- Receive, record and respond to all messages, whether by 999 call or by another means, notifying injury or illness and seeking the attendance of an ambulance;
- Administer any necessary life-sustaining immediate care and stabilising to people who are ill or injured and to prepare them for transport, if required;
- Transport, and care for in transit, patients to, from and between hospitals or other healthcare facilities.

At the frontline of NHSScotland, the SAS provides an emergency, unscheduled and scheduled service to people across mainland Scotland and its island communities. As a national Board, they offer a vital link for patients and the wider NHS supporting service change and development through a paramedic-led emergency service with enhanced clinical skills and competencies. Their core function is to respond to patients when they need them, provide clinical treatment and care, and ensure patients are routed quickly and efficiently to the care they need.

[Following the Service 2020 Strategy 'taking care to the patient' and the emerging 2030 strategy the service ambitions, building upon this core function, have also recognised SAS unique role in public safety, health care and public health and as a mobile service meeting the needs of the population in every community 24 hours 7 days a week. In addition to the advancement in our see and treat and hear and treat response to patients and thereby avoiding unnecessary admissions to hospital and paramedics supporting primary care services as part of their multi disciplinary teams.](#)

The SAS must also:

- Develop clinical governance so as to ensure that quality of patient care is given the highest priority, within available resources, at every level in the SAS.
- Support area Health Boards [and Local Authorities](#) by providing, deploying and operating resources within their areas in a manner that is supportive of, and in partnership with, the plans and priorities of the area Health Boards as set out in their Local Delivery Plans, in their Emergency Plans, or otherwise as necessary to ensure the co-ordinated provision of healthcare service in their areas.
- Ensure patients with a medical need are transported to and from their appointments. Medical need is defined as:
 - Where a medical condition is such that patients require the skills or support of Patient Transport Service staff on/after the journey and/or where it would be detrimental to their condition or recovery if they were to travel by other means;
 - Where a medical condition impacts on a patient's mobility to such an extent that they would be unable to access health care and/or it would be detrimental to their condition or recovery to travel by other means.

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Relationship between Scottish Government and SAS

7. Effective strategic engagement between the SG and SAS is essential in order that they work together as effectively as possible to maintain and improve public services and deliver improved outcomes. Both the SG and SAS will take all necessary steps to ensure that their relationship is developed and supported in line with the jointly agreed principles set out in the statement '[Strategic Engagement between the Scottish Government and Scotland's NDPBs](#)'.

Governance and accountability

Legal origins of powers and duties

8. SAS was established under the Scottish Ambulance Service Board Order 1999 No. 686 (S. 47) as from 1 April 1999 as a Special Health Board, responsible to Scottish Ministers through the Scottish Government Health Directorates. The constitution of SAS is set out in Paragraph 3 of the Order. SAS does not carry out its functions on behalf of the Crown.

Ministerial responsibilities

9. The Scottish Ministers are ultimately accountable to the Scottish Parliament for the activities of SAS and its use of resources. They are not however responsible for day to day operational matters [and founding legislation prevents them from directing SAS in relation to specific statutory functions]. Their responsibilities include:

- agreeing the SAS's strategic aims and objectives and key targets as part of the corporate planning process
- agreeing the budget and the associated grant in aid requirement to be paid to SAS, and securing the necessary Parliamentary approval
- carrying out responsibilities specified in the 1978 Act, such as appointments to the SAS Board, approving the terms and conditions of Board Members, and appointment of the Chief Executive
- other matters such as approving SAS's Chief Executive and staff pay remit in line with SG [Pay Policy](#) and laying the accounts (together with the annual report) before the Parliament

SAS Board Responsibilities

10. The SAS Board, including the Chair, normally consists of Non-executive and Executive Members appointed by the Scottish Ministers in line with the [Code of Practice](#) for Ministerial Appointments to Public Bodies in Scotland. The role of the Board is to provide leadership, direction, support and guidance to ensure the Body delivers and is committed to delivering its functions effectively and efficiently and in accordance with the aims, policies and priorities of the Scottish Ministers. It has corporate responsibility, under the leadership of the Chair, for the following:

- taking forward the strategic aims and objectives for the body agreed by the Scottish Ministers
- determining the steps needed to deal with changes which are likely to impact on the strategic aims and objectives of SAS or on the attainability of its operational targets
- promoting the efficient, economic and effective use of staff and other resources by SAS consistent with the principles of [Best Value](#), including, where appropriate, participation in shared services arrangements.
- ensuring that effective arrangements are in place to provide assurance on risk management (including in respect of personnel, physical and cyber risks/threats/hazards), governance and internal control. (The Board must set up an [Audit Committee](#) chaired by a non-executive member to provide independent advice and assurance on the effectiveness of the internal control and risk management systems)

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- (in reaching decisions) taking into account relevant guidance issued by the Scottish Ministers
- approving the annual accounts and ensuring Scottish Ministers are provided with the annual report and accounts to be laid before the Scottish Parliament. The Chief Executive as the Accountable Officer of the public body is responsible for signing the accounts and ultimately responsible to the Scottish Parliament for their actions
- ensuring that the Board receives and reviews regular financial information concerning the management and performance of SAS and is informed in a timely manner about any concerns regarding the activities of SAS
- appointing [with the approval of the Scottish Ministers] the SAS Chief Executive, following appropriate approval of the Chief Executive's remuneration package in line with SG [Pay Policy for Senior Appointments](#). New contracts for Chief Executives should include a notice period of no more than 3 months. Where a business case can be made, the notice period may be set at a maximum of 6 months, and, in consultation with the SG, setting appropriate performance objectives should be set which give due weight to the proper management and use of resources within the stewardship of SAS and the delivery of outcomes
- demonstrating high standards of corporate governance at all times, including openness and transparency in its decision making.
- Ensuring full compliance with the Service statutory requirements in the Civil Contingencies Act 2004 and Counter Terrorism and Security Act 2015 and associated statutory requirement, regulations, standards and guidance

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

The Chair's Responsibilities

11. The Chair is accountable to the Scottish Ministers and, in common with any individual with responsibility for devolved functions, may also be held to account by the Scottish Parliament. Communications between the SAS Board and the Scottish Ministers should normally be through the Chair. ~~He or she is~~ They are responsible for ensuring that SAS's policies and actions support the Scottish Ministers' wider strategic policies and that its affairs are conducted with probity.

12. In leading the Board the Chair must ensure that:

- the work of the Board is subject to regular self-assessment and that the Board is working effectively
- the Board, in accordance with recognised good practice in corporate governance, is diverse both in terms of relevant skills, experience and knowledge appropriate to directing SAS business, and in terms of protected characteristics under the Equality Act and the Gender Representation on Public Boards Act and Guidance, where these apply.
- the Board Members are fully briefed on terms of appointment, duties, rights and responsibilities
- ~~they~~ ~~he or she~~, together with the other Board Members, receives appropriate induction training, including on financial management and reporting requirements, severance policy and, as appropriate, on any differences that may exist between private and public sector practice
- succession planning takes place to ensure that the Board is diverse and effective, and the Scottish Ministers are advised of SAS needs when Board vacancies arise
- there is a code of conduct for Board Members in place, approved by the Scottish Ministers.

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13. The Chair assesses the performance of individual Board Members on a continuous basis and undertakes a formal appraisal at least annually. The Chair, in consultation with the Board as a whole, is also responsible for undertaking an annual appraisal of the performance of the Chief Executive.

Individual Board Members' Responsibilities

14. Individual Board Members should act in accordance with the responsibilities of the Board as a whole and comply at all times with the code of conduct adopted by SAS and with the rules relating to the use of public funds and to conflicts of interest. (In this context "public funds" means not only any funds provided to SAS by the Scottish Ministers but also any other funds falling within the stewardship of SAS, including trading and investment income, gifts, bequests and donations.) General guidance on Board Members' responsibilities is summarised in their appointment letters and is also provided in On Board.

SAS Chief Executive responsibilities

15. The Chief Executive of SAS is employed and appointed by the Board [with the approval of the Scottish Ministers]. They/He/she are the Board's principal adviser on the discharge of its functions and are accountable to the Board. Their/His/her role is to provide operational leadership to SAS and ensure that the Board's aims and objectives are met and SAS's functions are delivered and targets met through effective and properly controlled executive action. Their/His/her general responsibilities include the performance, management and staffing of SAS. General guidance on the role and responsibilities of the Chief Executive is contained in [On Board](#). Specific responsibilities to the Board include:

- advising the Board on the discharge of its responsibilities - as set out in this document, in the founding legislation and in any other relevant instructions and guidance issued by or on behalf of the Scottish Ministers - and implementing the decisions of the Board
- ensuring that financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions, and that appropriate financial appraisal and evaluation techniques, consistent with the [Appraisal and Evaluation](#) section of the [Scottish Public Finance Manual](#) (SPFM), are followed
- ensuring that SAS adheres, where appropriate, to the SG's [Programme and project management principles](#)
- having robust performance and risk management arrangements - consistent with the [Risk Management](#) section of the SPFM - in place that support the achievement of SAS's aims and objectives and that facilitate comprehensive reporting to the Board, the SG and the wider public. Risk management arrangements should include full consideration of organisational resilience to physical, personnel and cyber risks/threats/hazards.
- ensuring that adequate systems of internal control are maintained by SAS, including effective measures against fraud and theft consistent with the [Fraud](#) section of the SPFM
- establishing appropriate documented internal delegated authority arrangements consistent with the [Delegated Authority](#) section of the SPFM
- advising the Board on the performance of SAS compared with its aim[s] and objectives
- preparing SAS's corporate and business plans, in the light of the strategic aims and objectives agreed by the Scottish Ministers
- ensuring effective relationships with SG officials
- ensuring that timely forecasts and monitoring information on performance and finance are provided to the SG; that the SG is notified promptly if over or under spends are likely and that corrective action is taken; and that any significant problems whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the SG in a timely fashion

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- ensuring staff pay proposals are in line with SG [Pay Policy](#) and submitted in time and the necessary approvals obtained prior to implementing any annual award.

SAS Accountable Officer responsibilities

16. The Principal Accountable Officer for the Scottish Administration (the Permanent Secretary of the SG) will designate the Chief Executive as the Accountable Officer for SAS. Accountable Officers are personally answerable to the Scottish Parliament for the exercise of their functions, as set out in the [Memorandum to Accountable Officers for Other Public Bodies](#). These include:

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

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

Portfolio Accountable Officer responsibilities

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

- the financial and other management controls applied by the SG are appropriate and sufficient to safeguard public funds and, more generally that those being applied by SAS conform to the requirements both of propriety and of good financial management
- the key roles and responsibilities which underpin the relationship between the SG and SAS are set out in a framework document - and that this document is regularly reviewed
- effective relationships are in place at Director and Deputy Director level between the SG and SAS in accordance with the strategic engagement principles
- there is effective continuous assessment and appraisal of the performance of the Chair of SAS, in line with the requirements of the Code of Practice for Ministerial Public Appointments in Scotland.

Scottish Government Director and Deputy Director

19. The Director for Population Health and Deputy Director for Primary Care have responsibility for overseeing and ensuring effective relationships between the SG and SAS which support alignment of the SAS's business to the SG's Purpose and National Outcomes and high performance by SAS. They

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will work closely with the SAS Chief Executive and be answerable to the Portfolio Accountable Officer for maintaining and developing positive relationships with SAS characterised by openness, trust, respect and mutual support. They will be supported by a sponsor unit in discharging these functions. The Portfolio Accountable Officer shall be responsible for assessing the performance of the SAS Chair at least annually.

Sponsor unit responsibilities

20. The SG sponsor unit for SAS is the Primary Care Division. It is the normal point of contact for SAS in dealing with the SG. The unit, under the direction of the Director for Population Health, is the primary source of advice to the Scottish Ministers on the discharge of their responsibilities in respect of SAS and undertakes the responsibilities of the Portfolio Accountable Officer on his/her behalf.

Specific responsibilities include:

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

Internal audit

21. SAS shall:

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

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

External audit

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

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

Annual report and accounts

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

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

27. The draft report should be submitted to the SG for comment, and the draft accounts for information, by 1 June. The final version should be available for laying before the Scottish Parliament by the Scottish Ministers by 30 June. Whilst the statutory date for laying and publishing accounts audited by the AGS is by 31 December, following the close of the previous financial year, there is an expectation on the part of the Scottish Ministers that accounts will be laid and published as early as possible. The accounts must not be laid before they have been formally sent by the AGS to the Scottish Ministers and must not be published before they have been laid. SAS shall be responsible for the publication of the annual report and accounts.

Management responsibilities

Corporate and business plans

28. SAS must ensure that a corporate plan, agreed with the Scottish Ministers, is in place and published on the SAS website. SAS shall agree with the SG the issues to be addressed in the plan and the timetable for its preparation and review. The finalised plan shall reflect the SAS's strategic aims and objectives as agreed by the Scottish Ministers, indicative budgets and any priorities set by the Scottish Ministers. It shall demonstrate how SAS contributes to the achievement of the SG's primary purpose of increasing sustainable economic growth and alignment with the SG's [National Performance Framework](#) (NPF). The corporate plan for SAS should include:

- the purpose and principal aims of SAS
- an analysis of the environment in which SAS operates
- key objectives and associated key performance targets for the period of the plan, the strategy for achieving those objectives and how these will contribute towards the achievement of the SG's primary purpose and alignment with the NPF

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- indicators against which performance can be judged
- details of planned efficiencies, describing how SAS proposes to achieve better value for money, including through collaboration and shared services
- other matters as agreed between the SG and SAS.

29. The corporate plan should inform the development of a separate [business-financial plan](#) for each financial year. The [business-financial plan](#) for SAS should include key targets and milestones for the year immediately ahead, aligned to the NPF, and be linked to budgeting information so that, where possible, resources allocated to achieve specific objectives can be identified. A copy of SAS's [business-financial plan](#) should be provided to the sponsor unit prior to the start of the relevant financial year.

Budget management

30. Each year, in the light of decisions by the Scottish Ministers on the allocation of budgets for the forthcoming financial year, the SG will send to SAS a formal statement of its budgetary provision, and a note of any related matters and details of the budget monitoring information required by the SG. The terms of that letter, referred to as the Budget Allocation and Monitoring letter, should be viewed as complementing the content of this document. The monthly [monitoring Financial Performance Returns \(FPRs\)](#) is the primary means of in-year budgetary control across the SG. As such bodies must comply with the format and timing of the monitoring together with any requests for further information. The statement of budgetary provision will set out the budget within the classifications of resource Departmental Expenditure Limits (RDEL), capital DEL (CDEL) and Ring-fenced (non-cash) (RfDEL). SAS will inform the sponsor unit at the earliest opportunity if a requirement for Annually Managed Expenditure (AME) budget is identified. The SG should also be advised in the event that estimated net expenditure is forecast to be lower than budget provision. Transfers of budgetary provision between the different classifications require the prior approval of the SG Finance Directorate. Any proposals for such transfers should therefore be submitted to the sponsor unit. Transfers of provision within the classifications may be undertaken without reference to the SG, subject to any constraints on specific areas of expenditure e.g. the approved pay remit.

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

Cash management

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

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

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Risk management

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

Organisational security and resilience

35. As part of risk management arrangements, SAS shall ensure that it has a clear understanding at Board level of the key risks, threats and hazards it may face in the personnel, physical and cyber domains, and take action to ensure appropriate organisational resilience to those risks/threats/hazards. It should have particular regard to the following key sources of information to help guide its approach:-

- Having and Promoting Business Resilience (part of the Preparing Scotland suite of guidance)
- The Scottish Public Sector Action Plan on Cyber Resilience and associated guidance, in particular the Cyber Resilience Framework.
-

Counter fraud arrangements

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

Performance management

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

SAS staff management

Broad responsibilities for SAS staff

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

- HR policies, practices and systems comply with employment and equalities legislation, and standards expected of public sector employers
- the level and structure of its staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness (subject to the SG [Pay Policy for Staff Pay Remits](#))
- the performance of its staff at all levels is satisfactorily appraised and SAS's performance measurement systems are reviewed from time to time

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- its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve SAS's objectives
- proper consultation with staff takes place on key issues affecting them
- adequate grievance and disciplinary procedures are in place
- effective whistle-blowing policy and procedures consistent with the Public Interest Disclosure Act 1998 are in place
- a code of conduct for staff is in place based on the Model Code for Staff of Executive NDPBs

Pay and conditions of service

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

Pensions, redundancy and compensation

4039. [Superannuation](#) arrangements for SAS staff are subject to the approval of the SG. SAS staff shall normally be eligible for a pension provided by the NHSScotland Superannuation Scheme. Staff may opt out of the occupational pension scheme provided by SAS, but the employers' contribution to any personal pension arrangement, including stakeholder pension, shall normally be limited to the national insurance rebate level. [Note that there is an exception for NDPBs covered by the PCSPS partnership arrangement, and for PCSPS by-analogy versions.]

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

Asset and property management

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

Commented [LR(1): The SPFM provides a Model Framework Document for public bodies, and this framework document includes a section on pension provision for staff. It is now out of date because it contains references to contracting out of the Additional State Pension (also known as State Second Pension or 'SERPs'), which ceased from 6 April 2016. Current wording in the Model Framework Document states that where staff opt out of the scheme offered by the public body, employer contributions to a personal/stakeholder pension arrangement shall normally be limited to the national insurance rebate level. Amendments to paragraph 40 are under consideration and an update will be provided in due course.

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Parliament, in accordance with section 76 of the Climate Change (Scotland) Act 2009, the business area can use other robust property asset management systems.]

Specific financial provisions

Many of the provisions included in this section - and other sections - of the framework document highlight specific requirements in the SPFM that are considered of particular relevance to SAS. It should be noted however that guidance in the SPFM should always be considered in its entirety as and when relevant issues arise.

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Delegated authorities

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

Income generation

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

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

Financial investments

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

Borrowing

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

Lease arrangements

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

Tax arrangements

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

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efficiency is achieved. SAS must also ensure that it accounts properly for any output tax on sales or disposals.

Settlement, severance, early retirement and redundancy

50. SAS shall seek to deliver, and demonstrate, robust governance processes, best practice and value for money when development and implementing a severance scheme or when developing a settlement agreement, in compliance with current policy, observing all policy limits set out in the Settlement, severance, early retirement, redundancy section of the SPFM.

Lending and guarantees

5149. Any lending by SAS must adhere to the guidance in the [Borrowing, Lending & Investment](#) section of the SPFM on undertaking due diligence and seeking to establish a security. Unless covered by a specific delegated limit SAS shall not, without the SG's prior approval, lend money, charge any asset, give any guarantee or indemnity or letter of comfort, or incur any other contingent liability (as defined in the [Contingent Liabilities](#) section of the SPFM), whether or not in a legally binding form. Guarantees, indemnities and letters of comfort of a standard type given in the normal course of business are excluded from this requirement.

Third party grants

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

Impairments, provisions and write-offs

534. Assets should be recorded on the balance sheet at the appropriate valuation basis in accordance with the FReM. Where an asset – and that includes investments – suffers impairment it is important that the prospective impairment and background is communicated to the SG at the earliest possible point in the financial year to determine the implications for SAS's budget. Similarly any significant movement in existing provisions or the creation of new provisions should be discussed in advance with the SG. White-off of bad debt and/or losses scores against the SAS's resource DEB budget classification and is subject to a specific delegated limit.

Insurance

54. *SAS is a member of the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS). CNORIS is not an insurance scheme, but is a risk sharing scheme between all NHS Scotland Boards. CNORIS provides indemnity to Member organisations in relation to Employer's Liability, Public/product Liability and Professional Indemnity type risks (inter alia). The Scheme will provide "Indemnity to Principal" where required. CNORIS also provides cover in relation to Clinical Negligence.*

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

Procurement and payment

553. SAS's procurement policies shall reflect relevant guidance in the [Procurement](#) section of the SPFM and relevant guidance issued by the SG's Procurement and Commercial Directorate. Procurement should be undertaken by appropriately trained and authorised staff and treated as a key component of achieving SAS's objectives consistent with the principles of [Value for Money](#), the highest

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professional standards and any legal requirements. All external consultancy contracts over the value of £100,000 or any proposal to award a contract without competition (non-competitive action) over the value of £100,000 must be endorsed in advance by the Chief Executive.

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

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

Gifts made, special payments and losses

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

Clawback

597. Where SAS has financed expenditure on assets by a third party, SAS shall make appropriate arrangements to ensure that any such assets above an agreed value are not disposed of by the third party without SAS's prior consent. SAS shall put in place arrangements sufficient to secure the repayment of its due share of the proceeds - or an appropriate proportion of them if SAS contributed less than the whole cost of acquisition or improvement. SAS shall also ensure that if assets financed by SAS cease to be used by the third party for the intended purpose an appropriate proportion of the value of the asset shall be repaid to SAS.

State aid ~~Subsidy Control~~

~~6058. The EU State aid regime was effectively revoked from UK law from 1 January 2021 and subsidy control provisions are now covered by the UK-EU Trade and Cooperation Agreement (TCA) and the UK's international obligations including various Free Trade Agreements and those arising as a consequence of World Trade Organisation membership. This position may be subject to the UK Government establishing its own domestic subsidies control regime: a UK wide consultation on this is set to take place in the first half of 2021. Currently any activity that SAS undertakes itself, or funds other bodies to undertake, that can be offered on a commercial market for goods and services is subject to the TCA subsidy rules. A full assessment is therefore required prior to disbursing any funding and would be subject to the guidance in the [subsidy regime section](#) of the SPFM. is a European Commission term which refers to forms of public assistance, given to undertakings on a discretionary basis, which has the potential to distort competition and affect trade between Member States of the European Union. Any activity that SAS undertakes itself, or funds other bodies to undertake, that can be offered on a commercial market for goods and services is subject to state aid rules. A state aid assessment is therefore required prior to disbursing any funding and would be subject to the guidance in the state aid section of the SPFM.~~

Board expenses

6159. Remuneration (daily fees), allowances and expenses paid to Board Members [and any pension arrangements] must comply with the SG [Pay Policy for Senior Appointments](#) and any specific guidance on such matters issued by the Scottish Ministers.

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EXECUTIVE NDPB MODEL FRAMEWORK DOCUMENT: APPENDIX

SPECIFIC DELEGATED FINANCIAL AUTHORITIES

The Scottish Ambulance Service Standing Financial Instructions and Scheme of Delegation can be found at: **(link to be inserted)** and include all the financial responsibilities of the Service and are used in conjunction with the Board Standing Orders.