

Public Services Delivery Scotland

PSDB/26/05

Meeting: Public Services Delivery Scotland Board Meeting
Meeting date: 15 May 2026
Time: 10:00 – 12:15
Venue: West Port, Room 1 & 2 / MS Teams

1. 10:00 **Introduction**
2. **Apologies**
3. **Declarations of Interest**
4. **Draft Minute of Previous Meeting 02 April 2026** PSDB/26/06
5. **Matters Arising and PSD Scotland Board Action Log** PSDB/26/07
6. 10:10 **Chair and Chief Executive Updates**
 - 6.1. Chairs Report / Verbal Update
 - 6.2. Chief Executive Report PSDB/26/08
7. 10:30 **Items for Decision**
 - 7.1. Public Services Delivery Scotland Strategic Risk Register PSDB/26/09
Jim Boyle / Lee Neary
 - 7.2. Public Services Delivery Scotland Strategic Priorities PSDB/26/10
Karen Reid
8. 10:50 **Items for Scrutiny**
 - 8.1. NHS Education for Scotland Performance Delivery Report PSDB/26/11
Christina Bichan
 - 8.2. NHS Education for Scotland Strategic Key Performance Indicator Report PSDB/26/12
Christina Bichan

- 8.3. NHS National Services Scotland Performance Report PSDB/26/13
Lee Neary
- 8.4. NHS Education for Scotland Quarter 4 Finance Report PSDB/26/14
Jim Boyle
- 8.5. NHS National Services Scotland Quarter 4 Finance Report PSDB/26/15
Carolyn Low
- 9. 11:40 Items for Noting**
- 9.1. Public Services Delivery Scotland Meeting Dates PSDB/26/16
June 2026-March 2027
Christina Bichan / Carolyn Low
- 9.2. Public Services Delivery Board Rolling Schedule of Business
Kyle Clark-Hay / Drew McGowan
- 10. Any Other Business**

Public Services Delivery Scotland Private Board Meeting

Items in Private

In Private Session – under PSD Scotland Board Standing Orders paragraph 5.21. the Board may agree to meet in private in order to consider certain items of business. The Board may decide to meet in private on the following grounds:

- The Board is still in the process of developing proposals or its position on certain matters and needs time for private deliberation.*
- The business relates to the commercial interests of any person and confidentiality is required, e.g., when there is an ongoing tendering process or contract negotiation.*
- The business necessarily involves reference to personal information and requires to be discussed in private in order to uphold the Data Protection Principles.*
- The Board is otherwise legally obliged to respect the confidentiality of the information being discussed.*

11. 11:50 Items for Decision in Private

- | | | |
|-------|---|------------|
| 11.1. | Public Services Delivery Scotland Consolidated Financial Plan 2026-27
<i>Jim Boyle / Carolyn Low</i> | PSDB/26/17 |
| 11.2. | Public Services Delivery Scotland Delivery Plan 2026-27
<i>Christina Bichan / Lee Neary</i> | PSDB/26/18 |

12. 12:10 Date and Time of Next Meeting(s)

PSD Scotland Board Development Session – 15 May – 11:15 – 15:00
PSD Scotland Public Board Meeting – 26 June – 10:00 – 12:30

Lunch 12:15 – 12:45

Public Services Delivery Scotland

PSDB/26/06

MINUTES OF MEETING HELD ON THURSDAY 2nd APRIL 2026, JACK COPLAND CENTRE, EDINBURGH, AND VIA TEAMs DIGITAL PLATFORM AT 1000 HRS

Present:

Keith Redpath, NSS Chair
Karen Reid, Chief Executive Officer
Lisa Blackett, Non-Executive Director
Paul Buchanan, Non-Executive Director
Ian Cant, Non-Executive Director
Olga Clayton, Non-Executive Director
Shona Cowan, Non-Executive Director
Jean Ford, Non-Executive Director
Gordon Greenhill, Non-Executive Director
Lynette Grieve, Non-Executive Director
Arturo Langa, Non-Executive Director
Beth Lawton, Non-Executive Director
Maria McGill, Non-Executive Director
George Valiotis, Non-Executive Director

In Attendance:

Serena Barnatt, Director of HR and Organisational Development
Christina Bichan, Director of Planning, Performance and Transformation
Jim Boyle, Director of Finance
Kathryn Brechin, Director of Nursing
Susi Buchanan, Director of National Specialist Services & Screening Division
Sybil Canavan, Director of People and Culture
Kyle Clark-Hay, Associate Director of Corporate Governance (Board Secretary)
Julie Critchley, Director NHSScotland Assure
Sharon Hilton-Christie, Medical Director
Rachel Kavish Wheatley, Executive and Governance Manager
Kevin Kelman, Director of NHS Academy
Carolyn Low, Director of Finance, Corporate Governance and Legal Services (FCGLS)
Lee Neary, Director of Strategy, Performance and Service Transformation (SPST)
Drew McGowan, Board Secretary and Principal Lead – Corporate Governance
George Paterson, Director of Social Care
Marc Turner, Director of the Scottish National Blood Transfusion Service (SNBTS)
Lee Savarino, Director of Dental
Andrew Sturrock, Director of Pharmacy
Karen Summers, Committee Services Manager [Minutes]
Karen Wilson, Director Nursing, Midwifery and AHP
Emma Watson, Executive Medical Director
Christopher Wroath, Director of NES Technology Service NES Technology Service

Apologies:

Gordon Beattie, Director National Procurement
Steven Flockhart, Director Digital and Security
Annie Gunner-Logan, Non-Executive

Observers: Members of PSD Scotland staff

1. WELCOME AND INTRODUCTIONS

- 1.1 The Chair welcomed all Board Members, those in attendance and observers to the meeting, noting that this was the first meeting of the Public Services Delivery (PSD) Scotland Board. Apologies were noted as above. The Chair thanked all those who had been involved in ensuring day one of the new organisation had been a success and noted the amount of work that had been done in preparation of today.
- 1.2 The Chief Executive provided the following updates in relation to day one operations:
- All former NHS Education for Scotland staff had successfully moved across to the Common Services Agency under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE);
 - All digital payroll and operating systems were in place and functioning;
 - All legacy organisational operations in terms of delivery continued;
 - Clear day one communications were issued to all staff across the new organisation;
 - Meetings have been planned with the new Transitional Leadership Group (comprising the Executive Teams of the legacy organisations) and operating plans defined which includes fortnightly meetings and development sessions;
 - Meetings had been held with Trade Union colleagues and dates were to be shared for monthly PSD Scotland Partnership Forum meetings;
 - A programme of in person visits across the whole estate were in place for the Chair and Chief Executive to meet staff, along with a series of webinars throughout the transition period.
- 1.3 Members noted that a six month stabilisation period was now in place with a focus on how to deliver ambitious plans at pace across Scotland whilst maintaining PSD Scotland's 'People First, Partnership Always' approach.

Decision: To note the operational update provided.

2. DECLARATIONS OF INTEREST

- 2.1 No declarations of interest or transparency statements were made in respect of any agenda items.

3. Public Services Delivery Scotland Corporate Governance Framework [PSDB/26/02]

- 3.1 Members reviewed the draft document presented in full and noted the following for each appendix provided.

- 3.2 Appendix 1 – Standing Orders – Members sought and were provided with clarity around wording in relation to submission of an Annual Delivery Plan as this had not been a requirement by Scottish Government for the current financial year. They were advised that the assumption was that this was a ‘one off’ deviation and the wording in the Standing Orders reflected the normal requirements on NHS Boards.
- 3.3 Appendix 2 – Scheme of Delegation – Members sought clarity in relation to requirements of the Remuneration Committee to staff band levels and related approvals and asked that they be reviewed thoroughly to ensure consistency between governance documents.
- 3.4 Appendix 3 – Code of Conduct – There were no additional comments in relation to this item.
- 3.5 Appendix 4 – Terms of Reference for all Committees. Each was reviewed in turn. Clarity was sought in relation to Public Protection and the responsibilities between the Staff Governance and Clinical Governance Committees, noting a need for understanding on which matters were reserved for which committee. In relation to the Clinical Governance Committee, Members noted that clinical matters relating to education and training would be reviewed by the Education Committee and all other clinical matters remained under the remit of the Clinical Governance Committee.
- 3.6 Appendix 5 – Board Assurance Framework (BAF) – Members noted that this was an amalgamation of the National Services Scotland (NSS) and NHS Education for Scotland (NES) programmes of assurance and would be reviewed again prior to finalising the BAF for presentation at the September 2026 meeting of the Board. After review Members asked that thought be given to the digital impact of projects and programmes of work across the organisation and how this would be monitored and reported across all Committees.
- 3.7 Appendix 11 – Standing Financial Instructions (SFIs) – Member approved the SFIs in full.
- 3.8 Members were assured by the draft Corporate Governance Framework and approved it in full with a final review to take place prior to the September 2026 meeting of the Board for final approval. This will allow the new Framework to be tested over the first cycle of Governance. Members also expressed their thanks to those who had prepared the Corporate Governance Framework for creating a robust model of Governance for PSD Scotland.

Decision: To approve the Corporate Governance Framework.

Action: To review the Terms of Reference and Schedule of business for the Remuneration Committee to ensure consistency of approvals across both documents - Associate Director of Corporate Governance (Board Secretary)/ Board Secretary and Principal Lead – Corporate Governance

Action: To add reporting in relation to projects/programmes of work to appropriate Committees - Associate Director of Corporate Governance (Board Secretary)/ Board Secretary and Principal Lead – Corporate Governance

Action: To share approved documentation across the organisation for all staff to access - Associate Director of Corporate Governance (Board Secretary) / Board Secretary and Principal Lead – Corporate Governance

4. Public Services Delivery Scotland Meeting Plan 2026-2027 and Schedule of Business April – September 2026 [PSDB/26/03]

- 4.1 Members were content to approve the PSD Scotland Meeting Plan for quarter one (Q1) 2026 and the Schedule of Business for April-September 2026.

Decision: To approve the PSD Scotland Meeting Plan Q1 2026 and Schedule of Business April-September.

5. Appointment of Internal Auditors [PSDB/26/04]

- 5.1 Members noted the recommendations in relation to the appointment of Internal Auditors for PSD Scotland and were content to homologate the decision made by both the NES Finance and Resource Committee and NSS Finance, Procurement and Performance Committee to retain the current Auditors for two years with a possibility of a contract extension for an additional year.

Decision: To homologate the decision to continue the contracts for provision of internal audit services.

6. ANY OTHER BUSINESS

- 6.1 There was no other competent business to discuss.

The public session of the Public Services Delivery Scotland Board meeting concluded at 10:33.

PUBLIC SERVICES DELIVERY SCOTLAND - BOARD FORMAL MEETINGS ACTIONS

PSDB/26/07

Meeting type: Formal

No	Date	REPORT TITLE	ACTION	ACTION OWNER	DEADLINE	CURRENT STATUS
01	2.4.26	Public Services Delivery Scotland Corporate Governance Framework [PSDB/26/02]	To review the Terms of Reference and Schedule of business for the Remuneration Committee to ensure consistency of approvals across both documents	Associate Director of Corporate Governance (Board Secretary)/ Board Secretary and Principal Lead – Corporate Governance	15.5.26	Recommend for Closure Complete
02	2.4.26	Public Services Delivery Scotland Corporate Governance Framework [PSDB/26/02]	To add reporting in relation to projects/programmes of work to appropriate Committees	Associate Director of Corporate Governance (Board Secretary)/ Board Secretary and Principal Lead – Corporate Governance	15.5.26	Recommend for Closure Complete
03	2.4.26	Public Services Delivery Scotland Corporate Governance Framework [PSDB/26/02]	To share approved documentation across the organisation for all staff to access	Associate Director of Corporate Governance (Board Secretary)/ Board Secretary and Principal Lead – Corporate Governance	15.5.26	Recommend for Closure Complete The Corporate Governance Framework is now published on the PSD Scotland website and a communication planned to staff.

Chief Executive Strategic Report

“People first, partnership always.”

15 May 2026 Public Board

Chief Executive Strategic Report

Introduction

This report is my first Chief Executive report to the PSD Scotland Board following the formal establishment of Public Services Delivery Scotland on 1 April 2026. It provides a high-level overview of activity during the first six weeks of operation, focusing on stability, collaboration, positioning the organisation for the stabilisation period ahead, and support for our people.

The report provides updates on early leadership activity, partnership working, and system-wide engagement.

1 Establishment Activity from 1 April 2026

- 1.1 A co-ordinated launch programme with various stakeholder activities raising awareness and fostering support for the transition to PSD Scotland has been initiated whilst adhering to the pre-election guidance. This included a launch message delivered on 1 April 2026, at which the Chair (Keith Redpath) and I welcomed all staff to the new organisation, giving a high-level overview of our ambition and setting out how staff could access support through the organisation, and give their views on the organisation as it evolves.
- 1.2 In addition, the PSD Scotland website, internal intranet, and core communication assets were communicated and made ready for staff on 1 April 2026, presenting PSD Scotland as a new and distinct organisation and enabling our staff to support us in this regard.
- 1.3 Early engagement with Scottish Government, partners and staff has reinforced PSD Scotland's role as a national enabler, working across the system to support change rather than operating within legacy organisational silos.
- 1.4 With systems and processes (PSD Scotland – stabilisation and convergence) aligning, work is advancing well, with steady progress and enthusiastic collaboration across the whole organisation at every level. All teams are increasingly using the shared PSD Scotland language and branding, and a 'best of both' approach to tools and processes is being adopted while formal alignment decisions are confirmed. This includes the corporate and

governance functions, where interim arrangements are now in place to ensure continuity and organisational oversight (including shared mailboxes/inboxes and agreed interim ways of working). Other areas are taking the same approach to move from interim arrangements to PSD Scotland-wide processes and supporting systems where appropriate. This does not in any way trigger organisational change.

- 1.5 Learning sessions are being set up to help teams better understand each other's roles and services, and support relationship-building at an early stage. This was in response to feedback from a 'fireside session': an open-engagement webinar with the Chief Executive and Employee Directors facilitated by Organisational Development, Leadership and Learning (ODLL).

2 Performance and Strategic Priorities

- 2.1 The first Annual Delivery Plan (ADP) for Public Services Delivery Scotland has been developed bringing together the previous separate ADPs of the predecessor organisations. It will reflect the initial articulation of a single, integrated delivery plan, setting out key deliverables for 2026–27. Through the development of the organisation-wide ADP, initial areas for early consolidation are being identified and actioned, such as Anchors Institution commitments and work on equalities and children's rights, with further consolidation activity to be progressed in the weeks to come.
- 2.2 My efforts as Chief Executive have focused particularly on communication and engagement, maintaining stability, and ensuring effective service continuity, delivering ADP targets and Scottish Government priorities.
- 2.3 Formal sponsorship meetings with the Scottish Government are being established and will be held quarterly at a strategic level and fortnightly at an engagement level to support the flow of information between PSD Scotland and the Scottish Government. The Chair and I will attend the quarterly strategic meetings with Gillian Russel, Director of Workforce, and Amy Wilson, Deputy Director of Workforce, from the Scottish Government.
- 2.4 PSD Scotland's Strategic Priorities for 2026–27 have been shared with PSD Scotland TLG for feedback. These are on the agenda for today's Board and will allow consideration of the priorities for PSD Scotland delivery and focus for the year ahead.
- 2.5 PSD Scotland has also been actively involved in ensuring the capture of learning from Phase One of the formation of PSD Scotland as well as shaping arrangements for Phase 2, in partnership with Scottish Government.

- 2.6 Two shared organisational objectives have been agreed for all Transitional Leadership Group members on equality and collaborative working, marking both an early and important milestone in shared organisation-wide leadership and articulating our commitment to these areas. This demonstrates active leadership in our commitment to shaping PSD Scotland's strategy and approach to anti-racism, equality, diversity, and inclusion as well as collaboration across health and social care.
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3 Events Delivery and Learning Highlights

- 3.1 Since the first of April, several national events and shared learning activities have been delivered with high attendance and positive feedback across all.

3.2 National Workforce and Education Conference

PSD Scotland hosted the National Workforce and Education Conference on 23 and 24 April, bringing together colleagues and partners from across the health and social care system to share learning, reflect on priorities, and explore opportunities for collaboration. Held under the theme of 'collaboration, innovation and transformation', the conference provided a valuable forum for collective thinking on how we deliver change and improve outcomes across health, social care and wider public services in Scotland. The event attracted 1780 attendees and had a number of high profile speakers.

3.3 National Procurement Conference, P4H

I opened the national Procurement Conference, P4H Scotland 2026, at Murrayfield, bringing together colleagues and partners from across the healthcare procurement community under this year's theme, 'Delivering the Future'. With over 700 delegates in attendance and a strong line-up of speakers sharing their valuable insight and expertise, the event highlighted our shared commitment to driving future innovation, collaboration and best practice across Scotland's public sector procurement landscape.

3.4 Scottish National Blood Transfusion Service (SNBTS)

The Scottish National Blood Transfusion Service (SNBTS) was pleased to welcome Scotland's Deputy Chief Medical Officer, Professor Graham Ellis, to their facility at the Jack Copland Centre in Edinburgh on 14 April 2026. Professor Ellis learned about the vital work of SNBTS in supporting the collection, processing, testing, and supply of blood products, cells, and tissue to Scotland's NHS. The day also centred on how SNBTS is supporting the practice of 'Realistic Medicine', which ensures that patients are well-informed, listened to, and supported to make decisions about their care. The visit

included a tour of our state-of-the-art manufacturing and processing facilities, and an insightful question and answer session.

4 Population Health, Inequalities and Digital Enablement

- 4.1 The launch of *MyCare* represents an excellent example of collaborative working between national and local partners, supporting people to engage more actively in their health and care. This epitomises PSD Scotland's role as a national enabler - with local engagement - of transformation: delivering digital services at scale to improve access, experience and outcomes across the system. Board members can find further information at: [Sign in or register - MyCare.scot](#)
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5 People, Culture and Leadership

- 5.1 Establishing the right culture from day one has been a key priority for me in leading PSD Scotland. I have focused on being visible and accessible through regular all-staff webinars, a fireside chat centred on listening and dialogue, early visits across the organisation, and participation in national conferences. In section 7 of this report, I have included further details on these events.
- 5.2 There have also been leadership changes during this period.
- 5.3 Kathryn Brechin, Director of Nursing, will shortly be leaving PSD Scotland on secondment to take up a role as Depute Chief Nursing Officer in the Scottish Government. The Board is invited to note her significant contribution to the organisation and, most recently, her role in the establishment of PSD Scotland. On behalf of the organisation, we wish her well and look forward to working with Kathryn in her new role.
- 5.4 Gordon Beattie, Director of National Procurement, will retire on 28 May 2025, and I would like to express our sincere thanks for his leadership and significant contribution to the organisation, and extend our warm wishes for his retirement.
- 5.5 I would also like to take the opportunity to welcome Chris Sanderson, who has taken up the role of Director of National Procurement, joining us from NHS Greater Glasgow & Clyde.
- 5.6 As part of our continued integration, work is progressing on vacancy management arrangements to support a more consistent, organisation-wide approach to recruitment and workforce planning across PSD Scotland. This

reflects an early move towards aligning processes and ensuring a coordinated approach, with a focus on best practices for resource management for PSD Scotland. The Transformation Leadership Group will consider this formally on 18 May 2026.

- 5.7 The 2026 iMatter staff experience cycle has commenced, offering an important opportunity to gather feedback and support staff engagement during this period of organisational change. For this cycle, established approaches from legacy NES and NSS are being used to ensure continuity and to reflect the look-back nature of the survey period. iMatter supports PSD Scotland's commitment to listening to staff, maintaining engagement, and supporting colleagues through the transition and stabilisation period and provide vital data from which we can learn and inform future practice. A fully PSD Scotland iMatter cycle will be in place from 2027.

6 Partnership Working

- 6.1 Partnership working has been central to PSD Scotland's approach throughout the initial establishment and stabilisation phase.
- 6.2 The Transition Leadership Group has met weekly since 20 April, providing collective leadership and coordination through this critical period. A collaborative engagement model is in place to provide support, structure and guidance to teams to develop new ways of working as we move towards phase 2.
- 6.3 Since 1 April, I have prioritised regular engagement with representatives from the Trade Unions and Staff Side colleagues. This has included convening the first PSD Scotland Partnership Forum on 1 April, followed by a further Partnership Forum meeting on 6 May 2026. This enabled space for open and constructive dialogue on transition and workforce priorities, providing me with valuable insight to shape future ways of working.
- 6.4 I have participated in wider system meetings, developing PSD Scotland's role in collective leadership and cross-system collaboration. This includes regular engagement with senior leaders across NHS Scotland and Social Care, participation in national strategic and workforce forums, and ongoing involvement in UK-wide NHS Chief Executive peer networks. Collectively, this engagement supports alignment across health and social care reform, digital transformation, workforce planning and service sustainability, and ensures PSD Scotland remains connected to system priorities and decision-making.

7 Communication and Engagement

- 7.1 Communication and engagement have been an important feature of PSD Scotland's first weeks and will remain a key priority over the coming months as we move through the stabilisation period.
- 7.2 To date, activity has included regular all-staff webinars and a Chief Executive fireside chat, alongside engagement through national conferences and early visits across the organisation. Engagement levels have been high, with 2,466 colleagues attending the fireside chat, and on 6 May, 1,732 staff were in attendance for an all-staff webinar, which included our Chair, Employee Director and TLG representatives on the panel. These sessions provide an important mechanism for two-way dialogue, leadership visibility, and a shared understanding of PSD Scotland's priorities.
- 7.3 This work will continue with a commitment to staff-side engagement, Director vlogs, Employee Director surgeries, directorate/business unit-led town hall sessions, and ongoing use of digital channels, including Viva Engage and intranet updates.
- 7.4 For our colleagues who are not regularly using these technologies, we have a plan to engage non-desk-based staff using a number of mechanisms, including site visits, team talks, directorate newsletters and use of general area screens.
- 7.5 Our objectives in this activity are to:
 - build trust and confidence in leadership during a period of change
 - promote a consistent understanding of PSD Scotland's priorities, culture and ways of working
 - support meaningful two-way engagement and timely responses to staff feedback
 - embed the organisation's **People First, Partnership Always** approach in day-to-day practice.
- 7.6 Through our communication and engagement activity, PSD Scotland will continue to strengthen internal connections ensuring colleagues are informed, supported and actively involved as we focus on building our shared purpose and values in our next phase.

8 Governance and Assurance

- 8.1 Governance arrangements are being implemented at pace and in line with good practice. The Board approved the new corporate governance framework for PSD Scotland at its inaugural meeting on 2 April 2026. The first cycle of Board committee meetings has commenced, and a new Committee Management System is being implemented.
 - 8.2 At Executive level, the Transitional Leadership Group (TLG) is fully operational and providing effective decision-making, oversight, and organisation and system-wide leadership during the establishment phase of the new organisation. Sponsorship arrangements with the Scottish Government are in place to support strategic engagement and delivery, as well as planning for Phase 2.
 - 8.3 Preparation of the annual report and accounts and external audit processes for both predecessor organisations is planned and underway. Draft annual reports and accounts, alongside external audit annual reports, will be considered by the Audit and Risk Committee on 18 June 2026 before being recommended to the Board for final approval on 26 June 2026. Quarter 4 performance and financial reporting for both organisations is being presented to the Board at its meeting on 15 May 2026.
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9 For Noting

- 9.1 PSD Scotland has submitted a coordinated organisational response to the **Draft Infrastructure Strategy 2027–2037 consultation**, reflecting an increasingly unified, whole system voice across the organisation. This provides increased assurance that national consultations are informed by a consistent organisational position and aligned to strategic priorities across PSD Scotland.

9.2 His Majesty's Inspectorate of Education in Scotland

HM Inspectorate of Education has published its External Review of our Dental Nursing Modern Apprenticeship, in which the Organisation's dental nursing MA provision was recognised and approved with the highest ratings of excellent across the board. The report marks the formal conclusion of the inspection process and provides public assurance regarding the quality of provision. Work is underway with colleagues in corporate communications to coordinate appropriate and consistent external messaging. You can read the full report [here](#).

Public Services Delivery Scotland

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Public Services Delivery Scotland

Meeting:	Public Services Delivery Scotland Board
Meeting date:	15 May 2026
Title:	Strategic Risk Register
Paper No.	PSDB/26/09
Responsible Executive:	Jim Boyle, Director of Finance Lee Neary, Director Primary & Community Care / Strategy, Performance and Service Transformation
Report Author:	Caroline McDermott, Head of Planning Debbie Lewsley, Performance & Corporate Governance Manager

1. Purpose

- 1.1. This is presented to the Board for scrutiny and provides the Board with the latest position of the National Services Scotland (NSS) and NHS Education for Scotland (NES) strategic risks that have been transferred to Public Services Delivery Scotland.

2. Recommendation

- 2.1. It is recommended that the Board scrutinise and approve the risks contained within this report, provide any feedback as appropriate, and assure themselves that risks are being managed appropriately.

3. Report Summary

Situation

- 3.1. In June 2025, as part of the [publication](#) of the Health and Social Care Service Renewal Framework (SRF), the Scottish Government (SG) announced the requirement to form a new, national organisation focused on transformation to drive digital innovation, workforce development, and Once for Scotland services across health and social care. PSD Scotland became operational on 1 April 2026 and comprises the now legacy NES and NSS organisations (both of which ceased to exist on 31 March 2026).
- 3.2. Both NES and NSS have developed individual approaches to determination and reporting on their strategic risks and the purpose of this report is to present the current NSS and NES strategic risks that have been transferred to Public Services Delivery Scotland to the Board. Further work will be undertaken by the Executive Team to determine how we bring together the strategic risks into a common system and

risk management approach and provide a harmonised presentation format for future reporting. Whilst there are some differences between approaches, there are also many common elements to build upon.

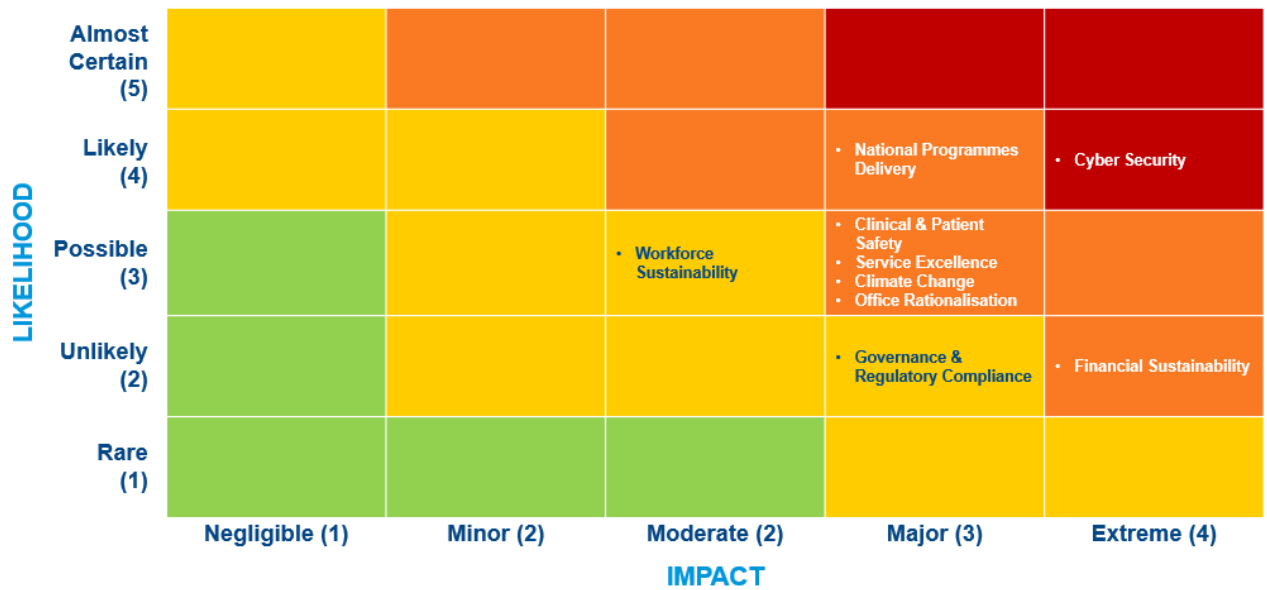
Background

- 3.3. The risks associated with the business of NES and the achievement of its strategic and operational aims were managed through a system of risk logs held at different levels throughout the organisation (strategic, directorate, team/workstream, project). This provided a mechanism through which risk management information was gathered, reported and used to identify further actions. This ensured that potential threats and challenges were identified at strategic and operational levels, and the impact of risks assessed.
- 3.4. The NES Strategic Risk Log was subject to frequent review by the Executive Team, the Audit & Risk Committee and the NES Board, risks that related to individual Board Governance Committees' remitted responsibilities were presented quarterly. This allowed for consideration of the degree of assurance that the individual risks were being effectively managed by the mitigating controls and planned actions identified.
- 3.5. NSS had recently reviewed its Risk Strategy, Integrated Risk Management Approach (IRMA) and Risk Appetite Statement in addition to implementing a new risk system used throughout the organisation, along with the development of a risk dashboard. This increased visibility of risks at all levels. Risks were managed at various levels - strategic, corporate, directorate, team, programme, project and through nine categories of risk, based on NHS Scotland agreed categories and aligned to [A National Framework for Reviewing and Learning from Adverse Events in NHS Scotland](#). This Integrated Approach provided a mechanism through which risks are agreed, assessed, managed and reported with actions and controls identified.
- 3.6. NSS strategic risks were agreed by the NSS Board in December 2023. Since then, they were reviewed regularly by Directors as risk owners, reported quarterly by respective governance Committees depending on the risk category and on a six monthly basis by the Board. NSS also had a corporate risk register whereby risks and issues were reported monthly to the Executive Management Team, with high and very high risks reported quarterly by respective governance Committees and on a six monthly basis by the Board.

4. Assessment

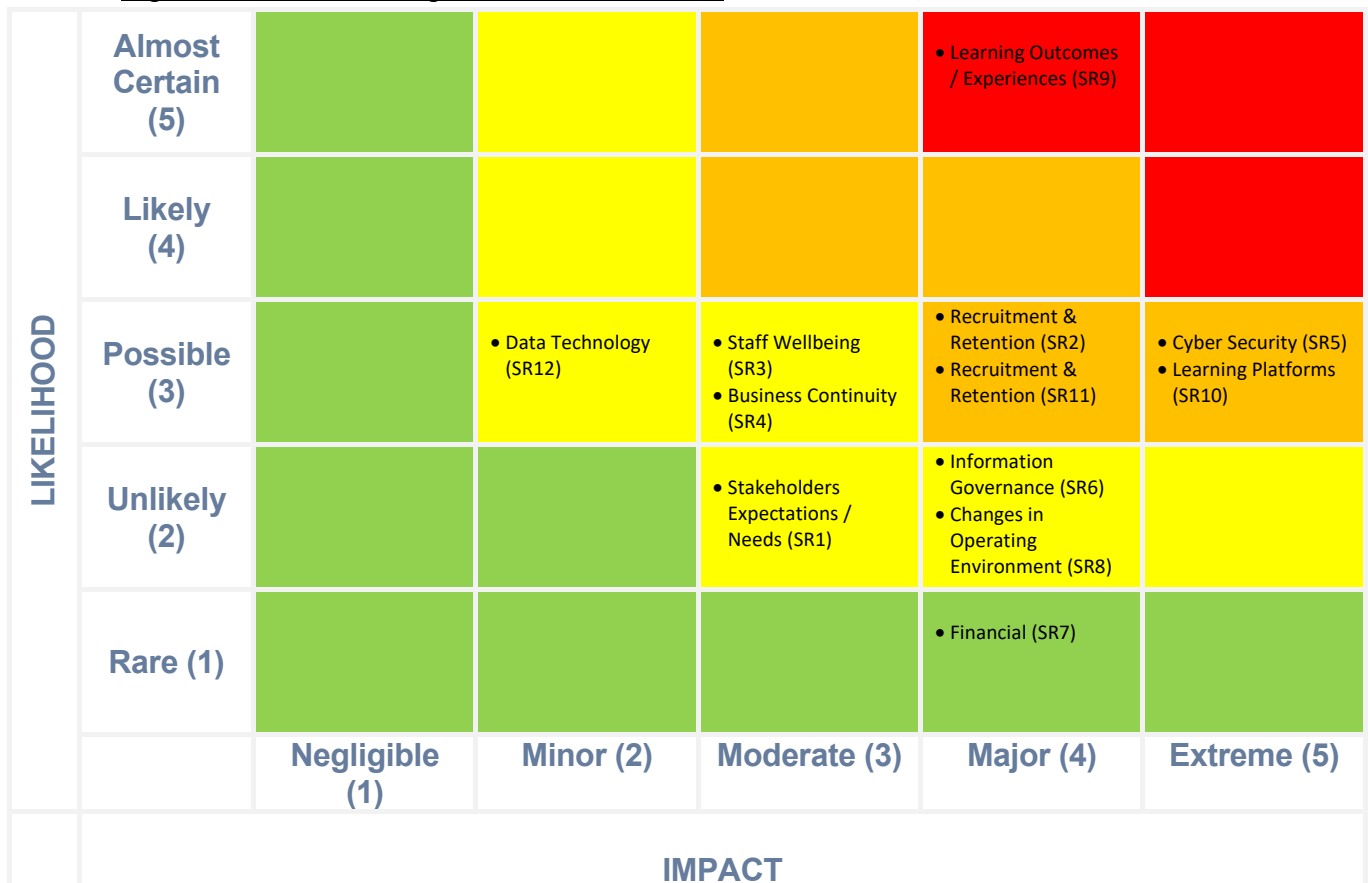
- 4.1. NSS's strategic risks had been reviewed by the NSS Board and respective Committees in March 2026, with reporting to Committees based on the category of risk. There are 9 strategic risks, with the recent closure of the Public Inquiries risk, captured as shown in Appendix 1. All risks are being managed in line with IRMA, by owners with actions and controls in place to mitigate the likelihood and impact of risk occurring. The detail is noted in Appendix 1.

Figure 1 - NSS Strategic Risks March 2026



4.1.1. NES’s Strategic Risk Log (summary Appendix 3, detail Appendix 4) had been subject to a recent review by the Executive Team, the NES Board and respective Committees in preparation for the transition into PSD Scotland. There are currently 12 risks captured which could impact on the operating environment and the achievement of organisational objectives.

Figure 2 – NES Strategic Risks March 2026



Quality, Value, Care and Technology

- 4.2. The Planning and Performance Committee (NES) provided oversight for all quality, patient care and technological risks. The Clinical Governance Committee (NSS) provided oversight for all assigned the categories of Injury and Illness, Healthcare Experience and Health Inequalities. Clinical staff related Health and Care Staffing Act (2019) risks and issues are also overseen by the CGC. The Cyber Security risk in NSS was reviewed by the Finance, Procurement and Performance Committee on the basis of the category of Service Delivery / Business Interruption.
- 4.2.1. There is 1 high rated strategic risk that is related to health care experience and 3 high rated risks relating to technology and cyber security.

Workforce

- 4.3. All workforce risks were considered by the respective Staff Governance Committees.

Financial

- 4.4. Both risk registers identify a strategic risk within this report with a financial impact of over £1,000k if the risks were to be realised, and these were subject to review at the Finance, Procurement and Performance Committee (NSS) and the Audit and Risk Committee, respectively.

Education and Training

- 4.5. All strategic risks that could impact education and training were reviewed by the NES Education and Quality Committee.

Information Governance

- 4.6. This paper does not include personal data. All project and programmes of work covered by this paper were reviewed for any data protection or information governance risks. Information governance risk for NSS and NES were reported to the Audit and Risk and the Planning and Performance Committees, respectively.

Environmental and Climate Sustainability

- 4.7. Work which NSS & NES undertook to mitigate climate change and environmental sustainability were reported to the Finance Procurement and Performance Committee and the Audit & Risk Committee, respectively. 1 strategic risk relates to climate change.

Equality, Diversity, Human Rights and Health Inequalities

- 4.8. An Equality Impact Assessment has not been completed as the requirement to complete does not apply to performance papers.

Other Impacts

- 4.9. There are no other relevant impacts specific to this report.

Risk Assessment/Management

- 4.10. All risks discussed in this report were managed in line with NSS's and NES's Integrated Risk Management Approach.

Communication, Involvement, Engagement and Consultation

- 4.11. There is 1 strategic risk identified that relates to the duties to involving and engaging with external stakeholders.

Route to the Meeting

- 4.12. A detailed review of NSS Corporate and Strategic risks takes place at relevant Committees in March, the NSS risks were reviewed by the Executive Management Team on 16th February 2026 and an update M11 report was reviewed on 16th March 2026.
- 4.12.1. A detailed review of NES Strategic Risks was undertaken at the Executive Team meeting on 9th March 2026 and at the NES Board meeting on 19th March 2026.

5. List of appendices

- 5.1. The following appendices are included with this report:
- Appendix 1, NSS Strategic Risks
 - Appendix 2, NSS Definitions & Risk Appetite Overview
 - Appendix 3, Summary of NES Strategic Risks
 - Appendix 4, NES Strategic Risks
 - Appendix 5, NES Risk Matrix, Scoring and Risk Categories

Appendix 1 NSS Strategic Risks as at 31 March 2026

Strategic Risks Report (31 March 2026)

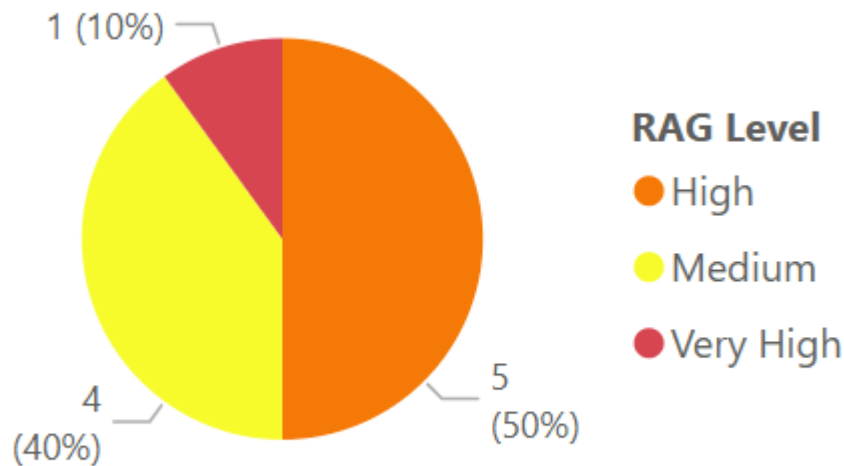
This paper presents the Board with the latest position on risk management activity across all NSS strategic risks. It is an opportunity for the Board to note the position of these risks and issues in line with the reporting requirements set out in the Integrated Risk Management Approach (IRMA). Where any significant updates are available after the end of the reporting period, these have been added to the paper.

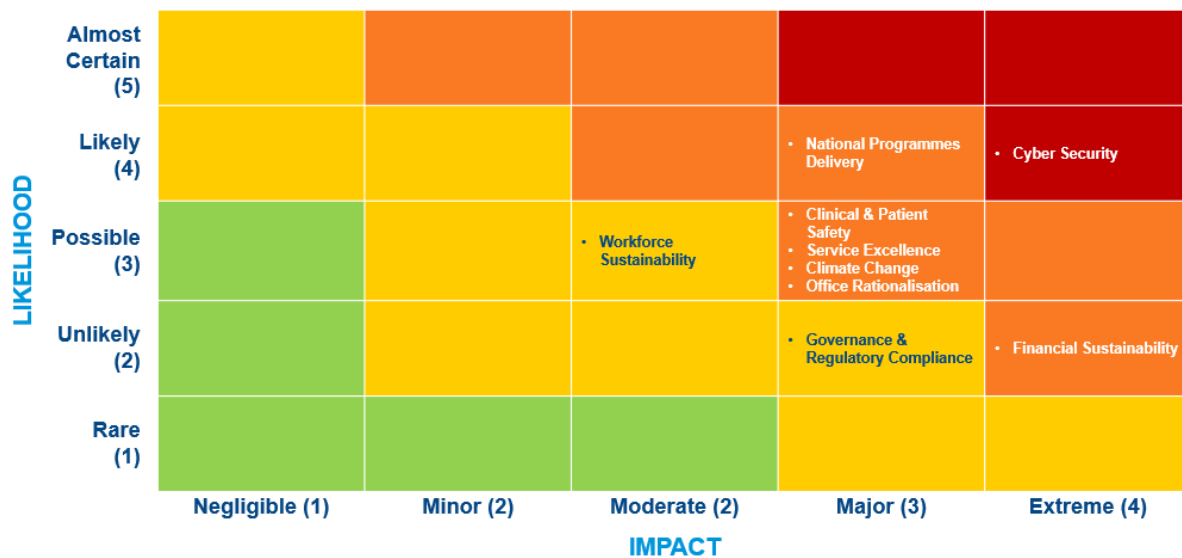
The strategic risks have already been reviewed the NSS Board and respective Committees in March, with reporting to Committees based on the category of risk.

There were 9 strategic risks on 31 March.

These risks are being managed using the Integrated Risk Management Approach and are reported to Committees based on their primary risk category. Each risk is shown with the number of the risk on the Inphase risk management system.

Figure 1 & 2 - Strategic Risks M12 FY26





654 Cyber Security

Current RAG	Initial RAG	Residual RAG
20 Very High	20 Very High	12 High

Review Date	Opened Date	Proximity Date
31/05/26	15/12/23	31/12/26

Primary Category	Risk Appetite	Risk Owner
Service Delivery / Business Interruption	Outwith Tolerance	Director of Digital and Security

Summary: There is a risk that NSS could be the subject of a Cyber-attack resulting in critical loss of service, loss of data, or serious adverse event impacting clinical safety.

Impact: Cyber-attacks can disrupt operations, causing direct impact on specific clinical and business or supplier systems, making them not able to operate as intended, thus having a detrimental impact on service. Cyber-attacks can lead to immediate and consequential financial losses due to theft of funds, ransom payments, cost of investigations or regulatory fines.

Update: Draft risk sub-categories and associated measurements are almost complete and will be ratified by Information and Security Governance Group before approval by Corporate Governance Oversight Group. NSS are driving a national approach to security controls testing and measurement, which remains on track. NSS continues to deliver the Cyber Centre of Excellence to enhance the identification, prevention and detection of response to and recovery from

cyber attacks, with good progress against delivery priorities, and the programme currently reporting as Green. The Cyber Centre of Excellence will own the cyber training module for NHS Scotland from 2026, with training being mandatory annually. The Cyber Centre have increased capabilities around incident response and have recently procured a new ransomware product to add protection.

656 Clinical and Patient Safety

Current RAG	Initial RAG	Residual RAG
12 High	12 High	8 Medium

Review Date	Opened Date	Proximity Date
30/0426	20/12/23	30/06/26

Primary Category	Risk Appetite	Risk Owner
Healthcare Experience	Tolerable Risk Position	Executive Medical Director

Summary: There is a risk that harm or low-quality care may occur for patients or service users resulting in poor outcomes. Due to emerging areas of potential harm and evolving requirements, NSS needs to remain proactively focused on ensuring and continuously improving the clinical and patient safety of the care, services, and products we provide.

Impact: Failure to deliver high quality national services, such as population screening programmes, infection prevention and control, blood transfusion services and specialist services, will have a negative impact on population health. Due to the position of NSS as a national board under scrutiny, failure to deliver high quality services may attract adverse publicity and/or enforcement action by external regulators. Adequate resources for delivery of high-quality services could be at risk due to financial pressures across NHS Scotland. Ability to recruit and retain staff in a challenging and competitive environment across NHS Scotland could have a negative impact on the ability to deliver services.

Update: Quality improvement activity continues across NSS, with another cohort of Quality Improvement and Value Skills (QIVS) course ongoing and several bite size sessions have taken place. The Clinical Governance Delivery Plan remains on track with five workstreams now complete. The Clinical Governance delivery plan workstreams relating to clinical complaints and clinical adverse events will carry forward to 2026-27 due to the proposed

implementation date of the InPhase system and associated policy and guidance. The Clinical Governance and Quality Improvement Leadership Forum took place in January, and an NSS Connected article promoting the Clinical Governance framework was published. Early preparation is under way for the next Clinical Governance and Quality Improvement Leadership Forum provisionally scheduled for May. Reporting continues to be strengthened, with the Clinical Governance team reviewing and providing feedback on clinical governance assurance reports submitted by directorates.

Quarterly action and improvement reporting to the Clinical Governance Committee is in place against Infected Blood Inquiry actions. This will mitigate against any future risks to patient safety. SNBTS is largely compliant with the new Serious Hazards of Transfusion (SHOT) Safety Standards, with gaps centred on national digital interoperability and training requirements.

The Annual Report for Health & Care Staffing due at the end of April is ready for submission, to Scottish Government following approval by Clinical Governance Committee. This shows substantial assurance with compliance.

Risks relating to changes to clinical services commissioned by NSD continue to be managed and the overall risk position is largely unchanged. Risk exposure remains high for service sustainability and governance in nationally commissioned services. Several high-impact operational risks continue to require close monitoring.

The new model of clinical assurance developed as part of Child Health Programme will be built upon and formally embedded across all digital Programmes and Projects. This will include early identification and engagement with key stakeholders. The risk position for Child Health profile has reduced. Stakeholders have been involved in reviewing risks in the Clinical Safety Case to maximise engagement and involvement.

658 Workforce Sustainability

Current RAG	Initial RAG	Residual RAG
9 Medium	12 High	4 Medium

Review Date	Opened Date	Proximity Date
31/05/26	11/01/24	31/05/26

Primary Category	Risk Appetite	Risk Owner

Workforce	Optimal Risk Position	Director of HR
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Summary: There is a risk that NSS will not have a sustainable workforce that is diverse, knowledgeable, and skilled to support the organisation to remain resilient and responsive to meet its strategic ambitions and service needs. Due to current labour market conditions across the UK and our capacity to re-skill staff, which could result in a lack of supply of professional / appropriately trained staff to deliver our services.

Impact: There is the potential to see negative service impacts, including to standards, quality, and timescale delays, leading to adverse satisfaction from stakeholders where there are workforce challenges alongside additional burdens for existing staff to cover unfilled roles.

Update: Delivery against the NSS 5 Pillars Action Plan has been positive, with the majority of actions completed or on track. This includes progress on Once for Scotland policies, workforce planning, statutory compliance and culture and wellbeing priorities supporting sustainable workforce delivery. Currently pulling together the actions for Year 3 delivery. In terms of the Great Place to Work Plan 2025-26 90% of the actions have been completed and outstanding actions carried forward to the 2026-27 Great Place to Work Plan which has been approved and published.

659 Service Excellence

Current RAG	Initial RAG	Residual RAG
12 High	16 High	6 Medium

Review Date	Opened Date	Proximity Date
31/06/26	15/01/24	31/12/26

Primary Category	Risk Appetite	Risk Owner
Service Delivery / Business Interruption	Outwith Tolerance	Director of SPST

Summary: There is a risk that NSS is unable to deliver effective services for its users which could lead to a negative impact on NHS Scotland health outcomes and NSS credibility. Due to the amount of change and improvement required to ensure services continue to meet needs, the limited availability of key resources

(digital, people, finance) to support change, the extended use of legacy technologies and the need to ensure services remain safe and effective.

Impact: There is potential to fall short of user and stakeholder expectations and agreed timescales which could result in lack of improvement or delays and may result in reputational damage or media scrutiny.

Update: Development of the 26/27 Annual Delivery Plan is ongoing and will be discussed at the Board in May. . Complaints data continues to be uploaded to ServiceNow while preparations continue to move Complaints over to the Inphase platform. Improvements continue to be made on Power BI dashboards for Risk Reporting. Plans are in place to create a dashboard for Annual Delivery Plan reporting from quarter 2.

660 Climate Change

Current RAG	Initial RAG	Residual RAG
12 High	9 Medium	9 Medium

Review Date	Opened Date	Proximity Date
30/06/26	16/01/24	30/06/26

Primary Category	Risk Appetite	Risk Owner
Service Delivery / Business Interruption	Outwith Tolerance	Director of NHSS Assure

Summary: There is a risk that we do not reduce our impact on the environment in line with government climate change targets. Due to challenges with the scale of change needed to NSS and national infrastructure while ensuring clinical safety standards continue to be met.

Impact: There is potential delay to major change programmes which are aimed at providing environmental benefits. Funding limitations may prevent, delay, or cancel critical environmental improvement projects, undermining long-term carbon reduction efforts. If targets are not achieved, NSS could face criticism from stakeholders and lose credibility as we host the national team responsible for NHSScotland environmental and climate sustainability.

Update: A full review of this risk highlighted the potential long-term implications of funding limitations, as well as the potential loss of stakeholder support for

future strategic action should NSS fail to deliver their own climate and sustainability commitments. An increase in the impact level from 3 to 4 was proposed and subsequently approved by the Finance, Procurement and Performance Committee. This resulted in an increase in overall RAG from medium to high. All previous actions have now been closed and a new action plan put in place.

An Estates Adverse Weather Process document has been created and recently tested during an Amber weather warning. A commercial contractor has been appointed to undertake a thermal analysis of 7 key estates during 2025/26, to support the Climate Change Risk Assessment report. This was completed by mid March and reports will be shared with key stakeholders to take forward recommendations identified.

Engagement has begun to progress installation of a new substation and EV chargers at Jack Copland Centre. Work is also progressing on new EV chargers at Bogleshole Road and Hassockrigg Park. We remain on track for the replacement and new installation of LED lights at Gartnavel and the solar panels at Bogeshole Road.

663 Delivery of National Programmes

Current RAG	Initial RAG	Residual RAG
16 High	16 High	8 Medium

Review Date	Opened Date	Proximity Date
30/04/26	30/01/24	31/03/27

Primary Category	Risk Appetite	Risk Owner
Transformation & Innovation	Optimal Risk Position	Director of Finance

Summary: There is a risk that NSS is unable to deliver the planned benefits, including service improvements and cost reduction, from the NHS Scotland national programmes it has been tasked to deliver. Due to the opt-in rather than opt-out approach used by NHS Scotland, the governance lying out with NSS, and potential impact of decisions made elsewhere.

Impact: Potential impact on the value of the investment made in national programmes not being realised and impact on credibility with stakeholders.

Update: Consolidated financial planning/reporting being developed in order for NHS Scotland Corporate Finance Network has visibility on all key work supported by NSS including financial implications. Finance Leads allocated to projects to support the development of robust business cases and support timely, appropriate governance in NSS and across NHS Scotland. Business cases articulated to show the costs of delivery and that funding is secured both for national infrastructure and local delivery.

664 Rationalisation of Office Accommodation

Current RAG	Initial RAG	Residual RAG
12 High	15 High	8 Medium

Review Date	Opened Date	Proximity Date
29/05/26	30/01/24	31/03/27

Primary Category	Risk Appetite	Risk Owner
Service Delivery / Business Interruption	Outwith Tolerance	Director of Finance

Summary: There is a risk that NSS is unable to fully realise savings and service improvements from the rationalisation of its office accommodation. Due to the requirement to work collaboratively with, and at the pace of national boards and other stakeholders.

Impact: Estate rationalisation is a key element of NSS' longer term financial and environmental sustainability plan.

Update: NSS is currently reviewing NSS footprint in light of the creation of PSD Scotland. A strategic assessment of future options at Gyle Square post lease end in June 2029 is ongoing. Following termination of their lease at Westport, in summer 2026, assessment is ongoing around location for former NES staff. A strategic assessment is underway to identify future options for Gyle Square post-lease in 2029. There continues to be ongoing engagement with territorial Boards.

665 Financial Sustainability

Current RAG	Initial RAG	Residual RAG
10 High	15 High	10 High

Review Date	Opened Date	Proximity Date
30/04/26	30/01/24	31/03/27

Primary Category	Risk Appetite	Risk Owner
Service Delivery / Business Interruption	Outwith Tolerance	Director of Finance

Summary: There is a risk that NSS is unable to deliver its statutory obligation to deliver services within approved funding limits, whilst delivering cash releasing efficiency savings targets. Due to the changing, short term, non-recurrent nature of funding allocations which limit our financial flexibility and ability to invest to save and deliver value for money.

Impact: This would impact on the ability to balance the budget and meet cash releasing efficiency savings, whilst providing best value and savings for the NHS in Scotland. Our ability to invest in improving our services to meet our strategic objectives may be compromised.

Update: Finance Business Partners continue to support work to embed value-based health and care principles in processes and outputs/outcomes, working closely with clinical leads. Finance Charters are refreshed annually and discussed at directorate Senior Leadership Team meetings. Future development includes more focus on financial and funding strategy for each directorate to maximise opportunities and mitigate risks. Financial stability is at the heart of wider Integrated Service Planning. Regular meetings are held with Scottish Government including a monthly Corporate Finance call, which covers investment, funding, and financial management across financial years.

666 Governance and Regulatory Compliance

Current RAG	Initial RAG	Residual RAG
8 Medium	12 High	6 Medium

Review Date	Opened Date	Proximity Date
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29/05/26	31/01/24	31/03/27
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Primary Category	Risk Appetite	Risk Owner
Compliance	Outwith Tolerance	Director of Finance

Summary: There is a risk that we fail to meet appropriate corporate legal, governance and regulatory requirements, due to limited staff capacity and capability, ineffective internal processes, and wider service pressures.

Impact: Failure to meet regulatory requirements would have a potential impact on services which operate in a highly regulated environment and could result in financial penalties, impact on staff wellbeing and reputation with stakeholders.

Update: Talent management and succession planning is aligned to and supports wider corporate requirements as part of the annual work plan and resilience planning. The Great Place to Work Plan is executed and delivery is overseen by the Senior Leadership Team and the Local Partnership Forum. Planning work has been undertaken in relation to reduced working week and service planning.

NSS Definitions

Please note the following terms, as agreed within our Integrated Risk Management Approach (IRMA), are used in the report and definitions have been provided to assist the Committee with its review.

Risk: A risk can be defined as an event or set of events which, if they were to occur, could have an impact on the achievement of our objectives.

Issue: An event that has happened, or is happening, that was not planned and requires additional or remedial action. Please note: If a risk occurs/materialises it can become an issue, resilience incident, or adverse event, depending on the definition criteria, and would then be managed and recorded through that route.

Current RAG: The latest very high, high, medium, or low rating of a risk assessed by multiplying the likelihood of the risk occurring with the possible impact it could have.

Initial RAG: The very high, high, medium, or low rating of the risk when it was first raised.

Residual RAG: The expected remaining risk after all mitigating actions have been implemented.

Review Date: The date when the risk is next due to be reviewed by the risk owner.

Opened Date: The date when the risk was originally added to the NSS Risk Register.

Proximity Date: The date when a risk could become an issue if not effectively mitigated.

Risk Appetite: The amount of risk that NSS is prepared to accept or be exposed to at any one time, in the pursuit of its strategic objectives. NSS's risk appetite is the optimal position of where we aim to operate, however we also define a tolerable position which is where we are willing to operate. Any risk outwith both optimal and tolerable position is described as outwith tolerance.

Appendix 2

NSS Risk Appetite Overview

Impact Category	Statement	Optimal Risk Position	Tolerable Risk Position
Injury/Illness	<p>The safety of those who work for NSS and people who are impacted by our services is paramount to NSS. We focus on delivering services safely to avoid injury / illness.</p> <p>Good controls and oversight are required to be in place and confidence in the controls is required. We have a cautious risk appetite but will tolerate an open appetite where innovation is required as long as there is a defined benefit and good controls in place.</p>	<p>Cautious</p> <p>Score ≤9</p>	<p>Open</p> <p>Score 10-16</p>
Healthcare Experience	<p>We aim for people who use our services, whether that be to donate blood or in using the products we have procured on behalf of NHSScotland or utilise our expertise to have a positive experience of our service provision.</p> <p>Good controls and oversight are required to be in place and confidence in the controls is required. We therefore have a cautious risk appetite but will tolerate an open appetite where innovation is required as long as there is a defined benefit and good controls in place.</p>	<p>Cautious</p> <p>Score ≤9</p>	<p>Open</p> <p>Score 10-16</p>
Transformation & Innovation	<p>Our strategic plan points to change as driven by the needs of our stakeholders. The Enable priority is our transformation priority which focuses on supporting programmes of work to implement new or improved healthcare solutions. We have an open risk appetite to innovation and will tolerate an eager appetite, where this is required. Innovation will be supported with a clear demonstration of benefit. Some controls will be in place. Responsibility is devolved.</p>	<p>Open</p> <p>Score ≤16</p>	<p>Eager</p> <p>Score 17-25</p>
Service Delivery / Business Interruption	<p>NSS places high importance on services, delivery and on quality improvement. Our services such as blood supply and digital infrastructure, amongst others, are critical to delivery for the NHS in Scotland. In addition, NSS delivers a range of shared services to other health boards. We aim to successfully deliver against our Annual Delivery Plan and minimise business interruption through taking swift action to assess and recover from business interruption. Changes may be made if there are good levels of control and oversight around the risks. NSS has a</p>	<p>Cautious</p> <p>Score ≤9</p>	<p>Cautious</p> <p>Score ≤9</p>

	cautious risk appetite and tolerance aimed at improving its frontline services and the corporate services that underpin them.		
Workforce	<p>A diverse, knowledgeable, skilled, and optimised workforce that can respond to changing needs, are critical to NSS achieving its objectives. We work in Partnership with the Trades Unions and aim to ensure positive industrial relations are in place. We need to ensure we have the ability to attract and retain our staff and that our staff are employed in line with legislation. We strive to meet the Staff Governance Standard.</p> <p>The cautious appetite to risk allows NSS scope to implement initiatives and procedures that seek to inspire staff and support transformational change whilst ensuring it remains a safe place to work. Change may be made if there are good levels of control and oversight around the risks. The open tolerance allows us to accept some risk where change is required as long as there is potential for improved recruitment and retention and development opportunities for staff.</p>	<p>Cautious</p> <p>Score ≤9</p>	<p>Open</p> <p>Score 10-16</p>
Financial	<p>NSS aims to achieve our statutory financial targets, including financial balance. The NSS Financial Sustainability Plan is in place to ensure a robust financial management culture is developing across NSS. The open risk appetite allows us to make purchases where required with good controls in place and to challenge current practice on funding decisions outside of our allocation. We will tolerate an eager risk appetite to pursue transformation and innovation where there is explicit benefit, to respond to stakeholder requirements and ensure NHS spend is effective and efficient.</p>	<p>Open</p> <p>Score ≤16</p>	<p>Eager</p> <p>Score 17-25</p>
Compliance	<p>Due to the diverse nature of the services NSS delivers, there is an extensive range of compliance requirements placed upon us. Compliance arrangements may relate for example to the process of manufacturing and distribution of blood or the management of information systems / information governance and procurement legislation. We want to ensure that our staff are trained appropriately.</p> <p>We aim to avoid actions with any unnecessary risk of non-compliance. We therefore have an adverse risk appetite. No decisions are taken outside of process and oversight / monitoring arrangements. A</p>	<p>Averse</p> <p>Score 1</p>	<p>Minimal</p> <p>Score 2-4</p>

	<p>significant level of resource is focused on detection and prevention of non-compliance. There is a priority for close management controls and oversight with limited devolved authority. We are willing to accept a tolerance of minimal risk appetite where low risk actions are required to deliver priorities and objectives.</p>		
<p>Public Confidence</p>	<p>To sustain a high reputation and confidence in its service offering, NSS has set a minimal appetite for risk. It is important that there is confidence in the services delivered by NSS. NSS seeks to conduct its activities in a way that maintains its reputation; mitigating anything that might jeopardise this and result in adverse publicity. Building and maintaining the trust and confidence of its existing stakeholder base remains central to NSS values. However, it is accepted that some risk exposure is taken when enabling health and care transformation with new services therefore we have adopted a cautious risk tolerance.</p>	<p>Minimal Score ≤4</p>	<p>Cautious Score 5-9</p>
<p>Health Inequalities</p>	<p>Health inequalities in Scotland are significant with disparities in health outcomes based on socio-economic status leading to a gap in life expectancy and quality of life between affluent and deprived areas. Where NSS commissions services or provides services which impact on people's health, appetite for risk taking is limited to those events where there is no chance of a varying impact on groups of people. Risk appetite is therefore minimal. We have a tolerance appetite level of cautious. We are prepared to accept the possibility that decisions or service change may have a varying impact on different groups of people for good reason.</p>	<p>Minimal Score ≤4</p>	<p>Cautious Score 5-9</p>

Summary of NES Strategic Risk Log - March 2026

Risk No.	Risk Title	Risk Date	Date due for next review	Gross Total	Net Total	Risk Category	Risk Appetite	Risk appetite vs net score	Overall Control Assurance
SR1	NES may be unable to fully respond to the evolving needs and expectations of stakeholders during the transition to PSD Scotland.	19/04/2023	14/06/2026	15	6	Strategic	12-16		Effective
SR2	Unable to retain sufficiently experienced and knowledgeable people to the Board, Executive Team and senior management establishment.	19/04/2023	08/06/2026	16	12	People/Workforce	12-16		Effective
SR3	Supporting staff morale and preparing staff during organisational change.	19/04/2023	08/06/2026	16	9	People/Workforce	12-16		Effective
SR4	Business Continuity arrangements are not adequately robust to manage and mitigate disruption to business processes.	19/04/2023	16/06/2026	16	9	Governance	1-5	Gap 4	Acceptable
SR5	Ineffective or poorly managed measures in place to adequately protect against breaches of cyber security.	19/04/2023	16/06/2026	20	15	Operational	12-16		Acceptable
SR6	Employee training and other operational controls are ineffective in minimising the risk of breaches of Information Governance.	19/04/2023	16/06/2026	20	8	Operational	12-16		Effective
SR7	NES unable to produce a balanced financial plan.	19/04/2023	03/06/2026	25	4	Finance	1-5		Effective
SR8	Inability to adequately anticipate, accommodate and respond to the impacts of policy, legislative, economic, technological, environmental and societal change.	19/04/2023	14/06/2026	16	8	Strategic	12-16		Effective
SR9	Learning outcomes or learning experience for our stakeholders is compromised due to uncertainty around training and education venues in the South East of Scotland.	19/04/2023	15/06/2026	20	20	Operational	12-16	Gap 4	Acceptable
SR10	Insufficient investment in Digital Learning Infrastructure Programme and other NES learning platforms.	19/04/2023	16/06/2026	20	15	Operational	12-16		Acceptable
SR11	Inability to recruit and retain appropriately skilled and experienced staff.	19/04/2023	08/06/2026	16	12	People/Workforce	12-16		Effective
SR12	Insufficient investment in data and associated technologies to maximise the value of data and information in NES's systems.	14/12/2023	16/06/2026	12	6	Governance	1-5	Gap 1	Acceptable

STRATEGIC RISK 1

Risk no:	SR1					
Risk Short Title:	NES may be unable to fully respond to the evolving needs and expectations of stakeholders during the transition to PSD Scotland.					
Risk Owner:	Karen Reid	Date Added to Register:	19/04/2023			
		Review Date:	14/06/2026			
		Frequency of Review:	Quarterly			
		Committee/Group overseeing	Services & Digital Transformation Committee			
Risk Category(s)	Strategic	Reputational				
Risk impacts on NES Strategy Key Area of Focus :						
Date of Score	Net Score	Current Net Risk Rating: (Priority 1, 2, 3 or 4)	Risk Movement: (↑,↔,↓)	Board Appetite		Within Board Appetite
26/01/2026	6	Medium		Open	12-16	
16/03/2026	6	Medium	↔			
	-					
	-					
	-					

Gross Impact (1-5)	Gross Likelihood (1-5)
5	3
Gross Total:	15

Net Impact (1-5)	Net Likelihood (1-5)
3	2
Net Total:	6

Board Risk Appetite v Net Total	
Open	12-16
Medium	6

Existing control rating: Effective

Cause: The transition to PSD Scotland presents uncertainties in respect of organisational scope and priorities limiting NES ability to fully engage stakeholders and provide clarity on future arrangements.		Effect: NES may be unable to anticipate or adapt to stakeholders' changing requirements and expectations of the new organisation.	
		Result: This could lead to potential failure to meet service related needs and reduced confidence among partners.	
Control:	Effectiveness:	Actions:	Due Date:
1. Adequate NES involvement at all levels of Programme delivery and governance to ensure NES interests and statutory functions are represented.	Effective - Legislation laid in parliament reflects transference of full statutory functions of NES into the CSA.	1. Continue Executive engagement sessions with Territorial Health Boards, Health & Social Care Partnerships, Scottish Government, Social Care Sector and Academia to develop relationships and understanding of needs.	Ongoing
2. Active involvement in Comms and Engagement workstream to ensure requirements of NES stakeholders are taken into account.	Effective - Communication Plan and Stakeholder Map.	2. Draft ADP 2026/27 and Financial Plan to be presented to NES Board February & March 2026 for approval prior to transition and presentation to PSD Scotland Board scheduled for April 2026.	Ongoing Yearly Submission
3. PSD Scotland CEO appointment process now concluded and Board member appointments made, thus leadership confirmed.	Effective	3. Ongoing SG engagement in respect of future planning and transition into new organisation as part of both Sponsorship arrangements and delivery the PSD Scotland programme.	Ongoing

STRATEGIC RISK 2

Risk no:	SR2				
Risk Short Title:	Unable to retain sufficiently experienced and knowledgeable people to the Board, Executive Team and senior management establishment.				
Risk Owner:	Sybil Canavan	Date Added to Register:	19/04/2023		
		Review Date:	08/06/2026		
		Frequency of Review:	Quarterly		
		Committee/Group overseeing	Staff Governance Committee		
Risk Category(s)	People/Workforce				
Risk impacts on NES Strategy Key Area of Focus :					
Date of Score	Net Score	Current Net Risk Rating: (Priority 1, 2, 3 or 4)	Risk Movement: (↑,↔,↓)	Board Appetite	
26/01/2026	12	High		Open	12-16
10/03/2026	12	High	↔		
	-				
	-				
	-				

Gross Impact (1-5)	Gross Likelihood (1-5)
4	4
Gross Total:	16

Net Impact (1-5)	Net Likelihood (1-5)
4	3
Net Total:	12

Board Risk Appetite v Net Total	
Open	12-16
High	12

Existing control rating: Effective

Cause:		Effect:	
Unable to retain sufficiently experienced and knowledgeable people to the Board, Executive Team and senior management establishment due to organisational pressures and change.		This would impact the continuity of effective leadership, management and governance of the new organisation.	
		Result: This would result in a deterioration of performance and credibility at all levels and would increase the potential risk of serious failures in governance.	
Control:	Effectiveness:	Actions:	Due Date:
1. There is a wide pool of nationwide talent in terms of non-executive recruitment with robust processes in place and a good track record for attracting high quality candidates when Board vacancies occur.	Effective - Process in place including Aspiring Chair Programme.	1. The final NES Succession Plan for 25/26 was agreed by ET in September. Those identified in the Succession Plan have a Personal Development Plan (PDP) in place to support any areas to develop and this is overseen by their line manager. Given the circumstances of the move towards Public Services Delivery Scotland there is less emphasis and focus on succession planning currently however a firm commitment to development continues. A new Public Services Delivery Scotland Succession Plan will be picked up as part of the planning and arrangements for the new organisation post April 2026. Update March 2026 - Maintaining ongoing communication with staff as we move into the new organisation.	31/05/2026
2. Executives and senior managers recruited from across the public and private sectors to ensure a wide spread of skills and experience in its senior leadership.	Effective - Data available from recruitment system dependent on recruitment route.		
3. A programme of executive and senior manager development and succession planning is in place to make sure that those in post are given the opportunity to develop in the role, and to acquire new professional skills and experience. This includes mapping of key roles; a process to identify potential successors; work with potential successors on individual development plans.	Effective - PDP and Annual Reviews.	2. The Non-Executive Board Skills and Experience Matrix is updated on an annual basis. Update Dec 2025 – No changes to Board membership anticipated ahead of transition to Public Services Delivery Scotland and skills matrix remains in place and up to date. Succession planning arrangements remain in place for key senior roles.	This action is on hold - completed end of Dec 2025 for NES.
4. Senior leaders are encouraged to participate in a wide range of national professional networking groups to make sure they have access to best practice across the sector.	Effective - Minutes of meetings/events attended.	3. Governance workstream within PSD Scotland programme taking forward arrangements for membership of the Board of the new organisation ensuring appropriate skill mix for the business to be conducted. Update March 2026 - Membership of the Board now confirmed - Action Closed	Closed
5. The non-executive director membership of the Board and the Co-opted membership of the Board Committees, reflects the correct skills and experience required to govern the organisation.	Effective - The Non-Executive Board Skills and Experience Matrix		
6. Members are Co-Opted annually to cover and any skills and experience gaps on the EQC and the PPC.	Effective - ToR's, membership, committee annual reports and minutes of meetings.		

STRATEGIC RISK 3

Risk no:	SR3				
Risk Short Title:	Supporting staff morale and preparing staff during organisational change.				
Risk Owner:	Sybil Canavan	Date Added to Register:	19/04/2023		
		Review Date:	08/06/2026		
		Frequency of Review:	Quarterly		
		Committee/Group overseeing	Staff Governance Committee		
Risk Category(s)	People/Workforce				
Risk impacts on NES Strategy Key Area of Focus :					
Date of Score	Net Score	Current Net Risk Rating: (Priority 1, 2, 3 or 4)	Risk Movement: (↑, ↔, ↓)	Board Appetite	Within Board Appetite
26/01/2026	9	Medium		Open	12-16
10/03/2026	9	Medium	↔		
	-				
	-				
	-				

Gross Impact (1-5)	Gross Likelihood (1-5)	Net Impact (1-5)	Net Likelihood (1-5)	Board Risk Appetite v Net Total	
4	4	3	3	Open	12-16
Gross Total:	16	Net Total:	9	Medium	9

Existing control rating: Effective

Cause:	Impact on employee health and wellbeing whilst moving through organisational change which ultimately impacts on staff engagement		Effect:	The effect of this is an impact on employees ability to contribute to the delivery of the strategic plan and individual Directorate Operational Plans during transition.	
Result:			That could result in a significant deterioration in the ability to deliver on those plans.		
Control:	Effectiveness:	Actions:	Due Date:		
1 - Strong partnership working arrangements in place and maintained through regular contact with the Employee Director and the Partnership Forum and JCF	Effective - Minutes of Partnership Forum and Change Management Programme Board.	1. iMatter action plans by iMatter Teams are completed and submitted annually. Update Dec 2025 - The National 2025 iMatter data has been published online and preparation for the next cycle is underway Update March 2026 - Timelines for National 2026 iMatter Survey have been defined.	Ongoing Yearly Submission		
2 - Communication plan to be a key focus on all organisational change projects.	Effective - Plan approval route recorded in minutes.	2. Continue to monitor attendance at monthly directorate townhalls/webinars. CEO staff drop in session webinars been established for all staff and regular Employee Director surgeries. Update Dec 2025 - Regular CEO staff drop-in sessions and Employee Director surgeries continue to be facilitated with positive attendance and feedback - 110 attended October Speak Up Week Webinar, 181 attended the December CIP All Staff Update and 389 attended the NES All Staff Christmas Webinar. Between 320 and 481 attended the CEO Drop in Sessions that were held in October, November and December 2025. Update March 2026 - Between 467 and 526 attended the CEO Drop in Sessions that were held in January, February and March 2026.	Ongoing		
3 - Strong focus on communication and visibility, both at a corporate and directorate level through, for example, monthly directorate townhalls and executive led webinars enabling 2 way participation.	Effective - Townhalls, webinars and talking heads.	3. Increase all staff communications via intranet. Update Dec 2025 - We continue to communicate with staff via the CEO drop-in sessions, ET on the road sessions, webinars, emails and the intranet. A new shared intranet site for NES and NSS is in development and will be a further channel to engage with staff. Update March 26 - We continue to communicate with staff via the CEO drop-in sessions, ET on the road sessions, webinars, emails and the intranet. A new shared PSD Scotland intranet site for NES and NSS staff was in January. A PSD Scotland communications launch plan has been agreed, outlining the deliverables pre and post 1 April to engage staff, including all staff comms, a PSD Scotland Directors Pack, a Day 1 video with Karen Reid and Keith Redpath, and a Ministerial video welcoming staff to PSD Scotland. Further staff engagements sessions are planned post 1 April to keep staff informed and engaged with PSD Scotland developments. 4. NES Comms are given the results of the NES biannual inclusion survey to provide feedback and enable appropriate action. Update Dec 2025 - Comms issued in summer and December survey issued to all staff, analysis by EDI team will be shared in Q4. Update March 2026 - Survey issued and run Dec '25 to Jan '26 feedback provided to each Director on their scores and news item and information on findings published on E&D Hub and promoted via Viva Engage. Information also included in the NES E&D Newsletter that will be issued by the end of March 2026. Action on Hold until decision made on future of inclusion survey.	Ongoing On Hold		
4 - Strong focus on support to line managers through the line managers network. 5 - Organisational priority to complete team action plans resulting from annual iMatter NHS Scotland employee survey exercise.	Effective - Line Managers Handbook - and Line Managers Network Effective - Action Plans recorded and progress reported to Board and Governance Committees and recorded in minutes.	5. Maintain focus through Operational Planning on reasonable expectations of staff in a constrained fiscal environment. Update Dec 2025 - Via the 26/27 Op Plan process Directorates were asked to identify the capability implications of their deliverables and prioritise organisational learning needs. This aligns with the NES Organisation Development Plan 2023-26 which includes an annual "Building our Capabilities" plan. Update March 2026 - Ongoing 6. ET, SIG and SOLG Development Days scheduled for November 2024 and February 2025. Update Dec 2025 - Proactive communication activities to support staff engagement continue through regular webinars, townhalls and the use of Viva Engage as well as focussed development sessions for specific staff cohorts. Update March 2026 - Action Closed - proactive communication continues across all groups as well as wider staff. SIG and SOLG will continue into new organisation to maintain communication and cross working while new structures and meeting arrangements develop.	Ongoing Closed		
6 - Wellbeing Matters Hub launched on 22 March 2024. This is a one-stop shop for health and wellbeing. The Hub is hosted on TURAS and provides resources offering information, practical tools, and top tips around the four pillars of wellbeing: healthy work, healthy mind, healthy life, and healthy body. 7 - NES biannual inclusion survey to include communication measure.	Effective - Monthly all staff communications informing staff of any changes and future events/resources. Effective - Results of survey shared with ET and Staff Governance Committee and action plans implement including the Anti Racism Plan.	7. Public Services Delivery Scotland Staff Consultation underway and supporting Trade Unions and individual Directorates and members of staff to participate in consultation. Update Feb 2026 - Staff Consultation concluded and formulating response to comments, questions and responses received. Update March 2026 - On agenda for Partnership Forum 12th March prior to going back out with formal responses. Further detail will be added to the FAQs w/c 16th March 2026. 8. Development of Collaboration Model.	31/05/2026 31/05/2026		



STRATEGIC RISK 4

Risk no:	SR4				
Risk Short Title:	Business Continuity arrangements are not adequately robust to manage and mitigate disruption to business processes.				
Risk Owner:	Christopher Wroath	Date Added to Register:	19/04/2023		
		Review Date:	16/06/2026		
		Frequency of Review:	Quarterly		
		Committee/Group overseeing	Finance & Resource Committee		
Risk Category(s)	Governance	Operational			
Risk impacts on NES Strategy Key Area of Focus :					
Date of Score	Net Score	Current Net Risk Rating: (Priority 1, 2, 3 or 4)	Risk Movement: (↑, ↔, ↓)	Board Appetite	Within Board Appetite
29/01/2026	9	Medium		Averse	1-5
18/03/2026	9	Medium	↔		
	-				
	-				
	-				

Gross Impact (1-5)	Gross Likelihood (1-5)
4	4
Gross Total:	16

Net Impact (1-5)	Net Likelihood (1-5)
3	3
Net Total:	9

Board Risk Appetite v Net Total	
Averse	1-5
Medium	9

Existing control rating: Acceptable

Cause: NES does not test and maintain adequate Business Continuity arrangements to deal with the risk of adverse events and threats, both internal and external threats, e.g. national or global pandemics, power supply outages, and other events.		Effect: There may be an inability to deliver normal levels of service, or even an inability to deliver services at all in extreme circumstances.	
		Result: This could result in failure to achieve strategic outcomes.	
Control:	Effectiveness:	Actions:	Date Due:
1. Disaster Recovery Plan and Business Continuity Plans have been approved by the Executive Team.	Effective - approval recorded in minutes.	1. Evidence of a cloud data recovery to be presented to the NES Assurance Forum Update Oct 2025 - External consultancy has been engaged to catalogue the NES network architecture and associated hypercloud. Report is expected at end of Oct 2025, work on the associated workplan will be completed by the end of November 2025. Update Dec 2025 - Report will be presented to the NES Assurance Forum in February 2026. Update March 2026 - Report will be presented to the last NES Assurance Forum in March due to February meeting being rescheduled.	31/05/2026
2. The plans were robustly tested in a desktop exercise and recommendations were considered by the ET and incorporated into the current version of the plans.	Effective - Exercise formally documented and recorded in minutes.		
3. NTS have agreed to an internal audit on BCP on an emphasis on disaster recovery on cloud data, audit to commence September 2024.	Effective - Audit presented to ARC and documented in minutes		

STRATEGIC RISK 5

Risk no:	SR5				
Risk Short Title:	Ineffective or poorly managed measures in place to adequately protect against breaches of cyber security.				
Risk Owner:	Christopher Wroath	Date Added to Register:	19/04/2023		
		Review Date:	16/06/2026		
		Frequency of Review:	Quarterly		
		Committee/Group overseeing	Audit & Risk Committee		
Risk Category(s)	Operational	Governance			
Risk impacts on NES Strategy Key Area of Focus :					
Date of Score	Net Score	Current Net Risk Rating: (Priority 1, 2, 3 or 4)	Risk Movement: (↑,↔,↓)	Board Appetite	Within Board Appetite
29/01/2026	15	High		Open	12-16
18/03/2026	15	High	↔		
	-				
	-				
	-				

Gross Impact (1-5)	Gross Likelihood (1-5)
5	4
Gross Total:	20

Net Impact (1-5)	Net Likelihood (1-5)
5	3
Net Total:	15

Board Risk Appetite v Net Total	
Open	12-16
High	15

Existing control rating: **Acceptable**

Cause: NES does not put in place or manage measures to adequately protect itself against breaches of cyber security.		Effect: This could lead to unauthorised access to NES digital systems and data.	
		Result: This could significantly affect our ability to continue normal business operations and would risk reputational damage and the imposition of punitive financial fines by regulatory authorities.	
Control:	Effectiveness:	Actions:	Due Date:
1. Digital team ensures firewall logs, including changes to the firewall rule base, are added to the (Security Information and Event Management) SIEM tool in use and continue to be monitored frequently	Effective - The standard build for end user Windows devices and servers has been documented in the Windows 10 Endpoint Security Standards and in the VMWare tool for servers.	1. Review our early adopter status for the NHSS Security Operations Centre (Dundee). Update Oct 2025 - In progress - Engagement with Cyber Centre of Excellence (CCoE) and adoption of services is ongoing in line with CCoE service capacity and strategic roadmap. NES cyber security attend monthly CCoE operational steering group meetings	Ongoing
2. Senior Management and Executive level involvement and oversight of Cyber security related risk through updates in the Technology and Information Committee and Audit & Risk Committee meetings and through the NES Assurance Group.	Effective - Minutes of NES Assurance Group shared with TIC and ARC.	2. Comprehensive NES Cyber position completed and NTS Director accepted recommendations and associated action plan being developed with delivery by end of July. Update Dec 2025 - Delivery of plan progressing expected completion date end of February 2026.	31/05/2026
3. Staff awareness of Cyber security matters is raised through information security webinars provided by the Information Security Manager, which includes phishing emails and security regarding the use of public Wi-fi, reporting security breaches and determining key NES contacts, password guidance, information / data management under GDPR as well as analysing key current trends in Cybercrime.	Effective - Attendance numbers available/ number of security breaches recorded and reported to NES Assurance Group and TIC and minuted.	3. Director of NES Technology Service / SIRO will present paper on new structure for NIS Audit to the February 2026 NES Board. Update March 2026 - Paper presented to the February 2026 NES Board - Action Completed.	Closed
4. NIS Audit framework used to manage and build on NES' cyber security posture.	Effective - Compliance minuted.		

STRATEGIC RISK 6

Risk no:	SR6					
Risk Short Title:	Employee training and other operational controls are ineffective in minimising the risk of breaches of Information Governance.					
Risk Owner:	Christopher Wroath	Date Added to Register:	19/04/2023			
		Review Date:	16/06/2026			
		Frequency of Review:	Quarterly			
		Committee/Group overseeing	Audit & Risk Committee			
Risk Category(s)	Operational	Reputational	Governance			
Risk impacts on NES Strategy Key Area of Focus :						
Date of Score	Net Score	Current Net Risk Rating: (Priority 1, 2, 3 or 4)	Risk Movement: (↑,↔,↓)	Board Appetite		Within Board Appetite
29/01/2026	8	Medium		Open	12-16	
18/03/2026	8	Medium	↔			
	-					
	-					
	-					

Gross Impact (1-5)	Gross Likelihood (1-5)
4	5
Gross Total:	20

Net Impact (1-5)	Net Likelihood (1-5)
4	2
Net Total:	8

Board Risk Appetite v Net Total	
Open	12-16
Medium	8

Existing control rating: Effective

Cause: NES does not put sufficient employee training and other operational controls in place to minimise the risk of breaches of Information Governance.		Effect: Increase in number and severity and information security incidents and associated loss of data resulting in reduced service user confidence.	
		Result: This could result in serious reputational damage and the imposition of punitive financial fines by regulatory authorities.	
Control:	Effectiveness:	Actions:	Due Date:
1. Statutory and relevant data security processes in place, with specific reference to the new General Data Protection Regulations.	Effective - Processes approved and recorded in minutes		
2. Specific additional policies, procedures and practices (based on ISO27001) have been put in place to ensure robust security applies to the TURAS platform and the being developed National Digital Platform.	Effective - Policies and procedures approved and recorded in minutes.		
3. Whistleblowing arrangements are in place with information and resources available to staff via the Intranet including Whistleblowing standards, policy and process. These resources include reference to whistleblowing in relation to loss or misuse of data and are part of the essential learning programme for all NES employees.	Effective - Whistleblowing Annual Report presented to governance committees and board and recorded in minutes.		
4. Safe Information Handling features as an element of the NES essential learning programme.	Effective - Executive Team regularly review compliance which is minuted.		

STRATEGIC RISK 7

Risk no:	SR7				
Risk Short Title:	NES unable to produce a balanced financial plan.				
Risk Owner:	Jim Boyle	Date Added to Register:	19/04/2023		
		Review Date:	03/06/2026		
		Frequency of Review:	Quarterly		
		Committee/Group overseeing	Finance & Resource Committee		
Risk Category(s)	Finance				
Risk impacts on NES Strategy Key Area of Focus :					
Date of Score	Net Score	Current Net Risk Rating: (Priority 1, 2, 3 or 4)	Risk Movement: (↑,↔,↓)	Board Appetite	
04/02/2026	4	Low		Averse	1-5
05/03/2026	4	Low	↔		
	-				
	-				
	-				

Gross Impact (1-5)	Gross Likelihood (1-5)
5	5
Gross Total:	25

Net Impact (1-5)	Net Likelihood (1-5)
4	1
Net Total:	4

Board Risk Appetite v Net Total	
Averse	1-5
Low	4

Existing control rating: Effective

Cause:		Effect:	
NES does not put sufficient measures in place to address ongoing costs and funding pressures.		NES will experience financial constraints and will risk the inability to set sustainable financial plans and to take remedial actions necessary to remain in financial balance.	
Control:		Result:	
This could then result in failure to meet the aspirations set out in the Strategic Plan as well as having an increased risk of not being able to control the finances of NES.			
Control:	Effectiveness:	Actions:	Due Date:
1. The Annual Operational Planning process within NES gives Directorates indicative budgets to plan their own activities and expenditure and identifies cost pressures and potential savings across NES.	Effective - AOP process in place. Lesson learned logged and actioned. AOP reported to NES Board	1. The financial implications of any requests to decommission specific activities, or to reduce funding generally will be fully explored, with the financial, staffing and service impacts fully set out	Ongoing
2. The Senior Operational Leadership Group, chaired by the Director of Planning reviews budget submissions from across NES to ensure congruence, no duplication and identify opportunities for collaboration and efficiency savings.	Effective - recorded in minutes.	2. NES are working with SG to identify how baseline and additional commission activity can be modelled to match reduced funding availability.	Ongoing
3. Prioritisation process in place to deliver a balanced budget to the Board which is based on the impact of the planned activities.	Effective - decisions recorded in ET minutes.		
4. NES Board considers measures and makes approvals to balance the annual budget, including the measures suggested by the ET to reach a balanced position.	Effective - recorded in Board minutes.	3. Finance Workstream for Public Services Delivery Scotland will bring together the financial plans for both organisations and part of the planning process for this financial year to ensure a balanced plan over the 3year planning period. Update Dec 2025 - Ongoing work.	Ongoing
5. Close working with SG to address the underlying deficit resulting from the expansion of TGs and uplifts that have been less than cost pressures in this area. SG have agreed to underwrite the in-year deficit position on MTG's.	Effective - recorded in minutes		
6. Letter been sent to all staff from CEO directing suspension of discretionary spending where possible.	Effective - recorded		
7. Twelve million of baseline reduction from 2024/25 will now be reinstated.	Effective - recorded		

STRATEGIC RISK 8

Risk no:	SR8				
Risk Short Title:	Inability to adequately anticipate, accommodate and respond to the impacts of policy, legislative, economic, technological, environmental and societal change.				
Risk Owner:	Karen Reid	Date Added to Register:	19/04/2023		
		Review Date:	14/06/2026		
		Frequency of Review:	Quarterly		
		Committee/Group overseeing	Services & Digital Transformation Committee		
Risk Category(s)	Strategic				
Risk impacts on NES Strategy Key Area of Focus :					
Date of Score	Net Score	Current Net Risk Rating: (Priority 1, 2, 3 or 4)	Risk Movement: (↑,↔,↓)	Board Appetite	
26/01/2026	8	Medium		Open	12-16
16/03/2026	8	Medium	↔		
	-				
	-				
	-				

Gross Impact (1-5)	Gross Likelihood (1-5)
4	4
Gross Total:	16

Net Impact (1-5)	Net Likelihood (1-5)
4	2
Net Total:	8

Board Risk Appetite v Net Total	
Open	12-16
Medium	8

Existing control rating: Effective

Cause: NES is not able to adequately anticipate, accommodate and respond to the impacts of policy, legislative, economic, technological, environmental and societal change.		Effect: We may be unable to meet the needs of the Health and Social care workforce and maximise the opportunities as well as accommodate and respond to any associated risks with the changes in our operating environment.	
		Result: This could result in a compromise in our ability to deliver on our ADP and future planning arrangements and a failure to meet both current and projected needs.	
Control:	Effectiveness:	Actions:	Due Date:
1. There are many regular engagements with a wide range of stakeholders - governmental, professional, peer Boards - to ensure that NES is aware of changes to policy, demographic trends, technological change, which will feed into the NES Strategic Plan	Effective - NES Strategic Plan approval route minuted, minutes of meetings.	1. Significant Engagement with Health Boards, Health & Social Care Partnerships, Scottish Government, Social Care Sector and Academia.	Ongoing
2. Scottish Government Priorities are fully discussed with the NES/SG Sponsorship Team and are then incorporated into the Annual Delivery Plans that drive the core activity of the Board	Effective - Annual Delivery Plans approval route minuted and minutes of meeting	2. Ongoing SG discussions as part of sponsorship arrangements to ensure policy implications covered in financial and delivery plans	Ongoing
3. Regular Horizon Reporting to Planning & Performance Committee	Effective - Recorded and Minuted	3. Quarterly UK Four Nations Meetings - actions from meetings progressed by NES Chief Executive, Director of NMAHP and Executive Medical Director.	Ongoing
4. Parliamentary Horizon Report - issued to all Executive Team and NES Board.	Effective - Issued weekly and outputs provided to Executive Team and recorded	4. NES response to establishment of Public Services Delivery Scotland stood up with identification of Project Lead and key support roles. Engagement in delivery established through Scottish Government led Project Team. Internal governance approach for NES critical areas established from August 2025, this will continue to be evolved inline with project and organisational needs throughout the transition. Update March 2026 - NES internal programme structure will be formally closed in April 2026 following the transition on the 1st of April and lessons learnt review.	31/05/2026
5. Engagement with four nations to pick up national issues that may impact NES or the Scottish context.	Effective - Attendance at four nations working groups minuted.		
6. Transfer of all NES functions taking place through secondary legislation and transfer of all NES staff through TUPE transfer, ensuring continuity of responsibility as well as capacity and capability to deliver.	Effective		

STRATEGIC RISK 9

Risk no:	SR9				
Risk Short Title:	Learning outcomes or learning experience for our stakeholders is compromised due to uncertainty around training and education venues in the South East of Scotland.				
Risk Owner:	Karen Wilson	Date Added to Register:	19/04/2023		
		Review Date:	15/06/2026		
		Frequency of Review:	Quarterly		
		Committee/Group overseeing	Education Committee		
Risk Category(s)	Operational	Reputational			
Risk impacts on NES Strategy Key Area of Focus :					
Date of Score	Net Score	Current Net Risk Rating: (Priority 1, 2, 3 or 4)	Risk Movement: (↑,↔,↓)	Board Appetite	Within Board Appetite
26/01/2026	20	Very High		Open	12-16
17/03/2026	20	Very High	↔		
	-				
	-				
	-				

Gross Impact (1-5)	Gross Likelihood (1-5)
4	5
Gross Total:	20

Net Impact (1-5)	Net Likelihood (1-5)
4	5
Net Total:	20

Board Risk Appetite v Net Total	
Open	12-16
Very High	20

Existing control rating: Acceptable

Cause:	NES delivers compromised learning outcomes or a poor quality learning experience to our stakeholders. If we are inflexible in evolving the methods of delivery of training and education or our products do not meet the accessibility standards. Uncertainty of timing of move out of Westport and the impact this would have on access and quality of training facilities.		
Effect:	This could lead to the Health and Social Care workforce not having the necessary knowledge, skills or regulatory registrations to deliver good quality care.		
Result:	This could result in NES becoming disconnected from the needs of the wider workforce and failing to meet the needs of staff, trainees, learners and stakeholders, leading to serious reputational damage and reassessment of the Board's role in delivering education and training.		
Control:	Effectiveness:	Actions:	Due Date:
1. Chief Executive and/or NES Directors maintain open and collaborative relationships/arrangements with counterparts in partner organisations.	Effective - Minutes and reports available for meetings and presentations minuted and available.	1. Implement a corporate improvement programme to support high quality learning and education provision through the Learning & Education Quality System (LEQS). Update Dec 2025 - Work continues at pace, core feedback questions are partially implemented and will provide improved insights into the learner experience. Update March 2026 - Directorate Educational Quality Leads now in place and a review of all products underway.	31/05/2026
2. Ensure Chair is well briefed to manage relationships with other Board/organisational Chairs	Effective - Report presented to every NES Board public meeting.		
3. Parliamentary monitoring service provides daily briefing to NES Executives and senior managers. Board papers and minutes made available on NES corporate website. Discussions about pressures and national developments at ET are communicated to staff through regular staff video and Intranet updates	Effective - Briefings available, ET minutes and Q&As from webinars and other staff events.	2. Implementation of the Learning & Education Quality Policy. Update Dec 2025 - Report received from Business Analyst and will underpin the procurement and development of the technical solution. Update March 2026 - Summary of implementation of Policy presented to Education & Quality Committee and Education & Quality Education Group for assurance.	31/05/2026
4. Education Governance arrangements in place to ensure quality and performance is monitored and improved where necessary.	Effective - Considered at EQC regularly and minuted.	3. Operational Group and Gold Command established to oversee any required moves. Active scoping of alternative training venues being undertaken. Update Dec 2025 - Further engagement with external partners including Social Security Scotland, Napier University and site visit to Dundee scheduled 11th December 2025. Update March 2026 - Operational Group meeting regularly, procurement are establishing contract for spot purchase for training environment sites.	31/05/2026
5. Widespread evaluation of education programmes, including the use of feedback from learners to effect improvement.	Effective - Reported through Strategic KPIs when fully developed. Feedback received as part of Stakeholder Survey.		
6. Clinical Care Sub Group established.	Effective - Meetings minuted and reports into EQC	4. Establishment of NES Project Management Team to coordinate the programming on venue activity in regard to Westport move. Update Dec 2025 - Project Management Team established and now in the Project Management stage for relocation to alternative venue. Update March 2026 - Operational Group meeting regularly, procurement are establishing contract for spot purchase for training environment sites.	31/05/2026
7. Learning and Education Framework implemented.	Not Tested		
8. Guidance for digital learning resources that include detailed information on accessibility in place, with TEL and EDI Team available to support	Effective - Documentation in place	5. All NES learning products currently being reviewed against accessibility standards. Update March 2026 - Ongoing.	31/05/2026

STRATEGIC RISK 10

Risk no:	SR10					
Risk Short Title:	Insufficient investment in Digital Learning Infrastructure Programme and other NES learning platforms.					
Risk Owner:	Christopher Wroath	Date Added to Register:	19/04/2023			
		Review Date:	16/06/2026			
		Frequency of Review:	Quarterly			
		Committee/Group overseeing	Services & Digital Transformation Committee			
Risk Category(s)	Operational	Reputational				
Risk impacts on NES Strategy Key Area of Focus :						
Date of Score	Net Score	Current Net Risk Rating: (Priority 1, 2, 3 or 4)	Risk Movement: (↑,↔,↓)	Board Appetite		Within Board Appetite
29/01/2026	15	High		Open	12-16	
18/03/2026	15	High	↔			
	-					
	-					
	-					

Gross Impact (1-5)	Gross Likelihood (1-5)
5	4
Gross Total:	20

Net Impact (1-5)	Net Likelihood (1-5)
5	3
Net Total:	15

Board Risk Appetite v Net Total	
Open	12-16
High	15

Existing control rating: Acceptable

Cause:	NES do not sufficiently invest in technology that supports learning outcomes including the Digital Learning Infrastructure learning platform as well as other learning platforms provided by NES.		
Effect:	This would lead to the NES being unable to meet the learning needs and expectations of all stakeholders.		
Result:	This could result in NES becoming disconnected from the needs of the wider workforce and failing to meet the needs of staff, trainees, learners and stakeholders, leading to serious reputational damage and reassessment of the Board's role in delivering education and training.		
Control:	Effectiveness:	Actions:	Due Date:
1. A significant amount of time and resource is invested to establish the learning needs of a very wide stakeholder group	Controlled - Fully documented.	1. Transformational Group need to agree Phase 2 outcomes of the Digital Learning Infrastructure Programme. The Digital Learning and Infrastructure Programme Full Business Case in development. Update Sept 2025 - The governance sign off for the Full Business Case will be by end of Feb 2026, to take account of the external review recommendation number 2, to reevaluate the technical approach of only build. External consultants are being procured to report by end of December 2025 and their recommendations will be used to rewrite the economic case before submission to the governance process in February 2026. Update Dec 2025 - Report been drafted and will be submitted to Director of NES Technology Service by end of December 2025. Update March 2026 - External report delivered on time and all recommendations actioned. The Full Business Case has been completed and signed of by Chief Executive Officer, submitted to the Board's Chief Executives who strongly endorsed it. The Full Business Case now with Scottish Government for their final approval.	31/05/2026
2. Strategic case for investment has been prepared for discussion with the Scottish Government	Effective - OBC approval route recorded in minutes.	2. Discussions on going with regards to investment with NES Director of Finance and SG Health Finance Director of Finance who is supportive of the programme. Update April 2025 - NES Director of Finance has secured agreement with Scottish Government Digital Health and Social Care finance team that 2025/26 NES baseline funding will be restored to the original level and that this return of finance to the NES baseline to be used specifically to fund the Digital Learning Infrastructure Programme. Update Sept 2025 - Ongoing discussions. Update March 2026 - Funding will be dependent on Scottish Government approval of Full Business Case.	Ongoing
3. In light of the standing down of the Transformation Group Programme the Executive Team have requested that the Digital Learning Infrastructure Programme is reported to them directly as part of the Internal Governance of External Programmes.	Effective - Programme reports progress to Executive Team and minutes.		

STRATEGIC RISK 11

Risk no:	SR11				
Risk Short Title:	Inability to recruit and retain appropriately skilled and experienced staff.				
Risk Owner:	Sybil Canavan	Date Added to Register:	19/04/2023		
		Review Date:	08/06/2026		
		Frequency of Review:	Quarterly		
		Committee/Group overseeing	Staff Governance Committee		
Risk Category(s)	People/Workforce				
Risk impacts on NES Strategy Key Area of Focus :					
Date of Score	Net Score	Current Net Risk Rating: (Priority 1, 2, 3 or 4)	Risk Movement: (↑,↔,↓)	Board Appetite	
26/01/2026	12	High		Open	12-16
10/03/2026	12	High	↔		
	-				
	-				
	-				

Gross Impact (1-5)	Gross Likelihood (1-5)	Net Impact (1-5)	Net Likelihood (1-5)	Board Risk Appetite v Net Total	
4	4	4	3	Open	12-16
Gross Total:	16	Net Total:	12	High	12

Existing control rating: Effective

Cause:	Due to organisational pressures, change, systems, processes. This may result in a delay to recruit and retain sufficient number of appropriately skilled and experienced staff		Effect:	Insufficient staff to support delivery of the AOP and Strategic Plan. Uncertainty for staff on various contract types ie FTC and secondments.	
Result:			This could result in reputational damage and impact on stakeholder engagement and staff morale and wellbeing. Risk to ability to deliver on those plans.		
Control:	Effectiveness:	Actions:	Due Date:		
1. Power BI charts presented to ET on a monthly basis	Effective - Monthly ET recorded in minutes.	1. Work with Higher/Further Education establishments in Scotland, in addition to targeted Third Sector and related bodies to support greater apprenticeship opportunities and related early career routes. Update Dec 2025 - Work to support the new 20 apprenticeships leading to the digital diploma are underway. We are planning a 3rd round early in the new year, with additional comms and a drive for a further 10 places. Update March 2026 - Cohort 3 of the Digital Diploma is now underway, with a further 12 applications assessed and onboarding activity progressing as planned to support continued development of digital capability along with the apprenticeship agenda. Work has been undertaken to strengthen support for interns, students and placements who are joining on short project-based contracts via universities. This work has focussed on clearer onboarding, proportionate induction, and consistent support arrangements to improve early career experience. Phase 2 of the apprenticeship programme, with the recruitment apprenticeship opportunities will be done as part of the PSD Scotland approach in 26/27 and in line with any guidance that is awaited from Scottish Government on this process.	Ongoing		
2. Monitoring and continuously improving recruitment routes eg career sites, social media to ensure they attract an appropriate number of high quality candidates.	Effective - Accelerated Recruitment Programme. Wider use of corporate social media, targeted professional networks, alternative job posting platforms.	2. The Armed Forces Talent Programme (AFTP) team will continue to engage, influence and deliver in support of the territorial and national board efforts to attract more talent from the Armed Forces Community (AFC). Update Dec 2025 - The AFTP programme objectives are being met and reported to the AFTP programme board. Any risks have been identified in the programme risk register and mitigations in place. A key risk during Q2 and 3 was that all placement opportunities were used. All except 3 placements were filled and this was as a result of other boards not being able to fill the placements. We have since repurposed one of the placements to support NES Dew Team and this is out for recruitment currently. All related risks and mitigations around this are picked up in the programme risk register as previously outlined. Update March 2026 - Despite advertising the DEW team placement twice, the role was not successfully filled. As the position was proposed late in the financial year, there is no associated financial risk, with the majority of funding allocated to the placement coming from 2026/27 budget. Feedback from current placements across the programme remains positive, indicating strong delivery and impact in filled roles. The risk regarding unfilled placements remains partially mitigated. While one placement had been successfully repurposed to support the AFTP Team, recruitment challenges highlight a potential ongoing risk around attracting suitable candidates to specific roles. This will continue to be monitored, with consideration being given to alternative approaches (e.g. role awareness activity or adjustment to placement structure) to improve uptake if required.	Ongoing		
3. Monitoring our workforce data to identify actions to improve the diversity of the workforce.	Effective - Annual workforce E&D report published and presented to Board and Governance Committees and recorded in minutes.	3. The NES Equality & Human Rights Team continue to promote and offer learning opportunities to staff on ED&I, including 'conscious inclusion' sessions, anti-racism, cultural humility, promoting of learning and guidance from the business disability forum and also guidance for mitigating bias during recruitment. New EDI Strategy and action plan being produced for 2025-2029. Team completing work in relation to gender equality as part of the Equally Safe at Work accreditation programme. Update Dec 2025 - EDI module and view of slide deck on bias in recruitment now mandatory for all recruitment panels. Line manager training sessions planned for February 2026 on Anti-racism. Progressing actions for Equally Safe at Work accreditation following feedback on evidence submitted. Work underway to establish an incident reporting mechanism for discrimination and harassment in the workplace. Update March 2026 - All above work continuing, line manager training session on Anti-racism completed in February 2026 and NES has achieved the Equally Safe at Work Accreditation.	31/05/2026		
4. Monitor and report on the composition of the NES workforce and sex/gender/ethnicity/disability pay gaps to the Board.	Effective - Annual Workforce Report presented to Board and Governance Committees and recorded in minutes.	4. Development of Talent Attraction Strategy. - Dec 2025 update - The final NES Succession Plan for 25/26 was agreed by ET in September. Those identified in the Succession Plan have a Personal Development Plan (PDP) in place to support any areas to develop and this is overseen by their line manager. Given the circumstances of the move towards Public Services Delivery Scotland there is less emphasis and focus on succession planning currently however a firm commitment to development continues. A new Public Services Delivery Scotland Succession Plan will be picked up as part of the planning and arrangements for the new organisation post April 2026.	31/05/2026		
5. Risk based decisions regarding termination of temporary staff in the event of uncertainty of funding.	Effective - Decisions recorded in ET minutes.				
6. Workforce planning is integrated in Operational Planning AOP documentation.	Effective - Included in AOP documentation.	5. Workforce planning to be carried out across NES as part of the 26/27 Operational Planning process. Update Dec 2025 - A significant volume of business cases have been progressed between September – December 2025 to progress the necessary contract extensions or recruitment to stabilise and confirm arrangements for staff within temporary contract arrangements, including secondments. Line manager sessions have also been undertaken to support line managers with the necessary steps to support their teams and increase awareness of the O4S policy and procedure. Update March 2026 - Continued to process a high number of Business Cases in advance of transition into new organisation	31/05/2026		
7. Joint NES and NSS Recruitment Process Established.		6. There will be a 6 month period of stability within the new organisation to allow the organisation to settle and to enable planning for new delivery requirements.	Ongoing		

STRATEGIC RISK 12

Risk no:	SR12					
Risk Short Title:	Insufficient investment in data and associated technologies to maximise the value of data and information in NES's systems.					
Risk Owner:	Christopher Wroath	Date Added to Register:	14/12/2023			
		Review Date:	16/06/2026			
		Frequency of Review:	Quarterly			
		Committee/Group overseeing	Services & Digital Transformation Committee			
Risk Category(s)	Governance	Reputational	Strategic			
Risk impacts on NES Strategy Key Area of Focus :						
Date of Score	Net Score	Current Net Risk Rating: (Priority 1, 2, 3 or 4)	Risk Movement: (↑,↔,↓)	Board Appetite		Within Board Appetite
29/01/2026	6	Medium		Averse	1-5	
18/03/2026	6	Medium	↔			
	-					
	-					
	-					

Gross Impact (1-5)	Gross Likelihood (1-5)
3	4
Gross Total:	12

Net Impact (1-5)	Net Likelihood (1-5)
2	3
Net Total:	6

Board Risk Appetite v Net Total	
Averse	1-5
Medium	6

Existing control rating: Acceptable

Cause:		Effect:	
Lack of strategic level oversight and management of the data and technology infrastructure that supports the information data requirements of the organisation.		NES is not an evidence based data driven organisation, lacking appropriate systems and data management to provide appropriate levels of intelligence and insights from NES's Information Assets. Inefficiency and waste of resources in all aspects of NESs work in support of our strategic outcomes.	
		Result:	
		This could result in a loss of credibility towards NES, from the Scottish Government and scrutiny bodies, which could pose a threat to the general credibility and future of NES.	
Control:	Effectiveness:	Actions:	Due Date:
1. Transformation Programme is now operational. There is a specific focus from the Corporate Improvement Programme on efficiency and effectiveness of data collection, storage and management.	Effective - Meetings minuted and regular reports on progress presented and recorded at Transformation Group.	1. Planned rollout of CoPilot to all NES staff on completion of the pilot. Update Dec 2025 - CoPilot was launched in October 2025, and all licences have been distributed with the assistance of the General Managers. The licences fall into three categories: general use, accessibility, and testing new ways of working. We have requested additional spare licences from WM Reply, which is currently under consideration. We now have a waiting list. Update March 2026 - Demand continues to exceed licence availability, resulting in a waiting list, with additional licences requested approved for allocation (total: 377 licences with the additional demand). Licences continue to be provided for those who would benefit from Copilot for a accessibility or health or safety reasons. It is planned that Digital Copilot Champions (with full licences) will support the workforce by sharing good practice, promoting safe and effective use, and actively mitigating adoption and capability risks. In addition, a training pathway is in development and will be launched to benefit both new and existing users, supporting consistent capability build and ongoing confidence	31/05/2026
2. Plans for automation and preparation for artificial intelligence will drive new and improved data collection, storage and management.	Not Tested	2. NTS have agreed to an internal audit on their ability to support a data driven organisation. Update Dec 2025 - Audit taken place and report will be available by end of December 2025. Update March 2026 - Audit been completed and report been received and all recommendations completed - Action Closed	Closed
3. Outcome of the pilot of the M365 Copilot Application will drive intelligence and knowledge on required improvements and restructuring of all NES data and information.	Effective - recordings of outcomes minuted.	3. Data Analytics and AI Tier 1 Programme, Programme Initiation Document (PID) is in development with the NES Programme Office. This is expected to be agreed in January 2026. Director of Social Care has been appointed Senior Responsible Officer. Update March 2026 - PID awaiting confirmation.	31/05/2026

NES Risk Matrix, Scoring and Risk Categories

APPENDIX 5

Risk Matrix and Score –

Risk Level	
Very High	20 - 25
High	12 - 16
Medium	6 - 10
Low	1 - 5

	Impact / Consequences				
Likelihood	Negligible	Minor	Moderate	Major	Extreme
Almost Certain	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
Likely	Low (4)	Medium (8)	High (12)	High (16)	Very High (20)
Possible	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
Unlikely	Low (2)	Low (4)	Medium (6)	Medium (8)	Medium (10)
Rare	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)

NES Scoring Definitions – Likelihood -

Descriptor	Rare	Unlikely	Possible	Likely	Almost Certain
Likelihood	Cannot believe this event would happen – will only happen in exceptional circumstances. Risk will not materialise more regularly than every 10 years.	Not expected to happen, but definite potential exists – unlikely to occur. Risk will materialise on average once every 5 – 10 years.	May occur occasionally, has happened before on occasions – reasonable chance of occurring. Risk will materialise on average once every 3 – 5 years.	Strong possibility that this could occur – likely to occur. Risk will materialise on average once within each year.	This is expected to occur frequently/in most circumstances – more likely to occur than not. Risk will materialise within 6 months.

NES Scoring Definitions – Impact/Consequence –

Types of Risk	Negligible (1)	Minor (2)	Moderate (3)	Major (4)	Extreme (5)
Strategic <i>(Risk could impact on achievement of strategic objectives)</i>	<ul style="list-style-type: none"> Negligible impact on achievement of strategic objectives. No loss of confidence from key stakeholders. Negligible impact on services. 	<ul style="list-style-type: none"> Minor impact on achievement of limited number of strategic objectives. Minor loss of confidence from some key stakeholders. Reduced ability to support some services. 	<ul style="list-style-type: none"> Some strategic objectives will not be achieved. Loss of confidence from key stakeholders in specific areas. Inability to support specific services. 	<ul style="list-style-type: none"> Significant proportion of strategic objectives will not be achieved. Loss of confidence from key stakeholders in several areas. Inability to support several services. 	<ul style="list-style-type: none"> Inability to deliver on strategic objectives. Loss of confidence from key stakeholders including Scottish Government. Inability to support service.
Financial <i>(Risk could impact on financial position)</i>	<ul style="list-style-type: none"> Some adverse financial impact but not sufficient to affect the ability of the service/department to operate within its annual budget (up to £100k). 	<ul style="list-style-type: none"> Adverse financial impact affecting the ability of one or more services/ departments to operate within their annual budget (£100k – 250k). 	<ul style="list-style-type: none"> Significant adverse financial impact affecting the ability of one or more directorates to operate within their annual budget (£250k - £500k). 	<ul style="list-style-type: none"> Significant adverse financial impact affecting the ability of the organisation to achieve its annual financial control total (£100k-1m). 	<ul style="list-style-type: none"> Significant aggregated financial impact affecting the long-term financial sustainability of the organisation (£>1m).
Governance <i>(Risk could impact on the governance of the organisation and services)</i>	<ul style="list-style-type: none"> Small number of potential issues affecting minor quality improvement issues. Minor non-compliance with governance requirements 	<ul style="list-style-type: none"> Potential issues which can be addressed by low level of management action. Isolated failures to meet internal standards or follow protocols. 	<ul style="list-style-type: none"> Challenging issues that can be addressed with appropriate action plan. Repeated failures to meet internal standards or follow protocols. 	<ul style="list-style-type: none"> Mandatory improvement required to address major issues. High level action plan is necessary. Major failure to meet legal requirements or governance standards. 	<ul style="list-style-type: none"> Major governance issues leading to the threat of prosecution. Board level action plan required. Systematic failure to meet legal or governance standards.
Reputational <i>(Risk could impact on public/stakeholder trust and confidence, and affect organisation's reputation)</i>	<ul style="list-style-type: none"> Adverse comments/feedback, no media coverage. Little effect on staff morale. 	<ul style="list-style-type: none"> Adverse local media coverage – short term. Some public embarrassment. Minor impact on staff morale and public/political perception and confidence in the organisation 	<ul style="list-style-type: none"> Adverse local or social media coverage – long-term adverse publicity. Significant effect on staff morale and public/political perception of the organisation 	<ul style="list-style-type: none"> Adverse national media coverage, less than 3 days. Public/political confidence in the organisation undermined. Use of services affected 	<ul style="list-style-type: none"> Adverse coverage in national/International media - more than 3 days. MSP/MP concern (Questions in Parliament). Court Enforcement. Public Enquiry
Operational <i>(Risk could impact on the NES operations and delivery of products and services)</i>	<ul style="list-style-type: none"> Interruption in a service which does not impact on the ability to continue to provide service. 	<ul style="list-style-type: none"> Short term disruption to service with minor impact on quality-of-service provision. 	<ul style="list-style-type: none"> Some disruption in service with unacceptable impact on service provision. Temporary loss of ability to provide service. 	<ul style="list-style-type: none"> Sustained loss of service which has serious impact on delivery of services. Major Contingency Plans invoked. 	<ul style="list-style-type: none"> Permanent loss of core service or facility. Disruption to facility leading to significant “knock on” effect.
Technology <i>(Risk could impact on delivery of services due to technological systems/processes/development and resilience)</i>	<ul style="list-style-type: none"> Negligible impact on delivery of services due to inadequate or deficient system/process development and performance or inadequate resilience. 	<ul style="list-style-type: none"> Minor impact on delivery of services due to inadequate or deficient system/process development and performance or inadequate resilience. 	<ul style="list-style-type: none"> Late delivery of services due to inadequate or deficient system/process development and performance or inadequate resilience. 	<ul style="list-style-type: none"> Failure to deliver services due to inadequate or deficient system/process development and performance or inadequate resilience. 	<ul style="list-style-type: none"> Non delivery of services due to inadequate or deficient system/process development and performance or inadequate resilience.
Workforce <i>(Risk could impact on staff wellbeing, staffing levels and competency)</i>	<ul style="list-style-type: none"> Short term staffing issues temporarily reduces service provision and quality. Short term staffing issues, where there is no disruption to service quality. 	<ul style="list-style-type: none"> Ongoing staffing issues reduce service quality. Minor errors due to ineffective training / implementation of training. 	<ul style="list-style-type: none"> Late delivery of a key objective / service due to staffing issues Moderate error due to ineffective training / implementation of training. 	<ul style="list-style-type: none"> Failure to meet key objective / service due to staffing issues. Major error due to ineffective training/implementation of training. 	<ul style="list-style-type: none"> Non delivery of key objectives/service due to staffing issues Loss of key/high volumes of staff. Critical error due to ineffective training / implementation of training.
Health and Safety <i>(Risk could impact on staff/public/volunteer, or a patient out with delivery of care)</i>	<ul style="list-style-type: none"> Adverse event leading to minor injury not requiring first aid. Temporary, local disruption to operations due to health and safety issues No staff absence 	<ul style="list-style-type: none"> Minor injury or illness, first aid treatment required. Up to 3 days staff absence Local disruption of operations for up to one week due to health and safety concerns 	<ul style="list-style-type: none"> Agency reportable, e.g., Police (violent and aggressive acts) Significant injury requiring medical treatment and/or counselling. RIDDOR over 7- day absence due to injury/dangerous occurrences Local disruption to operations for a period of more than one week due to health and safety concerns. 	<ul style="list-style-type: none"> Major injuries/long term incapacity /disability (e.g., loss of limb), requiring, medical treatment and/or counselling. RIDDOR over 7- day absence due to major injury/dangerous occurrences. Widespread disruption to operations for a period of up to one week due to health and safety concerns. 	<ul style="list-style-type: none"> Incident leading to death(s) or major permanent incapacity. RIDDOR Reportable/FAI Widespread disruption to operations for an extended period due to health and safety concerns
Environmental Sustainability / Climate Change <i>(Risk could impact on environment, ability to comply with legislation/targets or environmentally sustainable care)</i>	<ul style="list-style-type: none"> Limited damage to environment, to a minimal area of low significance. Negligible impact on ability to comply with climate legislation/targets or ability to reach net zero. 	<ul style="list-style-type: none"> Minor effects on biological or physical environment. Minor impact on ability to comply with climate legislation/targets or ability to reach net zero. 	<ul style="list-style-type: none"> Moderate short-term effects but not affecting eco-system. Moderate impact on ability to comply with climate legislation/targets or ability to reach net zero. 	<ul style="list-style-type: none"> Serious medium term environmental effects. Serious impact on ability to comply with climate legislation/targets or ability to reach net zero. 	<ul style="list-style-type: none"> Very serious long term environmental impairment of eco-system. Critical non-compliance with climate legislation/targets or ability to reach net zero.
Transformation/Innovation <i>(Risk could impact on an operational/technology risk)</i>	<ul style="list-style-type: none"> Barely noticeable reduction in scope/quality/ schedule. Negligible impact on achievement of intended benefits. 	<ul style="list-style-type: none"> Minor reduction in scope/quality/ schedule. Minor impact on achievement of intended benefits. 	<ul style="list-style-type: none"> Reduction in scope/quality/project/programme objectives or schedule. Some intended benefits will not be achieved. 	<ul style="list-style-type: none"> Significant project/programme over-run. Significant proportion of intended benefits will not be achieved. 	<ul style="list-style-type: none"> Inability to deliver project/programme objectives. Inability to achieve sustainable transformation.

NES Risk Categories –

- Strategic** - Risks arising from the achievement of NES's Strategy due to failure in supporting the delivery of commitments, plans or objectives due to a changing macro-environment.
- Finance** - Risks arising from not managing finances in accordance with requirements and financial constraints resulting in poor returns from investments, failure to manage assets/liabilities or to obtain value for money from the resources deployed, and/or non-compliant financial reporting.
- Governance** - Risks arising from unclear plans, priorities, authorities and accountabilities, and/or ineffective or disproportionate oversight of decision-making and/or performance.
- Reputational** - Risks arising from adverse events, including ethical violations, a lack of sustainability, systemic or repeated failures or poor quality or a lack of innovation, leading to damages to reputation and or destruction of trust and relations.
- Operational** - Risks arising from inadequate, poorly designed or ineffective/inefficient internal processes resulting in fraud, error, impaired customer service (quality and/or quantity of service), non-compliance and/or poor value for money.
- Technology** - Risk arising from technology not delivering the expected services due to inadequate or deficient system/process development and performance or inadequate resilience.
- People/Workforce** - Risks arising from ineffective leadership and engagement, suboptimal culture, inappropriate behaviours, the unavailability of sufficient capacity and capability, industrial action and/or non-compliance with relevant employment legislation/HR policies resulting in negative impact on performance.
- Health & Safety** - Risks arising from inefficient safety management resulting in non-compliance and/or harm and suffering to employees, contractors, service users or the public.
- Environmental Sustainability/
Climate Change** - Risk arising from ineffective management of natural resources resulting in harm to the environment and non-compliance with climate legislation/targets or ability to reach net zero.
- Transformation /
Innovation** - Risk arising from major transformation projects and innovations resulting in inability to achieve planned changes and reduced effectiveness of delivering on objectives.

Public Services Delivery Scotland

Meeting:	PSD Scotland Board
Meeting date:	15 May 2026
Title:	PSD Scotland Strategic Priorities 2026–27
Paper No.	PSDB/26/10
Responsible Executive:	Karen Reid, Chief Executive
Report Author:	Christina Bichan, Director of Planning, Performance & Transformation

1. Purpose

- 1.1. This paper is presented to the Board to seek approval of the proposed Strategic Priorities for Public Services Delivery (PSD) Scotland for 2026–27.

2. Recommendation

- 2.1. The Board is asked to scrutinise and approve the proposed Strategic Priorities for 2026–27.

3. Report Summary

Situation

- 3.1. Following the formal establishment of PSD Scotland on 1 April 2026, a clear and shared articulation of strategic priorities is required to guide the organisation through its first year.
- 3.2. The attached paper sets out a proposed set of Strategic Priorities for 2026–27, intended to stabilise and consolidate existing functions inherited from NHS Education for Scotland (NES) and NHS National Services Scotland (NSS), while strengthening focus on digital transformation and supporting public service reform in line with the new organisation's purpose.
- 3.3. Board approval and adoption at this stage is critical to ensure the priorities provide clear and effective direction for organisational delivery and development.

Background

- 3.4. PSD Scotland exercises functions on behalf of Scottish Ministers, with accountability for delivery against ministerial aims, policies, and priorities.

- 3.5. The proposed Strategic Priorities for 26-27 were developed by our Scottish Government Sponsor team and have been approved by the Director General Health and Social Care.
- 3.6. They cover the initial 12-month period following establishment, recognising this as a transitional phase and emphasise stabilisation, consolidation and improvement of existing services, ahead of any future expansion of scope.
- 3.7. The priorities reflect and integrate legacy NES and NSS strategic priorities (provided for reference as annexes) to support continuity and service stability and position PSD Scotland as a key delivery partner for service renewal, digital transformation, and public service reform across Scotland.

4. Assessment

- 4.1. The proposed priorities are structured across the following interconnected themes:
- Service Renewal and Operational Improvement
 - Transition, Integration, Employee Engagement and Service Continuity
 - Once for Scotland Services
 - Education, Training and Workforce Development
 - Digital and Data Infrastructure and Transformation
 - Equity, Inclusion and Community Impact
- 4.2. Taken together, these priorities provide a clear shared focus for PSD Scotland's first year of operation, balancing service continuity and stabilisation with the early conditions for longer-term transformation. They will also provide the basis for annual delivery planning—translating priorities into measurable actions, milestones and resource requirements—and support effective governance and assurance by enabling consistent alignment across directorates, committees and partners while the organisation's longer-term strategy and operating model are developed.
- 4.3. **Quality, Value, Care and Technology**
The priorities emphasise the delivery of high-quality, consistent national services, with a strong focus on digital and data-enabled improvement to support safe, efficient and effective care across Scotland.
- 4.4. **Workforce**
A central focus is placed on staff wellbeing, engagement and organisational development, recognising the scale of change associated with the transition from NES and NSS and the importance of sustaining morale, trust and service continuity.
- 4.5. **Financial**
The priorities explicitly highlight stabilisation and improvement of existing systems, value for money, and best-value considerations as foundations for future sustainability.

4.6. **Education and Training**

Education, training and workforce development remain core to PSD Scotland's remit, with a continued national leadership role across health and social care professions.

4.7. **Information Governance**

No specific new information governance impacts arise from this paper; existing statutory obligations continue to apply.

4.8. **Environmental and Climate Sustainability**

The priorities align with national commitments on climate sustainability and support PSD Scotland's role in enabling system-wide progress towards net zero ambition.

4.9. **Equality, Diversity, Human Rights and Health Inequalities**

Equity, inclusion and reducing health inequalities, particularly child poverty and digital exclusion, are explicitly embedded as a strategic theme across PSD Scotland's proposed priorities.

Other Impacts

4.10. **Risk Assessment/Management**

Risk management will be undertaken in line with PSD Scotland's risk management and governance arrangements, with relevant risks recorded, monitored and escalated through the appropriate corporate and committee structures.

4.11. **Communication, Involvement, Engagement and Consultation**

Proactive communication and engagement plans are in development covering internal and external stakeholders, in line with our people first, partnership always principle.

4.12. **Route to the Meeting**

This paper builds on the consolidation of legacy NES and NSS strategic priorities and has been reviewed by the Transitional Leadership Group who have suggested some minor, non-material improvements to further reflect the organisations clinical and non-clinical responsibilities. These will be discussed with the Sponsor team and reflected in the final document if agreed.

5. List of appendices

5.1. The following appendices are included with this report:

Appendix 1 - PSD Scotland Strategic Priorities 26-27

PUBLIC SERVICES DELIVERY SCOTLAND: 2026-27 STRATEGIC PRIORITIES

Public Services Delivery (PSD) Scotland exercises functions on behalf of the Scottish Ministers, with the Management Committee having overall responsibility for the delivery of those functions in accordance with the aims, policies and priorities of Ministers at any given time.

The following strategic priorities are intended to support PSD Scotland in delivering against its remit in a way which is consistent with current ministerial priorities. They cover an initial 12-month period following establishment of the Body on 1 April 2026, recognising that there may be a need for further review following this initial transitional phase.

The overarching theme across all priorities is the need to stabilise, consolidate and improve existing functions whilst consolidating and strengthening the focus on digital transformation. This is to ensure PSD Scotland delivers its core services well before any further expansion of scope is considered.

The strategic priorities are as follows:

1. Service Renewal and Operational Improvement

Support renewal of Scotland's health and social care system by facilitating opportunities for shared learning and providing national capacity for transformation and adoption.

- Ensure delivery of health and social care programmes of work and innovation activities which contribute to the delivery of the Service Renewal Framework.
- Engage with partners across the health and social care system to support the effective adoption of sub-national planning structures and the broader operating model for NHS Scotland.
- Ensure ongoing contributions to active Inquiry work, maintaining high-quality, accurate and timely outputs.
- Ensure that NHS Assure (including ARHAI) and Facilities functions provide effective support to partners across NHS Scotland and are responsive to emerging evidence around best practice.

2. Transition, Integration, Employee Engagement and Service Continuity

Ensure staff wellbeing and service continuity in the period following the establishment of PSD Scotland.

- Ensure the effective transition of functions from NES and NSS, with a focus on maintaining service stability and continuity whilst seeking to identify opportunities for improvements and efficiencies.

- Deliver a programme of organisational development focused on unifying staff, building trust, and supporting collaborative ways of working across functions.
- Scope a programme of medium-term organisational redesign building on emerging priorities of the national PSD Scotland programme and with reference to discussions about the balance of activity to be delivered by the organisation on behalf of the Scottish Government going forward.

3. Once for Scotland Services

Deliver standardised policies, practices, and resources on an increasingly national basis to ensure consistency and efficiency across Health Boards and other partners.

- Ensure a strong focus on stabilising and improving existing corporate business services, extending their reach through agreement with other NHS Scotland delivery partners whilst mitigating the pressures and risks within current systems (including payroll, finance, procurement, and HR).
- Position PSD Scotland as a key partner for achieving public service reform in the Scottish public sector, including through the Scottish Government's PSD Scotland expansion programme.
- Respond promptly to requests for expert advice, support and capability to maintain critical services and address emerging challenges across Scotland.

4. Education, Training & Workforce Development

Co-ordinate, develop, fund and advise on education, training and workforce development for NHS Scotland and in partnership with SSSC for social care staff.

- Support improvements in Scotland's model for health and social care workforce planning.
- Lead, coordinate and support the delivery of high-quality education, training, skills and broader workforce development for the health and social care workforce. As part of this, support efforts across NHS Scotland to ensure training capacity meets future workforce needs across health and social care disciplines.
- Support Continuous Professional Development and broader role development, including through the implementation of new workforce models and digital and data literacy.
- Deliver national leadership and talent management programmes, to support and develop leaders at all levels to deliver quality services and on SG's strategic ambitions, including the Service Renewal Framework, Population Health Framework, and Public Service Reform.

5. Digital & Data Infrastructure and Transformation

Drive the development, implementation and meaningful local adoption of 'national by default' digital and data infrastructure, systems and platforms in a way that simplifies local delivery and makes sharing safe and easy:

- As the Scottish Government's technology delivery partner, prioritise delivery of SG commissioned digital health and care commitments including the Digital Health & Care Record, National Digital Platform, the roll out of Digital Front Door (MyCare.scot) and development of a target architecture for Scotland.
- Stabilise and modernise core business systems, preparing appropriately for future transitions related to major contracts.
- Establish a national digital transformation capability and lead system-wide discussions on future digital transformation planning and delivery, ensuring long-term coherence across NHS Scotland's systems.
- Provide accessible, dynamic digital learning infrastructure on an increasingly One for Scotland basis.
- Deliver digital and cyber security support and monitoring services.
- Continue to deliver timely and accurate data as the official statistics producer of workforce statistics for NHSScotland, and enhance data quality, systems and analytics through platforms to enable data-informed decisions.

6. Equity, Inclusion & Community Impact

Reduce health inequalities – particularly those linked to child poverty – and support community cohesion.

- In line with the objectives of the Population Health Framework, reduce health inequalities through targeted interventions, with a particular emphasis on child poverty and digital inclusion.
- Support anchor organisation objectives to reinvest in communities.
- Ensure PSD Scotland's national services and programmes reflect equity, accessibility and inclusion across Scotland.

NES STRATEGIC PRIORITIES (2025/26)**Education & Training**

- Continue to provide leadership to and delivery of high-quality education, training, and workforce development for the health and social care workforce.
- Advise on the education and training capacity for health and social care disciplines across Scotland to ensure it meets future workforce requirements.
- Refocus elements of medical education to improve trainee experience in partnership with SG, four nations, Boards, GMC, Royal Colleges, and other relevant partners.

Workforce Development

- Deliver education, training, and workforce development activities to support continuous professional development, role development, and transformation across the range of health and social care disciplines.
- Work with partners across the system and the Centre for Sustainable Delivery to lead on the identification, assessment, and implementation of new workforce models involving role redesign and transformation to optimise care pathways.
- Work with partners across the social care sector to design and deliver workforce development activities to increase the capacity and capability of the social care workforce.

Digital

- Deliver SG digital priorities in line with the Digital Health & Care Strategy, including the development of the National Digital Platform and the Digital Front Door programme.
- Provide access to accessible and dynamic, digital learning and education infrastructure for Health and Social Care.

Data

- Continue to deliver timely and accurate publications as the national provider of workforce statistics for NHSScotland. Improve the range, quality, and granularity of workforce data through understanding and meeting user needs, developing coherent systems across partners, and enhancing data analysis and reporting.

Innovation & Research

- Work with the Chief Scientist's Office, Scottish Health and Industry Partnership Group, Accelerated National Innovation Adoption (ANIA) Pathway, Innovation Design Authority, and HEIs to scope and support the skills and training required to deliver and implement health care research, development, and innovation.

Best Value

- Identify and adopt actions designed to maximise the efficiency of the organisation, clearly demonstrating best value in its work and ensuring coherence with activity being delivered by partners to deliver a more sustainable and affordable Health and Social Care system

NSS STRATEGIC PRIORITIES (2025/26)

To ensure the maximum possible value from their services and skills and experience of staff, NSS's three strategic priorities outline how they will support health and care organisations achieve objectives now and into the future.

Enable	Underpin	Assist
NSS's transformation priority – to recognise how NSS can support programmes to implement new or improved national, regional, or local health and care solutions.	NSS's improvement priority – to continually improve the quality of the services provided that are essential to the functioning of the wider health and care system.	NSS's collaboration priority - to encourage NSS to look beyond existing areas and to start considering where they can help and provide support in the future.
By harnessing the wide-ranging skills and expertise available in NSS, health and care partners can be assured of the delivery of services that provide high quality care to patients and the public.	By continually improving services NSS can continue to offer a safe, strong and stable foundation for the healthcare system to deliver the best possible care and outcomes for the people of Scotland.	By actively engaging and building relationships with stakeholders across all areas of health and care, NSS can respond quickly and appropriately to the needs of new policy requirements and health and care emergencies.

NSS's Four Strategic Objectives - outline how NSS will implement their strategy and deliver against strategic priorities:

Service excellence: To continuously improve the delivery of existing and new services with a focus on quality, to ensure they are safe, efficient and effective, and meet the needs of service users, partners, and stakeholders.

Financial sustainability: To deliver an organisational financial stewardship culture that drives effective use of assets, infrastructure and value for money.

Workforce sustainability: To develop a diverse, knowledgeable and skilled workforce deployed in an environment where the organisation is adaptable to the changing lifecycle of employees and delivers leadership and behaviours reflecting the values of NHSScotland.

Climate sustainability: To embed climate sustainability to ensure NHSScotland becomes a net zero greenhouse gas emissions health service by 2040 or earlier.

NSS'S Delivery Priorities 2025/26 - as Informed by Planning Priorities set out in [2025/26 Scottish Government Guidance](#):

- **Planned and Unscheduled Care:** Review all Healthcare Built Environment projects using the NHSScotland Design Assessment Process and implementation of the Plasma for Medicine delivery plan to ensure the sustainable supply of plasma.

- **Cancer Care:** Commissioning of networks and pathways to improve cancer care and support the achievement of the National Cancer Action Plan -including scoping two additional National Managed Cancer Networks, publication of two additional Clinical Management Pathways (CMPs), and the establishment of governance processes for existing CMPs to support improvements in cancer care.
- **Primary and Community Care:** Improving prescribing services and support to general practitioners, dentists, pharmacies, and optometrists through digital and data transformation. This includes the delivery of the National Primary Care Clinicians Database, support to flu and covid vaccine programmes, the development/implementation of a claims and payment process for a new Community Glaucoma Service and finalisation of requirements for a new General Ophthalmic Services Specialist Supplementary.
- **Digital and Data:** Implementing nationally agreed IT systems and solutions with a focus on business systems, cyber security and data, and tracking and tracing high-risk implantable devices. Including the implementation of the Scan for Safety Programme
- **Climate and Environment:** Enabling NHSScotland to adapt to climate change and reduce its greenhouse gas emissions and impact on the environment. Including the reduction of the overall carbon footprint of the National Distribution vehicle fleet by implementing a non-fossil fuel trial and 'merge on wheels' cross docking.
- **Corporate Shared Services:** Extending NSS support of payroll for NHSScotland and exploring other opportunities for corporate shared services with health board partners. This should be undertaken in alignment with the national work underway on single business services.
- **Population Health and Reducing Health Inequalities:** Continuing to lead the procurement strand of the Health and Social Care Anchors Programme and support the redirection of wealth back into local communities to help address the wider determinants of health inequalities, by progressing specific, measurable objectives that align with their Anchor Strategic Plan, and help Boards assess and manage the condition of their estates so NHSScotland buildings and spaces can contribute community, health and environmental benefits, locally and nationally.
- **Antimicrobial Resistance and Healthcare Associated Infections:** supporting the delivery of key strategies to control healthcare associated infection and antimicrobial resistance including Healthcare Associated Infection (HCAI) strategy 2023 to 2025 and UK AMR Action Plan 2024 to 2029.

Public Services Delivery Scotland

Meeting:	Public Services Delivery Scotland Public Board
Meeting date:	15 May 2026
Title:	PSD Scotland Board and Committee Meetings Dates 2026-2027
Paper No.	PSDB/26/16
Responsible Executive:	Carolyn Low, Director of Finance, Corporate Governance & Legal Services Christina Bichan, Director of Planning, Performance & Transformation
Report Author:	Drew McGowan, Board Secretary & Principal Lead for Corporate Governance Kyle Clark-Hay, Associate Director of Corporate Governance (Board Secretary)

1. Purpose

- 1.1. This is presented to the Board for decision.

2. Recommendation

- 2.1. To approve the schedule of meetings for July 2026 – March 2027.
- 2.2. To delegate authority to the Board Secretaries to make required amendments throughout the year to the Board and Committee meeting dates to best serve the business needs of the Board.

3. Report Summary

Situation

- 3.1. Following meeting dates approved by the Board for the first quarter, members are now asked to approve the remaining meeting dates for the financial year 2026-27. In conjunction with the Corporate Governance Framework, this schedule of meetings has been arranged to enable the Board and its committees to discharge their duties and support effective governance.
- 3.2. Board meetings are anticipated to be held in person, between 10:00 – 12:30, while Committee meetings are anticipated to be held virtually between 09:30 – 12:30. A series of Thematic Seminar sessions have been scheduled which are anticipated to be held virtually between 10:00-12:30.

Background

- 3.3. In accordance with the Standing Orders, the Board and its committees are required to operate to an agreed cycle of meetings and defined schedules of business. The proposed schedules have been developed to reflect PSD Scotland's statutory functions, draft committee terms of reference and key reporting requirements. They have been informed by the arrangements previously in place in both predecessor organisations.

4. Assessment

Quality, Value, Care and Technology

- 4.1. The drafted meeting dates have been reviewed to align with the schedules of business in order to support timely and effective decision-making and assurance.

Workforce

- 4.2. There are no impacts on workforce as a result of these proposed meeting dates.

Financial

- 4.3. There are no financial implications as a result of these proposed meeting dates.

Education and Training

- 4.4. There are no impacts on education and training as a result of these proposed meeting dates.

Information Governance

- 4.5. There are information governance, data protection or freedom of information impacts as a result of these meeting dates.

Environmental and Climate Sustainability

- 4.6. There are no environmental and climate sustainability impacts as a result of these meeting dates. The majority of meetings will be hosted online, resulting in less travel and, therefore, reduced environmental impact.

Equality, Diversity, Human Rights and Health Inequalities

- 4.7. There are no equality, diversity, human rights and health inequalities considerations to be considered as a result of these meeting dates.

Other Impacts

- 4.8. There are no other impacts that require consideration as a result of these meeting dates.

Risk Assessment/Management

- 4.9. There are no additional risks that require to be added to the Risk Register as a result of these meeting dates.

Communication, Involvement, Engagement and Consultation

- 4.10. In advance of the schedules of meetings being considered by the Board, the draft documents have been reviewed by the Chair, Chief Executive and members of the Transitional Leadership Group.

Route to the Meeting

- 4.11. This is being presented directly to the Board for approval.

5. List of appendices

- 5.1. The following appendices are included with this report:
- Appendix 1: Schedule of Meetings (July 2026 March 2027)

PSD Scotland Board and Committee Meeting Dates 2026–2027

Proposed meeting dates and times for Board approval

Board Meetings (in person)

Date	Time
Friday 26 June 2026	10:00 – 12:30
Thursday 21 August 2026	10:00 – 12:30
Friday 18 September 2026	10:00 – 12:30
Friday 18 December 2026	10:00 – 12:30
Friday 26 March 2027	10:00 – 12:30

Board Thematic Seminars (MS Teams)

Date	Time
Friday 11 September 2026	10:00 – 12:30
Friday 20 November 2026	10:00 – 12:30
Friday 29 January 2027	10:00 – 12:30

Committee Meetings (MS Teams)

Committee	Date	Time
Audit & Risk Committee	Thursday 18 June 2026	09:30 – 12:30
Audit & Risk Committee	Wednesday 16 September 2026	09:30 – 12:30
Audit & Risk Committee	Wednesday 9 December 2026	09:30 – 12:30
Audit & Risk Committee	Wednesday 17 March 2027	09:30 – 12:30
Clinical Governance Committee	Thursday 4 June 2026	09:30 – 12:30
Clinical Governance Committee	Thursday 10 September 2026	09:30 – 12:30
Clinical Governance Committee	Thursday 3 December 2026	09:30 – 12:30

Committee	Date	Time
Clinical Governance Committee	Thursday 4 March 2027	09:30 – 12:30
Education Committee	Thursday 20 August 2026	09:30 – 12:30
Education Committee	Thursday 12 November 2026	09:30 – 12:30
Education Committee	Thursday 18 February 2027	09:30 – 12:30
Finance & Resources Committee	Tuesday 9 June 2026	09:30 – 12:30
Finance & Resources Committee	Tuesday 8 September 2026	09:30 – 12:30
Finance & Resources Committee	Tuesday 24 November 2026	09:30 – 12:30
Finance & Resources Committee	Thursday 11 March 2027	09:30 – 12:30
Remuneration Committee	Tuesday 23 June 2026	09:30 – 12:30
Remuneration Committee	Wednesday 25 November 2026	09:30 – 12:30
Service & Digital Transformation Committee	Thursday 27 August 2026	09:30 – 12:30
Service & Digital Transformation Committee	Thursday 19 November 2026	09:30 – 12:30
Service & Digital Transformation Committee	Thursday 25 February 2027	09:30 – 12:30
Staff Governance Committee	Tuesday 16 June 2026	09:30 – 12:30
Staff Governance Committee	Tuesday 1 September 2026	09:30 – 12:30
Staff Governance Committee	Tuesday 8 December 2026	09:30 – 12:30
Staff Governance Committee	Tuesday 9 March 2027	09:30 – 12:30

Public Services Delivery Scotland

Meeting:	Public Services Delivery Scotland Board
Meeting date:	15 May 2026
Title:	NHS Education for Scotland Performance Delivery Report
Paper No.	PSDB/26/12
Responsible Executive /Non-Executive:	Christina Bichan, Director of Planning, Performance and Transformation
Report Author:	Alison Shiell, Planning & Corporate Governance Manager

1. Purpose

- 1.1. This is presented to the Public Services Delivery (PSD) Scotland Board for review and scrutiny.

2. Recommendation

- 2.1. The Board is asked to scrutinise and review the NHS Education for Scotland (NES) Quarter 4 (Q4) Delivery Report.
- 2.2. As the responsible executive, I am assured that the position presented is being appropriately reported, managed and escalated as required through established performance management arrangements.

3. Report Summary

Situation

- 3.1. This report provides the Board with a Q4 and year-end update on NES's delivery performance against the deliverables and milestones set out in the 2025/26 NES Annual Delivery Plan (ADP). The report uses BRAG (Blue / Red / Amber / Green) exception reporting to evidence progress and completion status.
- 3.2. In addition to the cover paper, the report comprises a 2025/26 Q4 summary progress report (Appendix 1) and a full 2025/26 Q4 update (Appendix 2).

Background

- 3.3. This report has been prepared for the Board's scrutiny and approval and has been reviewed by the PSD Scotland Transitional Leadership Group (TLG) in advance of its submission to the Board.
- 3.4. Within NES, quarterly delivery reports were scrutinised by the NES Executive Team and Planning & Performance Committee (PPC) before onward submission to the Board. From 1 April 2025 to 31 March 2026 the NES PPC received quarterly 2025/26 ADP delivery reports in advance of NES Board meetings and provided feedback, guidance and advice as required. With the establishment of PSD Scotland on 1 April 2026, the 2025/26 NES Q4 Delivery Report is being presented to the PSD Scotland Board.
- 3.5. The 2025/26 NES ADP was approved for publication by the NES Board on 22 May 2025, whilst recognising that the ADP was a dynamic document that evolved during the course of the year. Scottish Government (SG) approval for the 2025/26 NES ADP was received via a formal feedback letter on 6 June 2025 with the letter presented to the NES Board for noting on 21 August 2025.

4. Assessment

2025/26 Year-End / Quarter 4 – Summary of Delivery Position

- 4.1. At 2025/26 year-end, NES delivery has concluded at **92%** of deliverables either categorised as completed (Blue) or on track (Green – reflects ongoing Business as Usual delivery or the deliverable is part of a wider programme of work that is being delivered over a number of years). This is an improved position on both 2024/25 (84%) and 2023/24 (85%) year-end delivery and is a significant achievement, especially in light of the additional work undertaken across NES to support the establishment of and transition to PSD Scotland. An overview of all 2025/26 NES delivery will be provided via the 2025/26 Annual Report (as part of the 2025/26 Annual Report and Accounts).
- 4.2. 174 out of 190 (**92%**) deliverables have been categorised as either complete or track in line with 2025/26 NES ADP milestones which matches the projected status provided at the end of Q3. 14 (**7%**) deliverables have reported minor delays at year-end and one (**0.5%**) deliverable has reported delays that have significantly impacted planned delivery during 2025/26. An overview of the 2025/26 year-end BRAG status is set out in Table 1a (Section A / page 3).
- 4.3. In terms of the overall number of deliverables reporting delays, Q4 / year-end represents an improved position (30 at Quarter 1, 22 at Quarter 2 and 21 at Quarter 3). For the Board's information one (**0.5%**) deliverable has been closed during Q4 as a result of an update provided at Q3 so does not have a BRAG status attached to it.

- 4.4. As part of 2025/26 Q4 reporting and the finalisation of the 2025/26 ADP, NES directorates were asked to confirm next steps for any Red / Amber deliverables using the following criteria:
- a. Deliverable to be closed – no further work to be taken forward.
 - b. Deliverable to be closed for 2025/26 – new sets of targets / milestones for this work are included as a deliverable within the PSD Scotland 2026/27 ADP.
 - c. Deliverable to be carried forward into 2026/27 - with addition to PSD Scotland ADP or alternative internal reporting route as appropriate, until deliverable completed.

Tables 2 and 3 within Section B summarise the year-end Red and Amber delivery position in more detail and set out next steps to ensure completion during 2026/27 or confirmation that the deliverable will be closed.

- 4.5. The Board will wish to note that the Q4 BRAG status and narrative updates provided for the twelve NHS Scotland Academy (NHSSA) ADP deliverables remain in draft at the time of writing. This is due to joint NHSSA governance arrangements NES and NHS Golden Jubilee. The 2025/26 NHSSA year-end position is due to be formally approved at the NHSSA Executive Programme Group meeting on 19 May 2026.
- 4.6. In order to provide as much assurance as possible regarding NES’s overall delivery position, this report provides updates and context regarding any deliverables that are still affected by funding delays and also highlights whether any delays have been within / outwith NES’s control. This information is set out within Sections B and C.

Section A – 2025/26 Quarter 4 – Delivery Performance Overview

- 4.7. Delivery performance at 2025/26 year-end is summarised in Table 1a.

Table 1a: 2025/26 Quarter Year-End / Q4 - Summary of delivery position

Deliverable Status	Number	Percentage
Blue – complete	36	19%
Red – significant delay	1	0.5%
Amber – minor delay	14	7%
Green – on track	138	73%
N/A (closed / no status)	1	0.5%
Total	190	

4.8. Appendix 1 provides a summary report of the 2025/26 NES ADP and an overview of the year-end position. This is supported by additional context and detail provided in the later sections of the cover paper. An overview of NES directorate BRAG status at Q4 is shown in Table 1b below.

Table 1b: 2025/26 Year-End / Q4 - Summary of NES directorate BRAG status

NES Directorate / Business Area	Total 2025-26 ADP Deliverables	Blue	Red	Amber	Green	N/A
Corporate & Quality Improvement	3	1	-	-	2	-
Dental	21	-	1	1	19	-
Finance	4	1	-	-	3	-
Healthcare Science	8	1	-	-	7	-
Medical	29	10	-	-	19	-
NHSS Academy, Learning & Innovation	22	1	-	3	17	1
NMAHP	40	4	-	4	32	-
NES Technology Service	10	-	-	5	5	-
Optometry	8	8	-	-	-	-
People & Culture	10	7	-	-	3	-
Planning, Performance & Transformation	9	3	-	-	6	-
Pharmacy	10	-	-	-	10	-
Psychology	5	-	-	-	5	-
Social Care & Communities	9	-	-	1	8	-
Corporate	2	-	-	-	2	-
Totals	190	36	1	14	138	1

Section B – 2025/26 Year-End - Red & Amber Deliverable Position & Next Steps

Table 2: 2025/26 Year-End - Red Deliverable Position

2025/26 Quarter 4 – Red Deliverable	
ADP ref	Summary of 2025/26 overall position and next steps
NES Dental Directorate	
DEN 2025/26 1	<p>The deliverable supporting the needs of the dental technician workforce in Scotland has reported Red at year-end due to the impact of a decision outwith NES’s control. The sole provider of dental technician education and training in Scotland – the University of Aberdeen (UoA) - took a decision in July 2025 (Q2) to postpone dental technician student intake for 2025 and 2026 which impacts the dental workforce in terms of both workforce supply and NHS service delivery. NES Dental had already been exploring alternative education providers as the SG Chief Dental Officer had previously highlighted the risk of a single education provider and asked NES to explore alternative education provision and secure increased availability for dental technician training in Scotland.</p> <p>Since the Q3 update to the NES Board (where the deliverable also reported Red), a Band 7 Specialist Lead has now commenced in post to work in partnership with stakeholders to develop a new learner pathway for Dental Technicians including a pre-registration training qualification</p>

2025/26 Quarter 4 – Red Deliverable	
ADP ref	Summary of 2025/26 overall position and next steps
	<p>that will lead to General Dental Council registration. In collaboration with Qualifications Scotland and Edinburgh College, the National Certificate in Oral Health Care: Preparing for Practice (SCQF 6) is being adapted to include a Dental Technology entry route, with the pilot programme delivered by Edinburgh College commencing for the 2026-27 academic year. This initiative also aims to widen participation and improve career attraction into the profession.</p> <p>As a result of the UoA decision to pause the 2025-26 and 2026-27 student intakes, early discussions have taken place with awarding bodies to identify a new awarding body and training provider for pre-registration training in Scotland however the deliverable has reported Red at year-end as a new provider is not yet confirmed. Further discussions are due to take place in May 2026 and the Board will continue to receive updates on progress throughout 2026/27.</p> <p>Next Steps – This deliverable will be carried forward into the 2026/27 PSD Scotland ADP and reported on until completion (projected March 2027). For the Board’s information, the risks associated with the use of single education providers has been escalated via NES risk management processes. Directorates are considering the risk within the context of their educational provision and ensuring mitigating actions are in place as appropriate.</p>

Table 3: 2025/26 Year-End – Amber Deliverable Position

2025/26 Quarter 4 – Amber Deliverables	
ADP ref	Summary of 2025/26 overall position and next steps
NES Dental	
DEN 2025/26 15	<p>The finalisation of the Combined Practice Inspection (CPI) project (as part of the maintenance of the Practice Support Manual which supports dental teams to meet regulatory and Health Board quality assurance processes to ensure patient & workforce safety and delivery of high quality care) has reported Amber at 2025/26 year-end. Delays have been caused by discussions taking place with SG and territorial health boards regarding funding for Health Board representatives. Although this issue has now been resolved and funding is agreed this has delayed planned work for 2025/26 including the completion of a stakeholder survey and the operationalisation of previous meeting actions.</p> <p>Work is underway support further progress in preparation for the next CPI meeting during 2026/27 Quarter 2. It is anticipated that the updated CPI process and checklist will be ready for sign-off by SG in 2026/27 Quarter 4.</p> <p>Next Steps – This deliverable will be carried forward into the 2026/27 PSD Scotland ADP and will be reported on until deliverable completion (projected March 2027).</p>

2025/26 Quarter 4 – Amber Deliverables	
ADP ref	Summary of 2025/26 overall position and next steps
NES NHSS Academy, Learning & Innovation (NHSSA, L & I) Directorate	
NHSSALI 2025/26 5	<p>As projected at Q3, the deliverable focused on Knowledge Management and Digital Library services has reported Amber at year-end. Specifically, the milestone to support NES educators and staff to embed links to digital library resources within educational products has not yet been achieved. This is due to delays caused by the Knowledge Services (KS) team’s involvement in supporting the NES Research and Innovation Plan and the organisational TURAS Learn Product Estate Review alongside preparing digital library resources and suppliers for moving into PSD Scotland and ensuring no break in service. This milestone will now be completed by the KS team during 2026/27 Quarter 1.</p> <p>Next Steps – This deliverable will be carried forward into the 2026/27 PSD Scotland ADP and will be reported on until deliverable completion (projected June 2026).</p>
NHSSALI 2025/26 11	<p>The ongoing development of a new approach to educational quality assurance and quality management as part of the NES Learning & Education Quality System (LEQS) has reported Amber at year-end as planned 2025/26 work is continuing into 2026/27 Quarter 1.</p> <p>During 2025/26 NES has progressed the development and implementation of the LEQS, establishing core policy, governance, processes and enablers. The NES LEQ Policy was implemented, setting consistent quality standards applicable across all learning and education products, supported by aligned frameworks for Involving People, Educator Capability Framework and Quality of Practice Learning Environments. Consistent educational quality management and assurance structures are now in place across all NES directorates with Directorate Educational Quality and Safety Groups (DEQSGs) operational and led by named Directorate Education Leads (DELs). The DEQSGs have agreed terms of reference and clear links to executive and Board governance.</p> <p>A large-scale review of the NES learning product estate is also being undertaken with approximately 12,000 learning resources reviewed to date (around 50% of the total estate). Recommendations to update or retire products are being progressed through directorates, with cross-directorate ratification planned ahead of actioning within TURAS Learn. This work will continue into 2026/27 Quarter 1.</p> <p>Next Steps – This deliverable will be carried forward into the 2026/27 PSD Scotland ADP and will be reported on until deliverable completion (projected June 2026).</p>
NHSSALI 2025/26 32	<p>As projected at Q3, the NHSS Academy deliverable with the aim of increasing the amount of immersive training opportunities for doctors working towards achieving an Entrustable Professional Activity (EPA) in managing a cataract operating list (which in turn allows them to perform independent surgical lists as per the Royal College of Ophthalmologists curriculum), has reported Amber at year-end. This is due to ongoing delays in sourcing faculty members for NHS Golden Jubilee (NHS GJ) and NHS Highland. As part of the Q4 narrative update, the NHSS</p>

2025/26 Quarter 4 – Amber Deliverables	
ADP ref	Summary of 2025/26 overall position and next steps
	<p>Academy have confirmed that a confirmation of funding is still awaited to enable NHS Highland to proceed with appointing faculty in Inverness and a re-run of recruitment is required for NHS GJ. A Programme Manager supporting the overall delivery of this programme is due to commence in April 2026.</p> <p>Next Steps – This deliverable will be closed at the end of 2025/26 as a new set of targets for this work is included within 2026/27 PSD Scotland ADP.</p>
NES Nursing, Midwifery & Allied Health Professions (NMAHP) Directorate	
NMAHP 2025/26 14	<p>The Allied Health Professions (AHP) aspect of work to support the NMAHP workforce to comply with regulatory bodies' requirements for quality practice education has reported Amber at year-end as a result of delays to one aspect of planned delivery (development of the digital Physiotherapy Practice Assessment Document). This delay is as a result of the availability of digital capacity within NES during 2025/26 therefore the development will transfer into 2026/27 directorate plans however delivery will ultimately depend on the outcome of organisational digital prioritisation processes within PSD Scotland.</p> <p>Next Steps - This deliverable will be closed at the end of 2025/26 as a new set of targets for this work is included within 2026/27 PSD Scotland ADP.</p>
NMAHP 2025/26 21	<p>The deliverable focused on supporting the SG Dementia Strategy Delivery Plan via the provision of learning and development opportunities for the health, care and wider workforce who support people with dementia and their families / carers has reported Amber at year-end. Confirmation of SG funding to support 2025/26 delivery was received during Q2 however this delay has impacted the planned publication of resources with overall delivery now projected for August 2026.</p> <p>Next Steps – This deliverable will be carried forward into the 2026/27 PSD Scotland ADP and will be reported on until deliverable completion (projected August 2026).</p>
NMAHP 2025/26 31	<p>As projected at Q3, the deliverable supporting the building of capacity and capability to enable AHPs to undertake robust workforce planning has reported Amber at Q3 due to some aspects of planned milestones not being met. These delays are as a result of the availability of digital / design capacity within NES during 2025/26 therefore development will transfer into 2026/27 directorate plans however delivery will ultimately depend on the outcome of organisational prioritisation processes within PSD Scotland.</p> <p>Next Steps – This deliverable will be closed at the end of 2025/26 as a new set of targets for this work is included within 2026/27 PSD Scotland ADP.</p>
NMAHP 2025/26 37	<p>The deliverable focused on the review of all NMAHP frameworks and subsequent development of standardised principles for future frameworks has reported Amber at year-end due to a one month delay in finalising a report to inform the overall FRAME (Framework Review, Alignment, Monitoring & Evaluation) project finds and recommendations.</p>

2025/26 Quarter 4 – Amber Deliverables	
ADP ref	Summary of 2025/26 overall position and next steps
	<p>The complexities associated with this work have meant a slight delay in overall delivery however the report is due to be completed at the end of April 2026.</p> <p>Next Steps - This deliverable will be closed at the end of 2025/26 as a new set of targets for this work is included within 2026/27 PSD Scotland ADP.</p>
NES Technology Service (NTS)	
NTS 2025/26 2	<p>As projected at Q3, the deliverable supporting SG Future Care Planning (FCP) via the development of a viable Hospital Care Plan product has reported Amber at year-end. This is due to ongoing discussions with the associated SG policy team regarding the future direction of FCP. The NTS Deputy Director continues to engage with SG regarding the alignment of this work to the Digital Front Door programme and Integrated Record portfolio as part of the strategic direction of travel in relation to data sharing. Engagement during Q4 around a future Digital Health and Care Record has been positive with an expectation that FCP will be integrated into this future portfolio of work.</p> <p>Next Steps – This deliverable will be closed at the end of 2025/26 as a proposed set of targets for this work is included within 2026/27 PSD Scotland (additional detail to be added to 2026/27 ADP following further discussion with SG).</p>
NTS 2025/26 5	<p>As projected at Q3, the deliverable focused on supporting and maturing the National Digital Platform (NDP) cloud infrastructure has reported Amber at year-end as planned work on generic NDP services has not been delivered due to the teams supporting the successful launch of MyCare.Scot (Digital Front Door). During Q4 the NDP teams delivered strengthening work to ensure that MyCare.Scot underlying services are prepared for national scale availability and added new authentication and authorisation capability and service management capability to prepare for this new level of NDP usage.</p> <p>Next Steps – This deliverable will be closed at the end of 2025/26 as a new set of targets for this work is included within the 2026/27 PSD Scotland ADP.</p>
NTS 2025/26 8	<p>As projected at Q3, delivery of the OpenEyes electronic patient record solution (on a regional basis in 2025/26) has reported Amber at year-end. NES has rolled out the majority of the Community Glaucoma Scheme to all territorial Health Boards by the end of March 2026 deadline however individual Board use and sustainability remains a local service issue / risk. The rollout will continue into 2026/27 alongside engagement with Health Boards to ensure appropriate capacity and resource is put in place.</p> <p>Next Steps – This deliverable will be closed at the end of 2025/26 as a new set of targets for this work is included within 2026/27 PSD Scotland ADP.</p>
NTS 2025/26 11	<p>As projected at Q3, the deliverable focused on improvements to the timeliness and quality of workforce data continues has reported Amber at year-end due to planned milestones being behind schedule. Limited</p>

2025/26 Quarter 4 – Amber Deliverables	
ADP ref	Summary of 2025/26 overall position and next steps
	<p>progress has been made during the latter part of 2025/26 as a result of other NTS priorities such as MyCare.Scot. During Q4 a Data Analytics and AI Programme has been agreed, a Project Initiation Document produced and Senior Responsible Owner and Programme Lead roles assigned. This programme aims to bring together a workforce data and workforce planning focus to support improved workforce planning for health and social care.</p> <p>Next Steps – Deliverable to be carried forward into 2026/27 ADP and will be reported on until deliverable completed (projected completion to be confirmed).</p>
NTS 2025/26 31	<p>The deliverable supporting the Scan For Safety programme in the implementation of the end-to-end Medical Devices Data Hub (MDDH) solution has reported Amber at year-end. This deliverable reported Red at Q3 due to factors outwith NES's control (data issues caused by inconsistencies in upstream systems due to the data processed by the MDDH coming from individual health board systems). Work to address current issues has been progressed during Q4 in line with the updated Q4 milestone (approved by the NES Executive Team during Q3).</p> <p>The deliverable has also reported Amber at year-end as it is unclear how long the programme will continue to be funded after 2026/27 and many of the deliverables are dependent on other parties e.g. rollout is heavily dependent on board capacity and capability. Work during 2026/27 includes working with the Scan for Safety programme to understand what the multi-year plan looks like, especially with regards to service ownership of the end to end service.</p> <p>Next Steps – This deliverable will be closed at the end of 2025/26 as a new set of targets for this work is included within 2026/27 PSD Scotland ADP.</p>
NES Social Care & Communities Directorate	
SC 2025/26 2	<p>As projected at Q3, ongoing interdependencies between the Involving People and Communities workstream and other Learning & Education Quality System workstreams mean that the IPC deliverable has reported Amber at year-end. The implementation of a Remuneration Policy to ensure people with lived / living experience (who are consulted on the design and development of educational products) are recompensed in a swift and efficient way has been delayed during Q4 due to 2025/26 year-end activity and the transition to PSD Scotland. Progress will continue during 2026/27 to ensure a resolution is achieved.</p> <p>Next Steps – This deliverable will be closed at the end of 2025/26 as a new set of targets for this work is included within 2026/27 PSD Scotland ADP.</p>

Section C – 2025/26 Year-End – Update on deliverables affected by funding delays in previous quarters

- 4.9. Table 4 provides an update on deliverables affected by funding delays at 2025/26 year-end. Appendix 3 has been updated accordingly to highlight any deliverables that were previously categorised as ‘Subject to Funding’ and funding has now been received. For the Board’s information, at the end of Q3 there was only one deliverable still categorised as ‘Subject to Funding’; however Table 4 confirms that funding confirmation has now been received.

Table 4: Deliverables affected by funding delays / issues at Quarter 4

2025/26 Quarter 4	
ADP ref	Summary of funding situation and next steps (if known)
NHSSA, L & I	
NHSSALI 2025/26 1	Formal confirmation of SG funding to support NES’s Digital Learning Infrastructure programme has now been received and the Full Business Case has been approved. The 2025/26 ADP deliverable will now be closed as this future progress will be reported via a deliverable within the PSD Scotland 2026/27 ADP.

Section D - 2024/25 NES ADP – Remaining deliverables

- 4.10. A small number of deliverables from the 2024/25 NES ADP continued to report progress during 2025/26. A summary of the status of the two remaining 2024/25 deliverables is provided within Table 5 with full detail set out within Appendix 2 as an individual tab within the excel document. For the Board’s information, the Amber NMAHP deliverable will now be closed as a new set of targets for this work is included within the 2026/27 PSD Scotland ADP.

Table 5: Overall Position for remaining 2024/25 NES ADP deliverables

NES Directorate / Business Area	Total 2024/25 ADP Deliverables	Blue	Red	Amber	Green
Dental	1	1	-	-	-
NMAHP	1	-	-	1	-
Totals	2	1	-	1	-

Section E - 2025/26 Year-End – Key achievements to highlight at Q4

- 4.11. There have been a number of achievements during Q4 that have supported the delivery of the NES 2023-26 Strategy and align directly with the three overarching strategic themes (People, Partnerships and Performance). Further detail is provided within the paragraphs below.

- 4.12. To support the delivery of NES's **People** strategic theme objectives, the following has been achieved during Q4:
- a. 2025/26 Q4 marked the completion of all deliverables associated with a Three Year workplan supporting the practicing of Realistic Medicine (RM) and delivery of Value Based Health & Care. During Q4, this has specifically included the launch of a number of resources on TURAS Learn including an Inequalities and VBH&C eLearning module, Senior Leader resources and a page with resources for Higher Education Institutions (HEIs) and HEI case studies evidencing good examples of embedding RM and VBH&C within the HEI curriculum.
 - b. Planned educational delivery targets for the Scottish Multiprofessional Maternity Development Programme (SMMDP) have been exceeded for 2025/26 with 161 courses delivered to over 1,800 staff (Target – 120 courses for 1,400 staff). This achievement is testament to the work of NES educators and business support staff involved in the delivery of this work.
 - c. During Q4 the NES Medical directorate delivered the inaugural Physician Associates (PAs) and Anaesthesia Associates (AAs) National Conference which was attended by over 120 PAs and AAs, which equates to approximately 80% of PAs and almost all AAs in Scotland. The conference received positive feedback with the vast majority of attendees finding the content valuable and the networking opportunity very useful.
- 4.13. To support the delivery of NES's **Partnerships** strategic theme objectives, the following has been achieved during Q4:
- a. The work of directorates / teams across NES ensured a new suite of Once for Scotland statutory and mandatory training modules were uploaded to TURAS Learn during Q4 for use across the health and social care workforce as part of the implementation of Agenda for Change (AfC) Review recommendations. This work met the requirements of the AfC Protected Learning Time programme and also supported a deliverable within the Digital Learning Infrastructure delivery plan.
 - b. NES has played a significant role in national work on alternative education and employment routes during 2025/26, particularly through SG's Earn As You Learn (EaYL) commission, supporting Phase 1 scoping and Phase 2 action planning with engagement from all NHS Scotland Boards and key partners. During Q4, a report on Phase 2 of EaYL work has been completed and submitted to the SG Healthcare Workforce Team for subsequent sign-off via the SG Anchors Strategic Workforce Group.
 - c. As part of the TURAS Learn Repurposing Project which has overseen the reviewing of existing eLearning content to meet needs of social care sector, at the end of 2025/26 more than 550 resources have been identified as being suitable for the social care workforce and more than 80 resources added. Each of these resources have been tagged in relation to Scottish Social Services Council continuous professional learning (CPL) requirements with newsletter publications promoting the availability of new learning and amplified by partner support.
- 4.14. To support the delivery of NES's **Performance** strategic theme objectives, the following has been achieved during Q4:
- a. In relation to the ongoing delivery of the NES Climate Emergency and Sustainability (CE&S) Strategy (2024-27), work has continued within NES to move to a 'cloud first' context with all new IT products being designed on a cloud storage

basis, avoiding the need to maintain local storage which in term reduces emissions directly generated by NES. During Q4 NES also received positive feedback from SG on our Annual Climate Emergency & Sustainability Report for 2024/25, particularly in relation to the 5.5% reduction in direct emissions.

- b. NES has worked positively with SG and our partners at NHS National Services Scotland (NSS) to ensure the successful transition of both organisations to PSD Scotland from 1 April 2026.
- c. NES has met all financial reporting deadlines during 2025/26 and is on track to be within 0.5% variance of its budget at year end.

Quality, Value, Care and Technology

- 4.15. The 2025/26 NES Q4 and year-end delivery report provides an assessment of NES's delivery performance against the deliverables and milestones within the 2025/26 NES ADP (which is directly linked to SG priorities and the strategic ambition articulated via the 2023-26 NES Strategy).
- 4.16. Future delivery performance reports for PSD Scotland will provide assurance to Scottish Government (SG) and the public about how the work of the organisation aims to support the transformation and modernisation of Scotland's health, care and wider public services.

Workforce

- 4.17. The 2025/26 NES ADP was developed in collaboration with NES People and Culture colleagues to ensure workforce requirements were a key feature of organisational planning.
- 4.18. NES also produced strategic workforce plans in line with SG requirements to articulate the skilled and diverse workforce required to deliver its strategic ambitions.

Financial

- 4.19. The 2025/26 NES ADP was developed in collaboration with NES Finance colleagues to ensure parity with the 2025/26 NES Financial Plan. Discussions with SG colleagues took place during 2025/26 to finalise any deliverables that were initially categorised as 'Subject to Funding'.

Education and Training

- 4.20. As NES was the national health board with statutory functions for the provision and delivery of education and training for NHS Scotland and social care (in partnership with the Scottish Social Services Council / SSSC), the majority of deliverables within our ADPs were focused on supporting the health and social care workforce to deliver improved outcomes. The full 2025/26 Q4 update (Appendix 2) sets out how each individual deliverable is aligned to SG priorities and the strategic themes within the 2023/26 NES Strategy.

Information Governance

- 4.21. This report contains management information only. All programmes of work set out within the 2025/26 NES ADP were reviewed individually for any data protection or information governance risks or implications and are therefore reported at a programme level.

Environmental and Climate Sustainability

- 4.22. NES recognised the importance of its work in promoting climate change and sustainability awareness within education and training programmes. Recent ADPs have included climate and sustainability focused deliverables, and the NES Climate Emergency & Sustainability Strategy (2024-27) was published in July 2024.

Equality, Diversity, Human Rights and Health Inequalities

- 4.23. The 2023/26 NES Strategy set out NES's important role in improving the health of Scotland's population and reducing inequalities in our communities. Individual deliverables within the 2025/26 NES ADP highlight specific work in this area and the NES Equality, Diversity and Human Rights team provides high quality, up to date and relevant educational and training resources on equality and diversity for the health and social care sector. NES also published its Equality, Diversity and Inclusion Strategy (2025-29) in April 2025.
- 4.24. An EQIA was undertaken collectively for the 2025/26 NES ADP and Financial Plan.

Other Impacts

- 4.25. There are no other impacts that require consideration as a result of the information contained in this report.

Risk Assessment/Management

- 4.26. As part of the development of the 2025/26 NES Q4 Delivery Report, the one Red deliverable has been reviewed against the NES Corporate Risk Register however as the delay is due to factors outwith NES's control it is therefore not aligned to any individual NES strategic risk. Mitigating actions are in place and further information in regarding NES's risk position will be incorporated into future PSD Scotland risk reports.
- 4.27. During the 2025/26 Q4 reporting period NES directorates provided detail in relation to any risks to delivery and escalated them to the appropriate level (Directorate / Corporate level risk registers). Risk themes identified at Q4 including competing priorities, supporting the PSD Scotland transition, future funding uncertainty and the potential impact on service delivery, return on investment for major programmes, capacity and staffing constraints and infrastructure, systems and operational risks.

4.28. Individual programmes have highlighted a range of risks including resource pressures, impact of high workload and the ability to support simultaneous programmes and maintain stability. NES's refreshed risk management framework enables directorates to escalate risks via the NES Risk Management Group and ensure they are considered via appropriate governance groups.

Communication, Involvement, Engagement and Consultation

4.29. In advance of the NES 2025/26 Q4 Delivery Report being presented to the TLG and Board, [legacy] NES directorates provided the Q4 ADP updates and these have been reviewed and signed off by individual Directors before submission.

Route to the Meeting

4.30. The following groups have previously considered this as part of their development. The groups have either supported the content or their feedback has informed the development of the content presented in this report.

- PSD Scotland Transitional Leadership Group, 5 May 2026

5. List of appendices

5.1. The following appendices are included with this report:

- Appendix 1 - 2025/26 Q4 summary progress report
- [Appendix 2 - Full 2025/26 Q4 update](#)

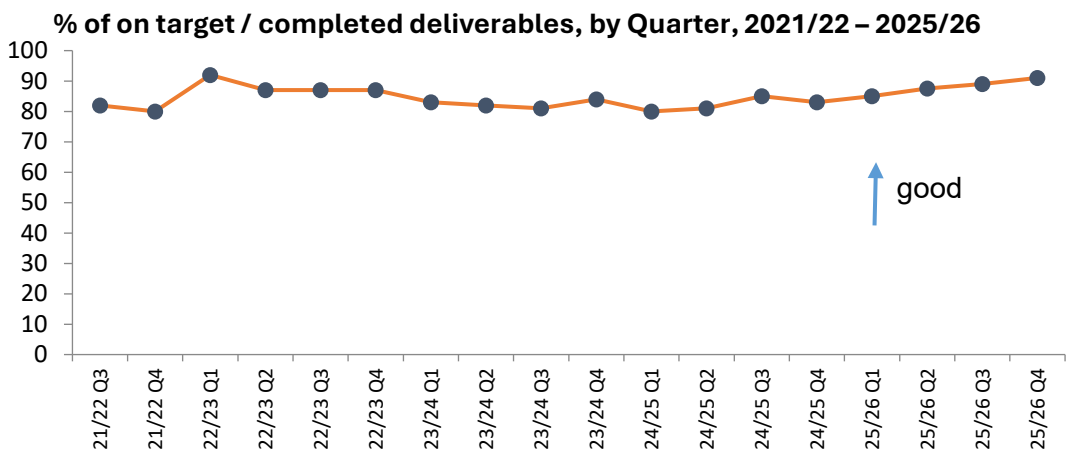
Annual Delivery Plan (ADP) Summary Report (2025/26 – Quarter 4)

Aim: To provide an overview of progress and highlight key achievements, delays and risks in relation to delivery of the 2025/26 NES ADP.

Delivery Status at 31 March 2026 (Year-End / Quarter 4)

- NES 2025/26 delivery has concluded at **92% of deliverables completed or on track** in line with ADP milestones at the end of Q4 (in comparison to 84% delivery achieved at 2024/25 year-end)
- 7.5% of deliverables** have highlighted delays at 2025/26 year-end. Next steps have been agreed and directorates will continue to report on these deliverables during 2026/27 as appropriate.

	Q1 25/26	Q2 25/26	Q3 25/26	Q4 25/26
Status				
Complete	5	3	2	36
On Track	159	166	167	138
Minor Delay	28	20	19	14
Significant Delay	2	1	2	1
Closed / No Status	-	3	1	1
Total Deliverables	194	193	191	190



Key Achievements during Quarter 4 (Individual ADP references shown in brackets)

- All deliverables associated with supporting Realistic Medicine and the delivery of Value Based Health & Care completed as per Three Year workplan (**WF 25/26 13**)
- NES eLearning and TURAS Learn Content teams completed module development and content mapping activities to ensure the new suite of Once for Scotland statutory and mandatory modules were uploaded onto TURAS Learn (**NHSSALI 25/26 7**)
- National programme supporting the development of NHS Board Chairs and Non-Executives to fulfil the Blueprint for Good Governance has been fully met in 2025/26 (**WF 2025/26 19**)
- New learning programme designed, developed and delivered to support the needs of the National Oral Health Improvement Programmes (**DEN 2025/26 12**)
- NES Clinical Skills Managed Educational Network played key role in 4 Nations and Ireland collaborative to develop the Association for Simulated Practice in Healthcare Professional Development Framework for Interprofessional Simulation in Health and Care (**MED 2025/26 27**)
- Digital Learning Infrastructure Full Business Case approved by Scottish Government (**NHSSALI 2025/26 1**)
- Palliative Care Education Framework and TURAS Learn site launched (**NMAHP 2025/26 43**)
- Formal launch of My GP Career online hub (mygpcareer.nhs.scot) which is dedicated to supporting General Practitioners at all stages of their professional lives (**WF 25/26 10**).
- Achievement of Equally Safe at Work Development accreditation (**COR 2025/26 2**)
- Over 148,000 people have accessed trauma informed and trauma skilled training online resources during 2025/26 (**PSY 2025/26 5**)

Delays and associated impact

Next steps for the one red and 14 amber deliverables identified at 2025/26 year-end have been considered. Deliverables will either be completed during 2026/27 or carried forward into the 2026/27 PSD Scotland ADP for ongoing quarterly reporting throughout the year or closed.

Corporate Risks Affecting Delivery

The **one** red deliverable reported at Q4 has have been reviewed against the NES Corporate Risk Register however the delays are due to factors outwith NES's control and are therefore not aligned to any individual strategic risk.

1 Red Deliverable

Summary of 2025/26 overall position and next steps

Deliverable supporting needs of dental technician workforce in Scotland has reported Red at Q4 however the delays associated with this work are due to a decision taken by a higher education institution that is outwith NES's control. NES Dental colleagues are working to address this issue by exploring alternative education provision to ensure a new entry level pathway into Dental Technology is created to improve career attraction and widen access into pre-registration dental technology training.

This deliverable will be carried forward into the 2026/27 PSD Scotland ADP and reported on until completion.

14 Amber Deliverables – overview of 2025/26 year-end position

Issues / Decisions outwith NES's control

Funding	Delay in confirmation of SG funding has impacted NES's ability to deliver planned milestones
External factors	<p>Other external circumstances / factors e.g.</p> <ul style="list-style-type: none"> • Additional delivery asks for Digital Front Door • High profile nature of certain projects (Digital Front Door / Digital Learning Infrastructure) • Supporting transition to Public Services Delivery Scotland

Issues / Decisions within NES

Capacity	Capacity constraints (including resource availability and staff absence) / work contingent on other NES processes
Technical issues	Technical complexities associated with individual deliverables
Planning and delivery	Individual aspects of milestones taking longer than originally expected / progress reviews identifying additional work required to support delivery

14 Amber Deliverables – overview of 2025/26 year-end position

Summary of next steps

As part of 2025/26 Q4 reporting, NES directorates were asked to confirm next steps for any Red / Amber deliverables at year-end. Deliverables will either be closed for 2025/26 as a new set of targets / milestones is included within the Public Services Delivery Scotland 2026/27 ADP or carried forward into 2026/27 and reported on until deliverable is completed.

Ongoing communication / discussions with SG colleagues to gain clarity in relation to future funding arrangements or changes to commissions / delivery plans.

Public Services Delivery Scotland

Meeting:	Public Services Delivery Scotland Board
Meeting date:	15 May 2026
Title:	NHS Education for Scotland Strategic Key Performance Indicator Report
Paper No.	PSDB/26/12
Responsible Executive /Non-Executive:	Christina Bichan, Director of Planning, Performance & Transformation
Report Author:	Debbie Lewsley, Performance and Corporate Governance Manager

1. Purpose

- 1.1. This is presented to the Board for scrutiny and provides the Board with the Q4 position of the NHS Education for Scotland (NES) Strategic Key Performance Indicators (SKPIs) that have been transferred to Public Services Delivery Scotland.

2. Recommendation

- 2.1 It is recommended that the Board scrutinise the SKPIs contained within this report to assure itself of the performance position and to provide any feedback as appropriate.
- 2.1. As the responsible executive, I am assured that the position presented is being appropriately reported, managed and escalated as required through established performance management arrangements.

3. Report Summary

Situation

- 3.1. In June 2025, as part of the [publication](#) of the Health and Social Care Service Renewal Framework (SRF), the Scottish Government (SG) announced the requirement to form a new, national organisation focused on transformation to drive digital innovation, workforce development, and Once for Scotland services across health and social care. PSD Scotland became operational on 1 April 2026 and comprises the now legacy NES and NSS organisations.
- 3.2. Both NES and NSS have developed individual approaches to determination and reporting on their performance, and the purpose of this report is to present the Q4 NES SKPIs that have been transferred to Public Services Delivery Scotland to the Board for

awareness. Further work will be undertaken to develop the performance management approach for the new organisation, to replace legacy arrangements, in due course.

Background

- 3.3. In May 2023, the NES Board approved 41 Strategic Key Performance Indicators in parallel with the NES Strategy, these were structured around the three key themes of -
- People – How well do we support our staff and our learners?
 - Partnership – How well do we meet the needs of our partners?
 - Performance – How well do we perform as an organisation?
- 3.4. The NES Strategic Key Performance Indicators were subject to frequent review by the Executive Team, the Planning & Performance Committee and the NES Board, with individual Board Governance Committees' receiving quarterly reports on the SKPIs that related to their remitted responsibilities, enabling a tiered approach to governance.

4. Assessment

- 4.1. There are 41 strategic key performance indicators, spanning 52 metrics that form NES's reporting suite. In Quarter 4 data has been reported for 21 SKPI metrics with detail noted in Appendix 1. Within this reporting period 70% of SKPIs have been reported with a green RAG status, this is an increase of 4% in comparison to the last reporting period.

Quality, Value, Care and Technology

- 4.2. The Planning and Performance Committee (NES) provided oversight for all of NES's SKPIs prior to them being presented to the Board, this will now be part of the Finance and Resource Committee' remitted responsibilities. The Report provides an assessment of the effectiveness of our performance against NES's strategic objectives, which is further enhanced by quarterly delivery performance reporting against the ADP.

Workforce

- 4.3. All workforce strategic key performance indicators are reviewed and considered by the Staff Governance Committee.

Financial

- 4.4. All strategic key performance indicators that relate to finance were reviewed by the NES Audit and Risk Committee; these will now be included in the remit of the Finance & Resources Committee.

Education and Training

- 4.5. All strategic key performance indicators that relate to education and training were reviewed by the NES Education and Quality Committee as part of their remitted responsibilities, these will now be included in the remit of the Education Committee.

Information Governance

- 4.6. This paper does not include personal data. All project and programmes of work covered by this paper are reviewed for any data protection or information governance risks or implications and are reported at programme/project level.

Environmental and Climate Sustainability

- 4.7. Work which NES undertakes to mitigate climate change and environmental sustainability are reported to the Audit & Risk Committee.

Equality, Diversity, Human Rights and Health Inequalities

- 4.8. An Equality Impact Assessment has not been completed as the requirement to complete does not apply to performance papers, however the suite of SKPIs was assessed during formation.

Other Impacts

- 4.9. There are no other relevant impacts specific to this report.

Risk Assessment/Management

- 4.10. Risks are managed in line with NES's Risk Management Approach and are noted in the paper.

Communication, Involvement, Engagement and Consultation

- 4.11. Strategic KPIS were developed through the involvement and engagement with a range of stakeholders.

Route to the Meeting

- 4.12. To note given the transformation into Public Services Delivery Scotland on the 1st April 2026, the Q4 data within this report has not been scrutinised by the Committees prior to being presented to the Board, however it was reviewed by the Transitional Leadership Group.
- 4.12.1. In future all papers reporting performance will be scrutinised at the Finance and Resource Committee prior to being presented to the Board and all reports will be subject to review by the Transitional Leadership Group.

5. List of appendices

- 5.1. The following appendices are included with this report:
- Appendix 1, NES Q4 Strategic Key Performance Indicators Report
 - Appendix 2, Overview of SKPIs Reported in Q4
 - Appendix 3, NES SKPI Dashboard Guidance
 - [Appendix 4, NES SKPI Reporting Dashboard](#)

APPENDIX 1: NES Q4 Strategic Key Performance Indicators Report

1 Background

- 1.1 In May 2023, the NES Board approved 41 Strategic Key Performance Indicators in parallel with the NES Strategy, these were structured around the three key themes of the strategy, People, Partnership and Performance.
- 1.2 Board standing committees received quarterly reports on Strategic Key Performance Indicators that related to their remitted responsibilities. This enabled an assessment of the assurance provided by the SKPI data.

2 Strategic Key Performance Indicators Overview

There are 41 strategic key performance indicators, spanning 52 metrics that form NES's reporting suite as presented the Appendix 4.

A summary of the RAG status for the 52 SKPI metrics is presented in Table 1 below.

Table 1: SKPI RAG Status Summary – March 2026

Green	Amber	Red	Blue (Complete) (Paused)	RAG parameters to be set
35	4	2	2	9

- 2.1 Within this reporting period 70% of SKPIs have been reported with a green RAG status, this is an increase of 4% in comparison to the last reporting period, which reflects the decrease in the number of SKPIs reported with an amber RAG status this reporting period.
- 2.2 The number of RAG parameters still to be set can be attributed to the outstanding measurements in development.
- 2.3 At its February 2026 meeting, the NES Board approved the change to the reporting for SKPI34. This measurement now records the EPC rating for each property NES leases rather than the CO2 emissions due to the CO2 Emissions (Property) Target been set by the UK Government for all leased

commercial properties to have an EPC Rating "C" by 2027 and "B" rating by 2030. This has been implemented for the Q4 reporting and the measurement currently has a green RAG status.

3 Q4 Reporting Overview

3.1 In Quarter 4 data has been recorded for 29 SKPI metrics as shown in Appendix 2. Other measures have not been updated due to their frequency of reporting meaning that they were not due in this reporting period.

A summary of the RAG status for the 29 SKPI metrics is presented in Table 2 below.

Table 2: RAG Status Summary – SKPIs reported in Q4 2025/26

Green	Amber	Red	RAG parameters to be set
25	2	2	0

4 Q4 Performance Highlights for SKPI's with Green RAG Status

4.1 SKPI05 - "Sickness Absence Rate".
 The RAG status for this measurement has changed within this reporting period from amber to green, with the sickness absence rate decreasing this quarter. This shows a clear improvement and a return towards lower historical levels this will continue to be closely monitored to assess whether recent movements reflect seasonal variation or underlying systemic issues. NES continues to perform favourably in comparison to other NHS Boards, with National and Special Boards reporting up to 9.7% and Territorial Boards between 4.4% and 7.7%.

4.2 SKPI13b - 'Dental Funded trainee placements – Vacancy Rate (WAS Fill rate)'
 This measurement continues to show a green RAG status with 69 of the 87 funded posts in DCT filled following national and NES recruitment, with local appointments taking place within some Boards to fill any vacancies. Both Speciality and Vocational training have no vacancies and 7 out of 12 Therapy VT places are filled.

- 4.3 SKPI17 - 'Total accesses of the NHS Scotland Careers Website'
Engagement on the NHS Scotland Careers website settled during this quarter and although the number of sessions decreased this quarter, they are still higher than what was reported in the first half of the year and remains firmly within the green RAG rating, far exceeding the threshold. Work will be undertaken in 2026/27 to move from being a passive library to a goal-orientated website.
- 4.4 SKPI23 - 'Number of education, research and strategic collaborations'
Although this measurement is showing a decrease in the number of collaborations it continues to report as a green RAG status. The decrease can be attributed to one of the workstreams now being business as usual so no longer reported through this measurement.
- 4.5 SKPI24 - 'Number of innovation initiatives invested in, including collaboration with other stakeholder organisations'
This measurement continues to report at a green RAG status with maturing activity within the Research and Innovation Plan key themes which are complemented by the Learning and Education Reference Group activity to inform strategic development clusters, share intelligence and anticipate productive networking opportunities with stakeholders and directorates.
- 4.6 SKPI29b - 'Number of collaborations to support employability and engagement of young people'
There has been an increase in the number of collaborations this reporting period, new collaborations have been established with Scottish Ambulance Service and local partners to support Youth Academy activity and Causeway Education to trial online mentoring and applicant support for Medicine in remote/rural schools.
- 4.7 SKPI31 - 'Achievement of agreed savings % against annual budget'
This measurement continues to show a green RAG status with all individual directorate savings targets being met in full and the vacancy lag savings exceeding their target.
- 4.8 SKPI32 - '% of audit actions which are completed within agreed timescale'
This measurement continues to show a green RAG status with the majority of outstanding audit actions 90% complete. One audit action relating to the climate strategy has been closed, with the PSD Scotland strategy being developed in 2026/27. The review of the Additional Cost of Teaching (ACT) funding models action has been carried forward with discussions ongoing.

5 Q4 Performance on SKPI's with Amber RAG Status

- 5.1 SKPI04 – ‘Operational to capacity threshold – posts advertised’.
The number of advertised vacancies increased this quarter; however this does not represent a structural shift in vacancy levels with the overall downward trend across the year continuing to reflect the positive impact of earlier recruitment activity and improved workforce planning. The increase can be attributed to a discrete spike in vacancies associated with NTS which reflects the timing of funding confirmation and mobilisation of specific national programmes. Outside of these time-limited drivers vacancy levels remain stable with no evidence of any systemic recruitment or retention risk.
- 5.2 SKPI07 – ‘% of staff formally reporting a disability’.
Although reporting as an amber RAG status the proportion of staff reporting a disability has increased this reporting period continuing an upward trend in disability declaration over time, although it is still suspected that there is under reporting. Staff are regularly reminded to update their data on eESS and there is a specific page on the Equality, Diversity and Human Rights Hub on disability and inclusive workplaces.

6 Q4 Performance on SKPI's with Red RAG Status

- 6.1 SKPI135 – ‘CO2 emissions (staff and business travel)’.
CO2 emissions from travel are down overall on last year, but there has been an increase in Q3 and Q4 in comparison to the same quarters in the previous year. A review of the RAG parameters for this measurement will be undertaken in the next reporting period due to the changes in the external environment since the parameters were originally set.
- 6.2 SKPI138 – ‘Number of unplanned outages to NES systems (internal and external)’.
Two of the outages during Q4 were outwith NES's control and were in relation to the NSS National CHIXML interface due to configuration issues for SWAN. The third was an unplanned downtime due to NTS taking the NES Portal offline due to a continued robotic brute force SQL Injection attack on the systems endpoints. The system was offline for one business day to allow an investigation to be conducted, and the appropriate mitigating controls were put in place.

7 SKPI Reporting Development for Outstanding Measures

- 7.1 There are currently 9 measurements which have not yet been reported on. Work continues to develop SKPI data collection and reporting capabilities in the short-term while addressing structural challenges affecting the scope and

consistency of data collection, data quality and comprehensive reporting. Continued progression of corporate improvements programmes covering the Learning and Education Quality System and Digital Learning Infrastructure are crucial in this area. Advancement has been made on interim solutions for several of the measurements, with the piloting of a number of data gathering processes and questionnaires continuing to progress in Q4 with the expectation of reporting initial data in Q1 2026/27 or Q2 2026/27. It is noted however that the collection of the equality monitoring data remains challenging and further consideration of our approaches will be undertaken as part of the Digital Learning Infrastructure Programme.

7.2 A consistent approach to evaluation is contingent on systems to be developed in regard to reporting for SKPI11 ‘% of learners that tell us their education & training will improve their practice’ and SKPI12 ‘% of learners indicating they are ‘satisfied’ or ‘very satisfied’ with their learning experience’. Arrangements will be agreed with Directorate Education Leads to collect data from directorates where they are using core feedback questions, with the expectation for initial data to be reported in Q2 2026/27.

7.3 SKPI16 - ‘Clinical Training Environment’
Development continues to understand current approaches to monitoring and evaluating practice-learning environment. The Practice Learning Framework has been launched, and the exploration of implementation measures is progressing with consideration for a technical solution that will provide this data been initiated an update on progress will be provided in the next reporting period.

7.3.1 SKPI18 - ‘Uptake of learning products by sector as % of total reach’
The creation of a centralised learner record as part of the Digital Learning Infrastructure Programme will support reporting for this measurement.

7.4 SKPI19 - ‘% of learners and trainees from the 20% most deprived data zones in Scotland (SIMD)’ and SKPI20 ‘% of learners and trainees by protected characteristics as compared to population of Scotland’
Monitoring questions to gather equality and SIMD data from learners has been piloted by the NES SQA Centre, the purpose of the pilot was to gauge the utility of these questions in measuring the inclusiveness of SQA accredited programmes offered by NES. Our experience of piloting the questions with registrants to SQA programmes has highlighted the challenges of obtaining demographic data from learners and as per end of March 2026 responses to the monitoring questions continue to be very limited. This was discussed at the Education & Quality Executive Group meeting and agreed an alternative approach to obtaining this data is required and this will be taken forward as part of the Digital Learning

Infrastructure Programme. An update on progress will be provided for Q2 2026/27 reporting.

- 7.5 SKPI21a - '% of learning products which include sustainability'
Piloting of a new commission process for new education products to enable identification of programmes and resources that address sustainability came into effect at the end of Q4, with expectations that initial data on new programmes will be available in Q1 2026/27.
- 7.6 SKPI26 - '% of health and social care workforce who report being confident in using digital ways of working'.
The digital confidence level of the NES workforce was measured in spring 2025. Since then, the Digital Confidence and Capability programme has delivered a comprehensive initiative, with the final output scheduled for completion in Q4, this will consolidate all resources into a Digital Resource Hub, the measurement will be repeated following the Hub's launch with data available in Q1 2026/27.
- 7.7 SKPI27 - 'Number of NES programmes that can demonstrate active engagement of people with lived or living experience in the development of educational resources designed to support interaction with those who use health and social care services'
The LEQS Board has agreed that engagement with people and communities will be monitored through the application of the Quality Management, Assurance and Enhancement processes with data being available in Q1 2026/27.

8 SKPI Reporting Dashboard

- 8.1 The SKPI Reporting Dashboard (Appendix 2/3) was implemented for Q2 reporting. The dashboard was developed to provide an enhanced view for presenting the SKPI reporting data to the Board and Governance Committees. The dashboard allows users to view the reportable SKPIs by strategic theme: People, Learners, Partnerships and Performance or by Governance Committee, with access to all data available on individual tabs. It is recommended that the dashboard is viewed in Excel desktop and full user guidance for the dashboard is provided in Appendix 3.
- 8.2 Within this reporting period further development of the dashboard has been undertaken, with Statistical Process Control (SPC) charts being used to demonstrate data over time and support more active governance. It is anticipated that this will help to drive continuous improvement and decision making through a better understanding of variation.

Overview of SKPIs Reported in Quarter 4

Measure ID	Measure Name	RAG Status - April 2026
SKPI03	Staff retention rate (voluntary leavers)	Reported Q4
SKPI04	Operation to capacity threshold - posts advertised	Reported Q4
SKPI05	Sickness Absence Rate	Reported Q4
SKPI06a	Gender pay equality	Reported Q4
SKPI06b	Disability pay equality	Reported Q4
SKPI06c	Ethnicity pay equality	Reported Q4
SKPI07a	% of staff formally reporting a disability	Reported Q4
SKPI07b	% of staff formally reporting minority ethnicity	Reported Q4
SKPI07c	% of staff formally reporting as identifying as LGB	Reported Q4
SKPI08	Staff Inclusion Score (WAS: % of staff who experience NES as an inclusive organisation)	Reported Q4
SKPI13b	Dental Funded trainee placements - Vacancy Rate (WAS Fill rate)	Reported Q4
SKPI17	Total accesses of the NHS Scotland Careers Website	Reported Q4
SKPI21b	% of learning products which include value based health and social care	Reported Q4
SKPI23	Number of education, research and strategic collaborations	Reported Q4
SKPI24	Number of innovation initiatives invested in, including in collaboration with other stakeholder organisations	Reported Q4
SKPI28	% of technology, data and digital developments which are shaped by staff, learner and partners feedback	Reported Q4
SKPI29b	Number of collaborations to support employability and engagement of young people	Reported Q4
SKPI30	Number of NES programmes of education and training which are SCQF credit rated	Reported Q4
SKPI31	Achievement of agreed savings % against annual budget	Reported Q4
SKPI32	% of audit actions which are completed within agreed timescale	Reported Q4
SKPI33	Benefits realisation/ ROI from corporate change activities	Reported Q4
SKPI34	CO2 emissions (estates)	Reported Q4
SKPI35	CO2 emissions (staff and business travel)	Reported Q4
SKPI36	Projected variance of budgeting within 0.5% at year end	Reported Q4
SKPI37	Number of complaints or concerns upheld and partially upheld	Reported Q4
SKPI38	Number of unplanned outages to NES systems (internal and external)	Reported Q4
SKPI39	% NIS Audit Compliance Score for Cybersecurity	Reported Q4
SKPI40	% RAG status for delivery against Annual Delivery Plan	Reported Q4
SKPI41	Adverse events: Number of Category 1 Information Governance events and events requiring reporting under RIDDOR	Reported Q4
SKPIs - Not Reported this Quarter		
SKPI01	Employee Engagement Index	Data Due Q1 26/27
SKPI02	Proportion of staff who report having the time and resources to support their learning and growth	Data Due Q1 26/27
SKPI09	Total number of accesses to NES learning products	Data Due Q1 26/27
SKPI10	Number of health and social care staff accessing NES learning products as a % of the health and social care workforce	Data Due Q1 26/27
SKPI13a	Medical Funded trainee placements - Vacancy Rate (WAS Fill rate)	Data Due Q1 26/27
SKPI14a	Medical Funded trainee placements - Non-completion rate	Data Due Q2 26/27
SKPI14b	Dental Funded trainee placements - Non-completion rate (Vocational Training)	Data Due Q1 26/27
SKPI14c	Dental Funded trainee placements - Completion rate (Core Training)	Data Due Q1 26/27
SKPI14d	Dental Funded trainee placements - Non-completion rate (Dental Speciality Training)	Data Due Q1 26/27
SKPI15a	Employee Engagement Index – Doctors in Training	Data Due Q1 26/27
SKPI15b	Employee Engagement Index - Dentists in Training	Data Due Q2 26/27
SKPI22	Net Promoter Score for stakeholders who rate themselves likely to recommend NES to colleagues and associates	Reporting Paused
SKPI25	% of Service Providers who report utilising NES provided workforce data	Data Due Q1 26/27
SKPI29a	Number of young people participating on a school-based pilot pathway	SKPI Closed
SKPIs - Not Measured		
SKPI11	% of learners that tell us their education & training will improve their practice	
SKPI12	% of learners indicating they are 'satisfied' or 'very satisfied' with their learning experience	
SKPI16	Clinical Training Environment	
SKPI18	Uptake of learning products by sector as % of total reach (10)?	
SKPI19	% of learners and trainees from the 20% most deprived data zones in Scotland (SIMD)	
SKPI20	% of learners and trainees by protected characteristics as compared to population of Scotland	
SKPI21a	% of learning products which include sustainability	
SKPI26	% of health and social care workforce who report being confident in using digital ways of working	
SKPI27	Number of NES programmes that can demonstrate active engagement of people with lived or living experience in the development of educational resources designed to support interaction with those who use health and social care services	

NES Strategic Key Performance Indicators

Dashboard Guidance

Introduction

The Strategic Key Performance Indicators Dashboard has been developed to provide an enhanced view for presenting the SKPI reporting data to the Board and Governance Committees.

The dashboard allows SKPIs to be viewed by individual strategic theme –

- People
- Learners
- Partnerships
- Performance

Or by Governance Committee –

- Audit & Risk
- Education
- Finance & Resources
- Services & Digital Transformation
- Staff Governance

*It is recommended to view the Dashboard in Excel Desktop and enable macros when asked.

Users can quickly access all information using the interactive dashboard as shown below.

Strategic Key Performance Dashboard -

Dashboard Theme / Committee view

People
Strategic Theme

Qtr4 25-26
Reporting Period

12
Total Active Measures

14-Apr-26
Last Updated

26-Mar-26
Next Data Collection

- People
- Learners
- Partnerships
- Performance
- Audit & Risk
- Education
- Finance & Resource
- Services & Digital Transformation
- Staff Governance

Theme buttons –
click on individual
button to show
theme dashboard

Reporting period

**Number of
measurements on
dashboard**

**Date dashboard
updated**

**Date of next data
collection**

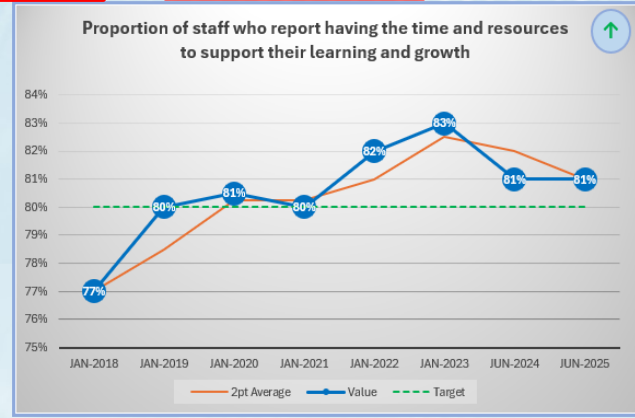
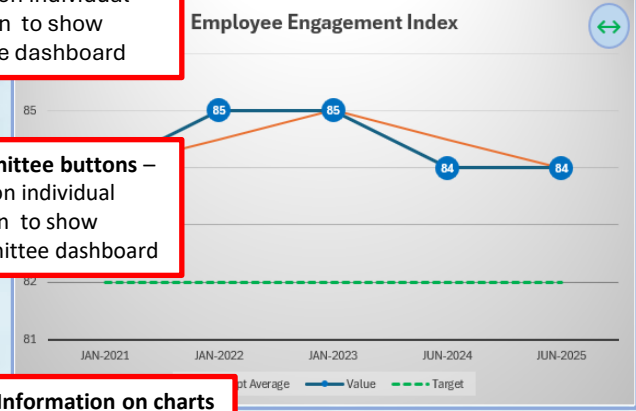
Committee buttons –
click on individual
button to show
committee dashboard

Charts with fewer than 12 results are standard line charts and include the performance, the target (from which the RAG status has been agreed as Green) and the 2 period moving average. At the top right of all charts there is an indicator of the desired direction

**Information on charts
with fewer than 12
results**

Charts with 12 results or more are Statistical Process Charts that include the performance, the target (from which the RAG status has been agreed as Green), the average, and the Upper and Lower Control Limits. At the top right of all charts there is an indicator of the desired

**Information on charts
with 12 results or
more**



In 2025. There has been a small reduction in the number of staff overall, 26 more surveys were completed in 2025. Considering the extent of the creation of a new organisation staff engagement within NES has remained high. With the publication of the national iMatter staff experience report this has confirmed that NES also continues to return the highest EEI score across NHS Scotland. The NHS Scotland aggregated EEI is 77 compared to 84 at NES.

This is an annual measure extracted from the iMatter survey. All staff have a personal objective to complete their essential learning and all managers have a personal objective to ensure the essential learning of their staff is complete. In addition, development opportunities for staff are regularly communicated and they can apply for funding from the Capabilities Fund. From March 2026 NES will be the owner of the PLT Statutory Mandatory Training Suite. Provision under the Scottish Government NHS Circular: PCS(AFC)2024/11s underway, explore policy associated from a Once For Scotland Approach.

95.9% ↑
Previous Performance
Green
Current RAG Score

SKPI04
107.0 ↑
Latest Performance
93.0
Previous Performance
Amber
Current RAG Score

Welcome

Purple Tab – click on tab to show welcome data information

Staff Retention Rate (voluntary leavers)

Green Tab – click on individual tab theme to show full data information

Operation to Capacity Threshold (posts advertised)

Brown Tab – click on individual tab to show dashboard for each theme

Brown Tab – click on individual tab to show dashboard for each committee

SKPI Number.

SKPI02

Latest performance reported.

81%
Latest Performance

Movement in direction from previous performance reported

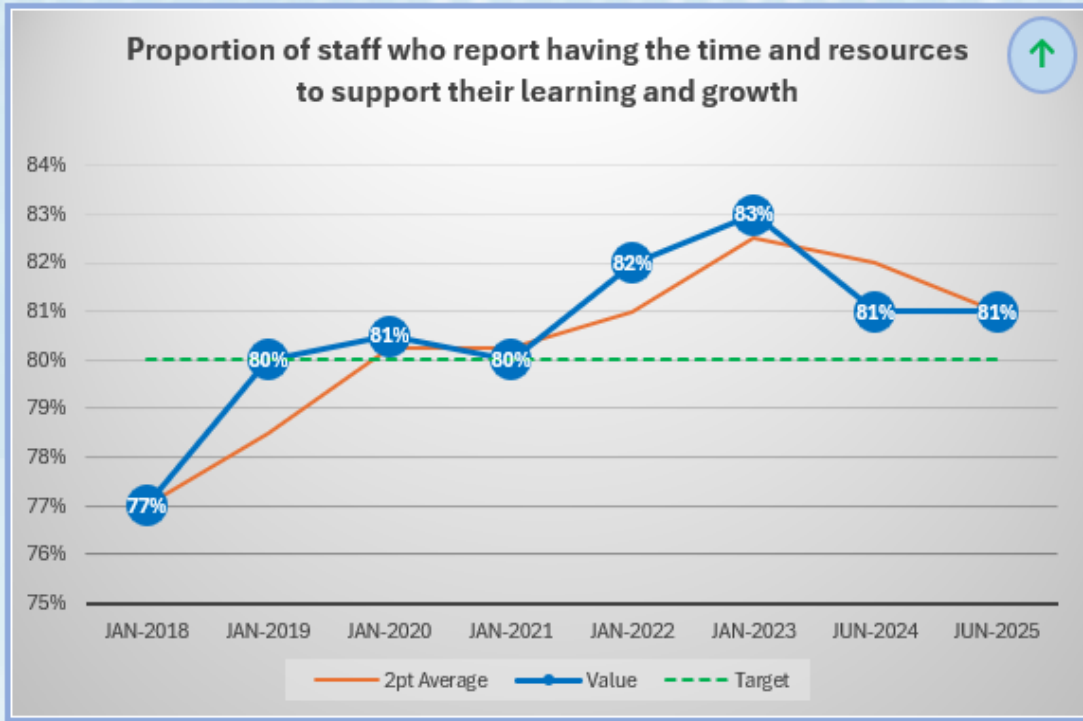
81%
Previous Performance

Previous reported performance

Green
Current RAG Score

Current RAG Score

Reported data over collection period.



Desired Direction for SKPI

Insights and Actions for SKPI measurement.

This is an annual measure extracted from the iMatter survey. All staff have a personal objective to complete their essential learning and all managers have a personal objective to ensure the essential learning of their staff is complete. In addition, development opportunities for staff are regularly communicated and they can apply for funding from the Capabilities Fund. From March 2026 NES will be the owner of the PLT Statutory Mandatory Training Suite. Provision under the Scottish Government NHS Circular: PCS(AFC)2024/1is underway, explore policy associated from a Once For Scotland Approach.



Chart Glossary

2-Period moving average is a method of trending data by calculating the average of the last two data points. It is used and often preferred to reduce the impact of short-term fluctuations and instead highlight longer-term trends.

Statistical Process Control (SPC) charts in KPIs monitor process stability over time by distinguishing natural variation (common causes) from unnatural changes (special causes). They use control limits to identify when KPIs require investigation. This prevents overreacting to normal fluctuations while highlighting when a process has a significantly degraded or improved.

Control Limits (UCL & LCL) are calculated using standard deviation (see below) and show the range where results should fall if a process is healthy and working as expected. Performance outside these parameters suggest something unusual and worthy of interrogation.

Standard Deviation is the average amount of variability in the results; it tells us how far each value lies from the average. When the deviation is high, values are generally far from the mean, whereas low indicates that values are similar or clustered close to the mean.

Public Services Delivery Scotland

Meeting:	PSD Scotland Board
Meeting date:	15 May 2026
Title:	NHS National Services Performance Report
Paper No.	PSDB/26/13
Responsible Executive:	Lee Neary, Director of Primary and Community Care, Strategy, Performance & Service Transformation
Report Author:	Caroline McDermott, Head of Planning

1. Purpose

- 1.1. The NSS Integrated Performance Report Q4, 2025/26 is presented to the Board for scrutiny.

2. Recommendation

- 2.1. The Board are asked to scrutinise the NSS Integrated Performance Report for Quarter 4, 2025/26.
- 2.2. As responsible executive, I am assured that the performance contained within this report has been appropriately managed and escalated as necessary through established processes.

3. Report Summary

Situation

- 3.1. This report assesses performance against the NSS strategic objectives of service excellence, financial sustainability, workforce sustainability and climate sustainability. The Board is asked to scrutinise the performance.

Background

- 3.2. This is the last quarterly report on integrated performance for 2025/26 and includes achievement of the Annual Delivery Plan. The aim of the report is to give a complete picture of performance. All performance information covers the same period, apart from climate sustainability, which covers up to Q3 as it takes longer to gather information from suppliers. All indicators are mapped to strategic and corporate risks.
- 3.3. All assurance indicators use the 4-question approach for improvement, as follows:

- What is the data telling us?
- Why is that the case?
- What actions are being taken?
- What are the improvement opportunities?

4. Assessment

4.1. Performance is mixed, as described below.

Quality, Value, Care and Technology

4.2. The Annual Delivery Plan achievement is 84%, which is lower than the target of 90%, which we set ourselves. There has been one 3 day and one 20 day Freedom of Information breach in March. Blood donations have seen a falling trend, where we had hoped to see an increase. National Procurement product availability is above target. Payment accuracy to primary care is just short of target.

Workforce

4.3. Sickness absence is at 4.35%, slightly above the NHSScotland 4% standard.

Financial

4.4. Financial targets for revenue and capital are met, with over achievement of the CRES target.

Education and Training

4.5. This report does not specifically consider education and training.

Information Governance

4.6. This paper contains management information only. All projects and programmes of work covered by this paper are reviewed for any data protection or information governance risks or implications and are therefore reported at a programme / project level.

Environmental and Climate Sustainability

4.7. Between Q3 for 2024/25 and Q3 for 2025/26, there has been a reduction in waste, carbon dioxide from fleet fuel, gas and electricity and in the use of water.

Equality, Diversity, Human Rights and Health Inequalities

4.8. There are no specific issues in relation to equality, diversity, human rights, health inequalities or corporate parenting in relation to this performance report.

Other Impacts

4.9. No other impacts.

Risk Assessment/Management

4.10. Risks are managed in line with the Integrated Risk Management Approach and are noted within the paper.

Communication, Involvement, Engagement and Consultation

- 4.11. No external engagement has taken place around the production of this paper. Internal engagement has taken place with Directorates.

Route to the Meeting

- 4.12. A February report was produced for the NSS Board in March. Their feedback has been considered in the drafting of this report. This report has been shared with
- the Transitional Leadership Group, 5 May 2026.

5. List of appendices

- 5.1. The following appendices are included with this report:
- Appendix No 1, NSS Integrated Performance Report, Quarter 4, 2025/26.



NSS Integrated Performance Report **Quarter 4, 2025/26**



Strategy, Performance & Communications



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Executive summary

Quarterly performance

Overview

- **This is the final Integrated Performance Report for NHS National Services Scotland (NSS)** and provides the latest performance data up to and including quarter four (January to March 2026) for service, finance and people performance and quarter three (as at end December) for sustainability performance. It also provides highlights in March following on from the previous report to the NSS Board in February (slide 4). The sustainability performance is a quarter behind as the data is only available when suppliers are able to provide it. This report ensures that the Board has the most up-to-date end of year performance position.
- **Our achievements against the NSS Delivery Plan 2025/26 is below the target.** At the end of March, 36 deliverables (84%) were on track or achieved against an end of year target of 90%. There are six deliverables (14%) behind schedule and one (2%) are not achieved. The deliverable not achieved relates to the planned increase in the number of whole blood donors, where the numbers have remained below the target we set ourselves. Examples of service achievements in 2025/26 along with deliverables behind schedule are shown on slide 9.
- **We have delivered our 2025/26 statutory financial targets.** The revenue outturn position is a £489k underspend which includes a planned trading surplus across various Directorates. It also includes a return of £2.6m back to Boards with respect to NSD (£2m) and Logistics Service (£0.6m). The position also includes an £8m return of funds to SG which was forecast during Q3 & Q4. NSS over-achieved against its 3% requirement by £0.3m. The capital budget was underspent by £68k underspend, after slippage of £672k where funding has been returned to SG but will be re-instated in FY26/27 in-line with contractual commitments.

Executive summary

Performance highlights – Completed key activities

Key milestones met for 1st April implementation:

- Work put in place to prepare for and ensure the implementation of the establishment of [Public Services Delivery \(PSD\) Scotland](#) including the HR and payroll processing of 3,500 leavers / joining staff;
- The [reduced working week](#) which sees Agenda for Change staff hours reducing from 37 to 36 hours per week;
- The new eRostering system for staff rosters, which is a once for Scotland solution.

The staff awards ceremony took place on 11 March in Glasgow. This was an opportunity for NSS staff to come together with the Board and Executive Management Team and celebrate award winners and nominees, highlighting their many achievements over the last year.

Payroll support to pay award for resident doctors (arrears), executive pay award and Agenda for Change inflation pay award (arrears)

The HR team have been recognised as a CIPD People Development Partner – the first organisation operating entirely in Scotland to achieve this. This status reflects our commitment to developing the HR function and is valid for four years.

NSD successfully supported the SACCS (Scottish Adult Congenital Cardiac Services) peer clinical review, providing independent clinical assurance to underpin both remobilisation and the future-proofing of an essential national service. This work reinforced confidence in service quality, safety and clinical viability, and supported evidence-based decision-making on sustainability and longer-term service configuration.

Executive summary

Performance highlights (continued)

Spinal muscular atrophy (SMA) is a rare genetic condition that can cause severe muscle weakness and may affect movement, breathing and swallowing. On 23 March 2026, Scotland became the first part of the UK to introduce newborn bloodspot screening for SMA. The test has been added to the newborn bloodspot screening programme as a two-year in-service evaluation, and findings will inform the UK National Screening Committee's consideration of whether to recommend screening nationally. Earlier diagnosis should enable prompt clinical assessment and treatment, improve outcomes and ensure that families receive timely support. Screening Oversight and Assurance Scotland (SOAS) led implementation working with the Scottish Newborn Screening Laboratory (NHS Greater Glasgow and Clyde), the Scottish Muscle Network, SMA UK and Novartis.

Significant progress has been made in the development and testing of processes to support population-level planning by NSD, working with a range of stakeholders. This work focused on strengthening the system's ability to:

- identify current and future strategic need,
- understand variation in demand and access,
- and use consistent intelligence to inform national and regional planning decisions.

These processes represent an important step forward in embedding needs-led planning as a core principle for service development.

Building on population health analysis and clinical intelligence, NSD has led work to support the development of optimal operating models for the highly specialised services: - vascular and thrombectomy services. This has included structured assessment of service demand, capacity, workforce, and interdependencies across the system, leading to the development of evidence-based recommended options to support decision-making on sustainable delivery models.

Executive summary

Assurance indicators performance

<p>Service Excellence</p>	<p>Performance: 0 of 3 indicators met . This objective is scrutinised by the Finance, Procurement and Performance Committee.</p> <p>Most of our Delivery Plan deliverables (84% - 36 deliverables) are on track or achieved (green). This is an increase on the 77% position we reported last quarter. 14% (6 deliverables) are behind schedule (amber) and 2% (1 deliverable) are not achieved (red). Freedom of Information performance at the quarter to March 2026 was 99% for 3-day acknowledgements and 99% for 20-day responses, or 96% for both acknowledgement and response for the month of March.</p>
<p>Financial Sustainability</p>	<p>Performance: 3 of 3 indicators met. This objective is scrutinised by the Finance, Procurement and Performance Committee.</p> <p>NSS has achieved all statutory financial targets in FY25-26 (subject to external audit) with a revenue underspend of £489k and capital underspend of £68k.</p>
<p>Workforce Sustainability</p>	<p>Performance: 1 of 5 indicators met. This objective is scrutinised by the Staff Governance Committee.</p> <p>Sickness absence is 4.35% for the financial year, slightly above the NHS Scotland standard of 4%, and is mainly driven by anxiety, stress, and depression. HR and senior management continue to work with line managers, utilising case management where required to support attendance issues and progress cases in line with policy. Staff turnover at 6.13% in the year to date is lower than expected, with age retirement being the primary reason for leaving. Although TURAS compliance rates remain below the 90% standard and are being reviewed with directorates to improve the position before moving into Public Services Delivery (PSD) Scotland.</p>
<p>Climate Sustainability</p>	<p>Performance: 5 of 5 indicators met (Quarter three till December). This objective is scrutinised by the Finance, Procurement and Performance Committee.</p> <p>Within this quarter there has been reductions across all 5 indicators through efficiency measures and improved data quality. The National Distribution Service logistics fleet has transferred from diesel to hydrogenated vegetable oil (HVO) fuel during the year. This resulted in a 92% reduction in CO2 over the year.</p>

Executive summary

Assurance indicators performance



Service Excellence

Performance Indicator	Standard	At end March	At end December
Annual delivery plan completion (quarterly at end December)	90%	84%	77%
Freedom of Information requests responded to within 20 days	100%	96%	98%
Freedom of Information requests acknowledged within 3 days	100%	96%	99%



Financial Sustainability

Performance Indicator	Forecast	Variance March	Variance December
Revenue NSS total	Breakeven	£489k	£4,515k
Cash Releasing Efficiency Savings total (NSS)	3%	£282k	£24k
Capital outturn	£6.364k	£68k	£29k



Climate Sustainability

Performance Indicator	Standard	Q3 2025/26	Q3 2024/25
Waste total (tonnes)	Reduce	96.7	134.5
Fleet Fuel (CO ₂) emissions	Reduce	161	367
Gas CO ₂ metered sites (tonnes)	Reduce	532	549
Electricity CO ₂ metered sites (tonnes)	Reduce	379.8	415.9
Water M ³ metered sites (volume)	Reduce	3,906	4,161



Workforce Sustainability

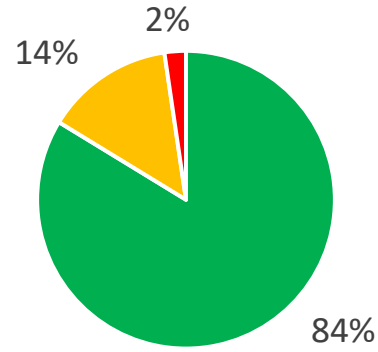
Performance Indicator	Standard	March YTD	December YTD
Sickness absence (year to date)	4%	4.35%	4.36%
Staff turnover (year to date)	10%	6.13%	3.25%
Appraisal compliance	90%	74%	84%
Objective setting compliance	90%	76%	79%
Personal development plan compliance	90%	75%	76%

Assurance Indicators

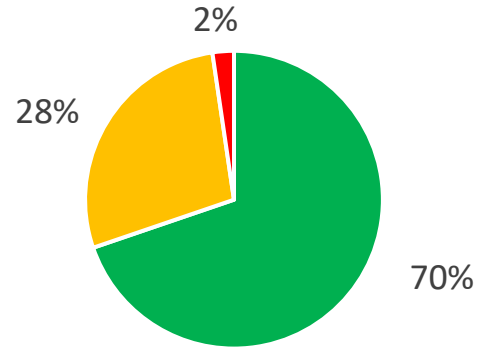
Quarter 4 2025/26

Service Excellence: Delivery Plan 2025/26 as at March 26

Q4 RAG Status

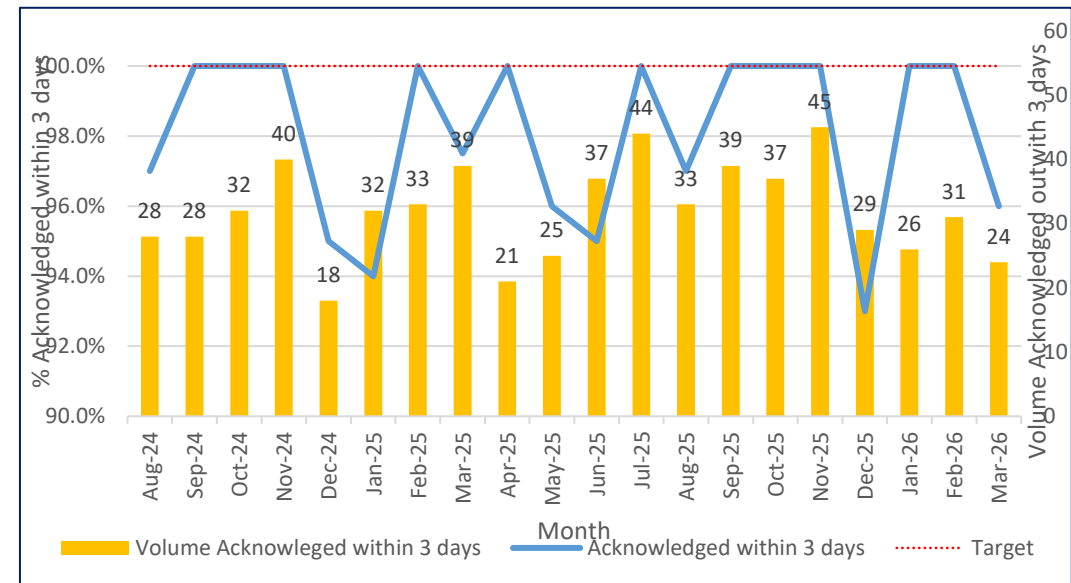
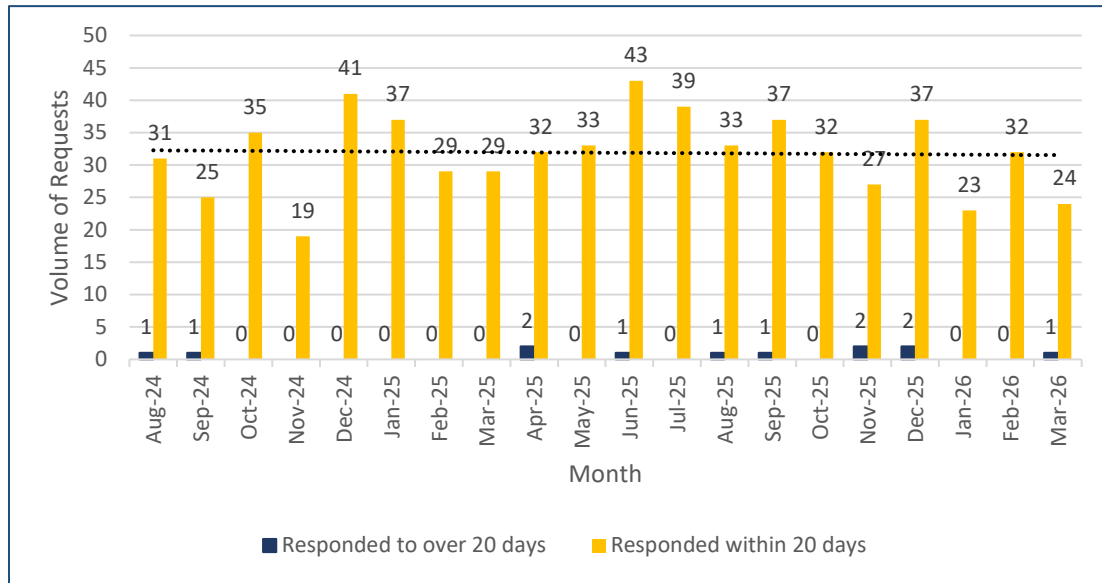


Q3 RAG Status



Summary position	Performance highlights	Unlikely to be Achieved / Behind Schedule	Risks
<p>Within the 2025/26 Annual Delivery Plan, NSS achieved 36 or 84% of its deliverables. Six or 14% are amber (behind schedule) and one or 2% is red (not achieved).</p>	<p>Examples include: £42.6 million secured savings and £26.4 million cost avoidance achieved by National Procurement. A reduction of CO2 of 92% for the National Distribution Service Logistics fleet from a switch from diesel to Hydrogenated Vegetable Oil (HVO) fuel. £2.1 million of payroll administered by NSS on behalf of nine health boards, with a new payroll model implemented to support this. £3.5 billion of payments made to primary care contractors with 99.9% accuracy and 98% on time. SNBTS met the target to ensure the supply of plasma from the whole blood and plasmapheresis donor programmes. NHS S Assure have delivered all workstream deliverables attributable to them, for the NHSScotland Climate Emergency and Sustainability Programme. National Services Directorate delivered an agreed Target Operating Model for Children & Young People's Gender services by July 2025. NHS Scotland Assure met the target to deliver RAAC(Reinforced Autoclaved Aerated Concrete) surveys, as part of a three year agreed programme, and have delivered training for NHS Boards. Completed 5,000 site transitions for all SWAN (Scottish Wide Area Network) members as a result of a new contract supplier.</p>	<p><u>Not achieved - Blood donation levels</u> The whole blood donor base is currently below target, at 92,000. Supply is stable. Plans are underway to re-engage lapsed donors with a focus to improve communications.</p> <p><u>Behind schedule:</u> 4% sickness absence. The year to date sickness absence rate is 4.35%. Our HR team work with managers to support attendance issues and progress cases in line with policy. Regular reports are given to managers on absence. Reduce NSS waste by 15% aligned with the 2014/15 baseline. We have not achieved this as the NSS estate has changed, with an increased estate from 12 to 22 over the period. In 2014/15, NSS produced 128.6 tonnes of waste. In the year 25/26 to Q3, NSS has produced 133.1 tonnes. No domestic waste going to landfill in 2025/26. The target to reduce food waste by 33%, has been exceeded, with a reduction in 82% over the period. Continue the NHS Scotland Business Systems Programme Due to delays with the legal and procurement processes, this work has been delayed and will continue to be progressed. NSS support to the work has continued. PACS (Picture Archiving and Communication System). There have been challenges relating to data migration, given a move to a new supplier. These challenges have been worked through however migration is slower than expected. Boards have therefore not gone live. The programme continues to resolve issues. NITC (National IT Contract) Futures programme All applications and services are being tracked in relation to preparation for contract exit, and resource challenges within the programme have been overcome, however funding is required and service delivery impacts on readiness preparations. Document Management and Workflow solution The programme is reporting amber due to previous supply constraints, however NSS continue to work with the supplier on a deployment schedule. Some trial migrations have been completed for a plan for an initial deployment site.</p>	<p>Strategic: 656 658 659 660 665</p> <p>*Risk relating to individual deliverables are recorded in the Delivery Plan and NSS Risk Register</p>

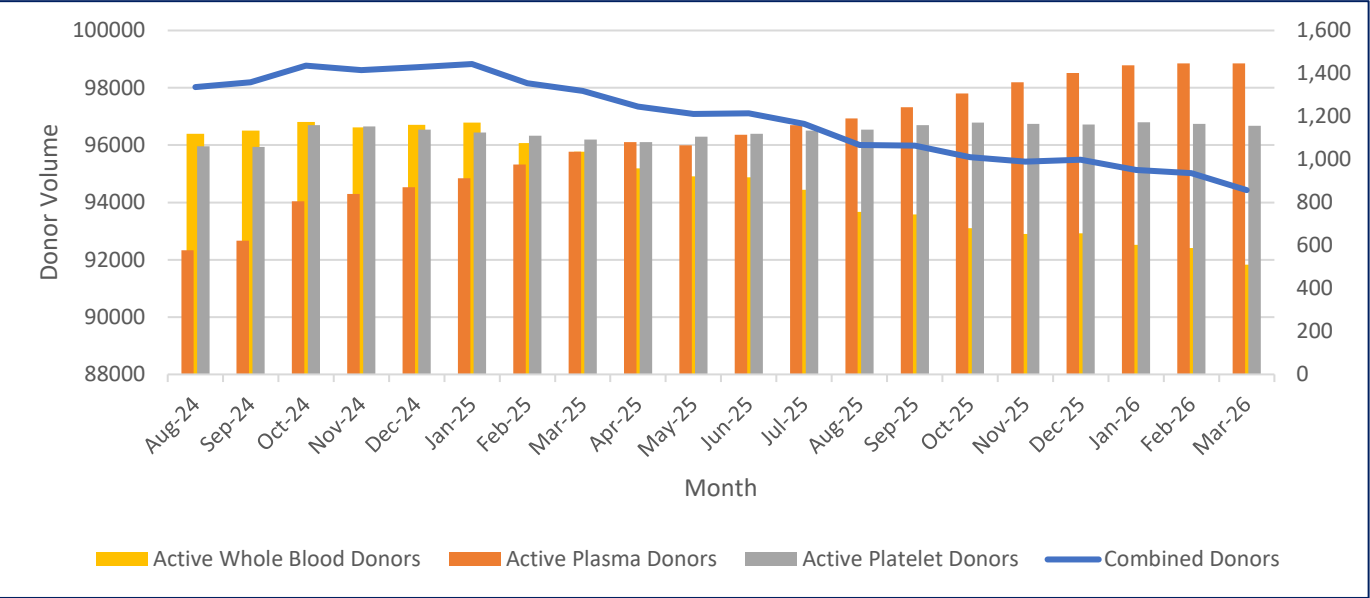
Service Excellence: FOIs within 3 & 20 day targets as at March 26



Summary position	Analysis	Actions being taken	Improvement opportunities	Risks
In Quarter 4, There was one three day acknowledgement and one 20 day response breach in March, with no other breaches in January and February. This gives 99% achievement of acknowledgement and response timescales over the quarter.	Both breaches of the three day and 20 day timelines in March were on the same request. Central Legal Office did not send on the request for response after identifying and did not to take account of staff leave when seeking approval for response prior to responding.	This instance has been raised as an adverse event and the Director has been informed. There is continued emphasis placed on the importance of meeting FOI legislative timescales.	<p>A continuous improvement programme is in place. It includes regular review of all open requests, dialogue with directorates regarding deadlines, and the review of closed requests to monitor compliance.</p> <p>Additionally, we continue to communicate with all staff about their responsibilities in relation to Freedom of Information requests.</p>	Strategic 666

Service Excellence: Blood Donation and Supply as at March 26

Active Blood, Plasma and Platelet Donors



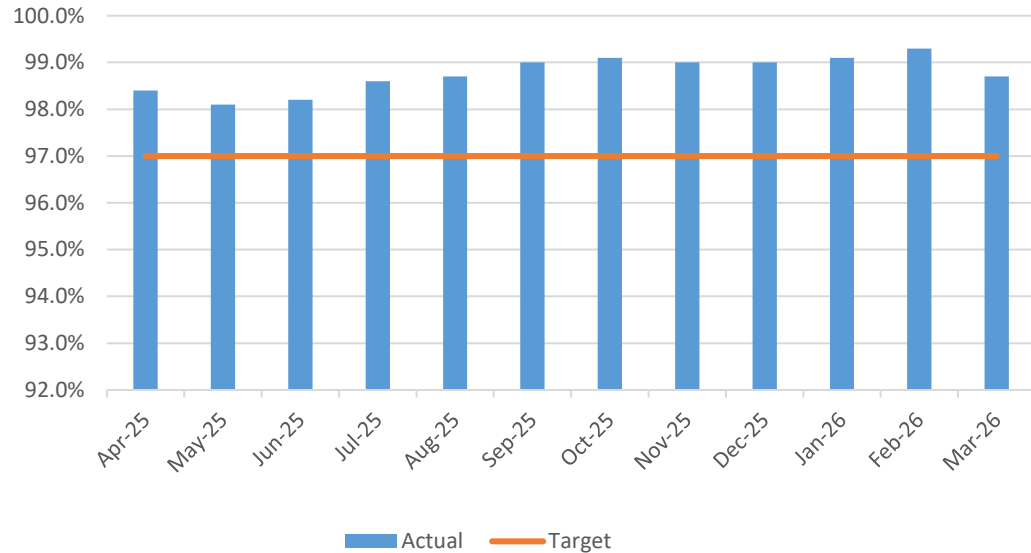
Primary Y Axis – Active Whole Blood Donors & Combined Donors

Secondary Y Axis – Active Plasma Donors and Active Platelet Donors

Summary position	Analysis	Actions being taken	Improvement opportunities	Risks
<p>The Scottish National Blood Transfusion Service (SNBTS) provide all blood and blood products to patients in Scotland.</p> <p>There has been a reducing trend in whole blood donation rates following a period of positive increase and is around 92,000 in March 2026. The numbers of platelet donors remain relatively constant at around 1,100 per month and the number of plasma donors has now flattened, sitting at around 1,400 in February.</p>	<p>Despite the decrease in whole blood donors, SNBTS are actively managing the active donor base to maintain blood supply to meet clinical demand and that sufficient stock levels are maintained. There continues to be 100% availability of three-day blood supply.</p> <p>The whole blood (WB) donor base is currently below target. The plasma donor base has grown over the year, therefore recruitment of plasma donors from full whole blood donors has been paused.</p>	<p>A donor recruitment campaign to increase donors for blood, platelets and plasma.</p>	<p>Social media engagement to target groups.</p>	<p>Strategic: 656</p> <p>Operational risks are identified in relation to these areas.</p>

Service Excellence: National Procurement Product Availability as at March 26

National Distribution Service (NDS) Product Availability

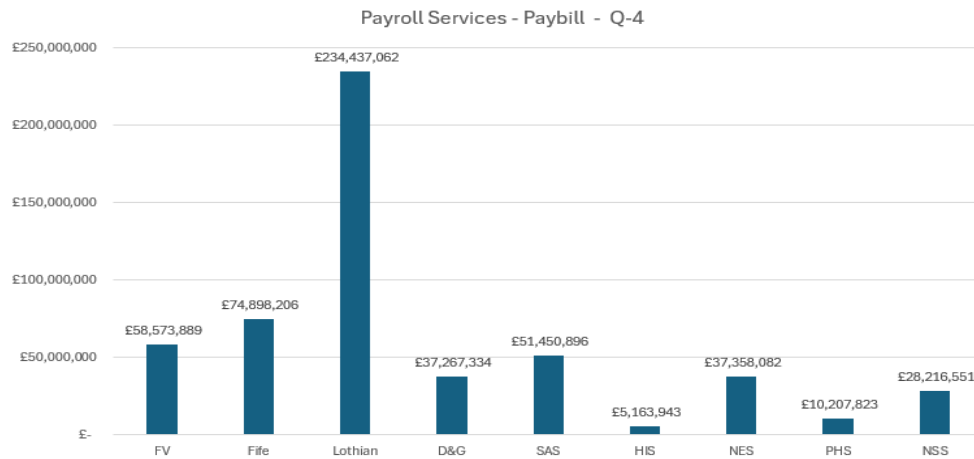


Summary position	Analysis	Actions being taken	Improvement opportunities	Risks
<p>Product availability from our National Distribution Service was 98.7%.</p> <p>Current performance is above target and has been above target for financial year to date</p>	<p>Our National Distribution Service is consistently delivering very high levels of product availability ensuring products are available throughout NHS Scotland.</p> <p>NDS (National Distribution Service) customers place orders for products held in the NDS catalogue and Product Availability refers to the status of a product indicating whether it is in stock and shipped to health boards and other customers. The measure is the percentage of product lines ordered against orders shipped to customers.</p>	<p>All product shortages are reviewed and root cause analysis undertaken to prevent occurrence. Supply Chain work closely with Warehouse Operations to ensure products are put away expediently to ensure readiness to shipping.</p>	<p>Currently working with NP Technology Services to move to digital solutions for some supply chain processes which have reduced manual updates including development product demand planning software. Supply chain digitalisation programme is continuing to look at opportunities to improve and embed reporting and process efficiencies.</p> <p>Using Microsoft 365 tools to enhance reporting and improve decision making.</p>	<p>Operational risks are identified in relation to these areas.</p>

Service Excellence: Payroll Completion Quarter 4

Payroll Services: Q4-25/26: (Jan to March)

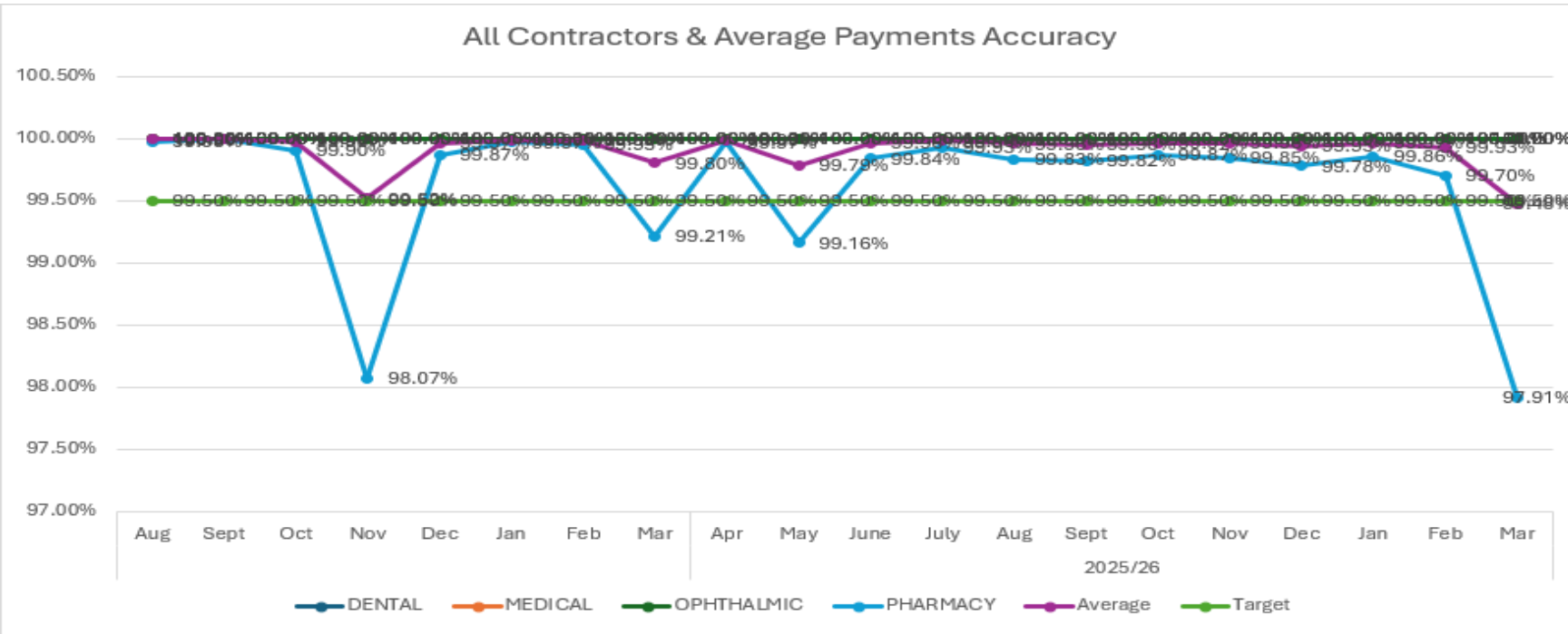
1. Payroll Completion (Pay Bill)



	Payslips Q-4
FV	37,105
Fife	49,182
Lothian	158,384
D&G	23,217
SAS	19,100
HIS	1,818
NES	11,110
PHS	3,690
NSS	10,752
Total	314,358

Summary position	Analysis	Actions being taken	Improvement opportunities	Risks
<p>Payroll delivered over 314k payslips which is an increase on last quarter from 294k. The total pay bill is £524m.</p> <p>This measures the total number of payslips issued and payments made each quarter, reflecting service delivery volume and trends over time.</p>	<p>Payroll Services have continued to deliver all payroll to customer boards this year with a paybill value in excess of £2bn, delivering 1.2m payslips this year. Despite significant workload pressures the service has remained safe and resilient and assurance of all legislative and compliance responsibilities.</p> <p>Reduced Working Week (RWW) and Pay Awards continue to add workload to the teams as well as the payroll requirements to establish the new organisation PSD Scotland with 3.5k leavers and new starts processed for April 2026 pay.</p>	<p>Bedding in of new structure and teams being established is now the focus as organisational change completed. Recruitment completed and new starts confirmed in post, with necessary overtime to support the work for PSD Scotland due to pressing timelines and system availability. Ongoing review of demand and capacity to make best use of all resources. Ongoing work with customer boards to reduce variation and have a more consistent approach across teams. Dealing with the Reduced Working Week (RWW) impact, part-time (PT) Staff retaining hours as all manual work required.</p>	<ul style="list-style-type: none"> Skills assessments across operational teams and identifying gaps that need to be addressed. Ongoing alignment of payroll business processes across operational teams to reduce variation. There is progress in some of the essential digital solutions which are critical to success of the model and resilience across teams however, needs to be balanced with BAU demand and variation across other Boards IT infrastructures. 	<p>Operational risks are identified in relation to these areas</p>

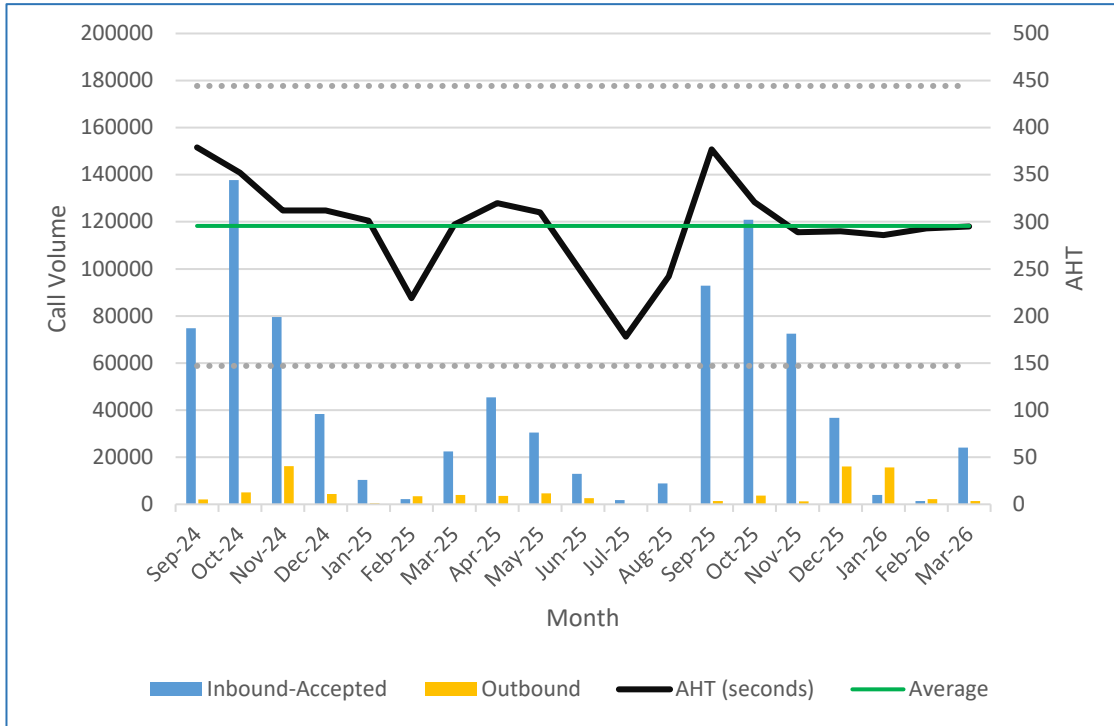
Service Excellence: Practitioner Payment Accuracy at March 26



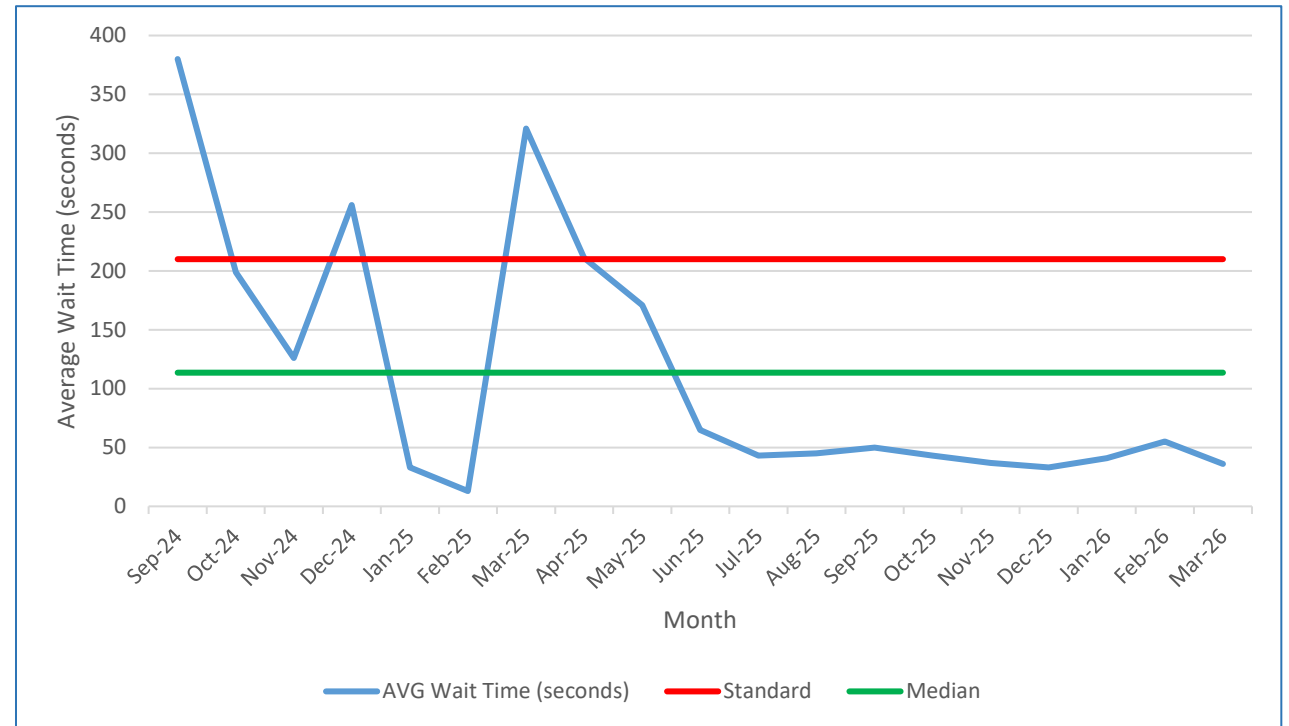
Summary position	Analysis	Actions being taken	Improvement opportunities	Risks
<p>Primary and Community Care are just below the 99.5% target for accuracy of payments this month at 99.48%, the payments were made on time to all primary care contractors (GP practices, community optometrists, community pharmacies and dentists) for March 2026. All pharmacy contractors were paid on due dates using actual data and the reported accuracy level was 99.97%. The reduction in accuracy was mainly due to a NCND (Not Collected Not Dispensed) defect in nDCVP which existed for 16 months from January 2024 to April 2026 which was corrected this month (£2.56m).</p>	<p>Volume of pharmacy dispensed items (9.86m) which was completed within the 21 day cycle on 20/03/2026 leaving 7 working days to the payment date of 31/03/2026.</p>	<p>PaCC continue to work on improving the accuracy of pharmacy payments including quantifying and remedying historic under or over payments. This is prioritised and the workplan is reported to the Community Pharmacy Governance Group and externally. As each of the agreed priority items is resolved, manual and/or digital fixes are improving future payment accuracy.</p>	<p>Internal and service audits of all payments continue to identify any areas of improvement as well as giving assurance that overall performance is within the KPI target. Contractor engagement also provides insight into experience of our services, and we work with contractor organisations such as Community Pharmacy Scotland to agree improvement plans. Service Audit continues with no PaCC issues raised so far.</p>	<p>Operational risks are identified in relation to these areas.</p>

Service Excellence: National Call Centre – Call Statistics at March 26

Average Handling Time vs Call Volume



Average Wait Time



Summary position	Analysis	Actions being taken	Improvement opportunities	Risks
Inbound call volumes are rising as we enter the Spring 2026 vaccine campaign for Covid 19 only.	<p>Call Volume – Inbound and outbound calls received/made by NCC.</p> <p>Duration – Average handling time of calls (in seconds).</p> <p>Wait times – Average waiting time from citizen entering the queue to being connected to an agent (in seconds).</p>	Training of extra call agents began near the beginning of March in preparation for scheduling which began on 9th Mar with first appointments as we went into April 2026.	NCC have used the Lessons Learned process following our successful Winter 2025/26 Vaccine Campaign and followed routes that are proving to work well and tweak areas that the Lessons Learned process has highlighted as requiring some adjustments	Operational risks are identified in relation to these areas.

Financial Sustainability at March 26

NSS Targets	FY Budget	FY Outturn	Variance	Target
	£'000	£'000	£'000	
Revenue Total	-	(489)	489	Breakeven
Revenue Income	(1,195,337)	(1,201,207)	5,870	
Revenue Costs	1,195,337	1,200,718	(5,381)	
CRES Total	12,856	13,139	282	3% Recurring
NSS (exc NSD) CRES	9,612	9,895	283	
NSD CRES	3,244	3,244	(0)	
Direct Capital Total	-	(68)	68	Breakeven
Capital Income	(13,105)	(13,105)	-	
Capital Costs	13,105	13,037	(68)	

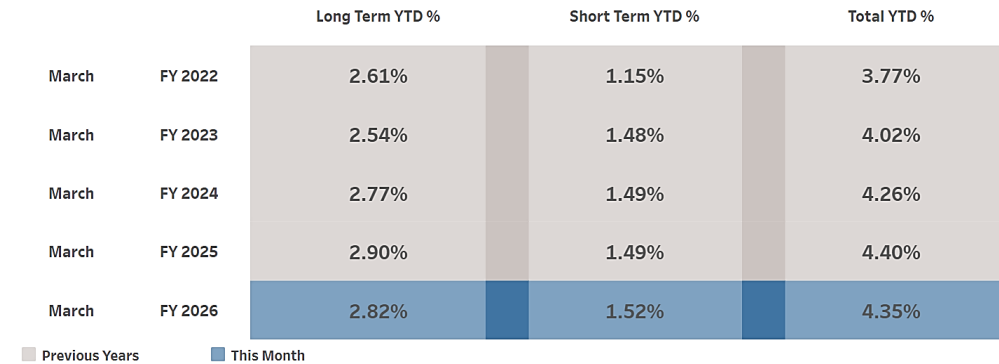
Summary position	Analysis	Actions being taken	Improvement opportunities	Risks
<p>NSS has achieved its statutory financial targets in 2025/26 (subject to external audit review).</p> <p>NSS has 3 statutory targets, to achieve breakeven within resource limit for:</p> <ol style="list-style-type: none"> Revenue Capital Cash <p>Scottish Government also requires all Health Boards to deliver at least 3% cash releasing efficiency savings (CRES) on a recurring basis.</p>	<p>Revenue the outturn position is a £489k underspend which includes a planned trading surplus across various Directorates. It also includes a return of £2.6m back to Boards with respect to NSD (£2m) and Logistics Service (£0.6m). The position also includes a £8m return of funds to SG which was forecast during Q3 & Q4.</p> <p>CRES NSS over-achieved against its 3% requirement by £0.3m.</p> <p>Capital the outturn capital position shows a £68k underspend. This is after slippage of £672k where funding has been returned to SG but will be re-instated in FY26/27 in-line with contractual commitments.</p>	<ul style="list-style-type: none"> Given the financial climate across NHS Scotland and restricted budgets, all Budget Holders must continue to remain vigilant – monitor costs closely and actively seek opportunities for recurring savings which will ensure the long-term financial sustainability of NSS and NHS Scotland. Budget holders continue to be supported to robustly manage their delegated resources, addressing cost pressures but also highlighting underspends early so that any surplus can be repurposed accordingly in line with SFIs. The PSD Consolidated Financial Plan will be reviewed by the PSD Board on 15th May. Both legacy organisations approved respective financial plans in March 26 in-line with governance arrangements 	<ul style="list-style-type: none"> NSS is delivering its Financial Sustainability strategic objective through the achievement of the Financial Sustainability Action Plan (FSAP). Finance drives and co-ordinates the overall delivery of the FSAP, with staff and services responsible for the delivery of specific actions. Finance are working with directorates to identify and review CRES savings and opportunities – both in-year and through the Integrated Service Planning (ISP) process The cost-conscious culture and financial management maturity of NSS budget holders has strengthened during FY25/26 PSD Finance teams will collaborate to ensure we continue to improve our service offering across all Directorates and Budget Holders 	<p>Strategic: 663 665</p> <p>Corporate: 565</p>

Workforce Sustainability: Sickness Absence at March 26

Short term and long-term sickness absence

Month	Short Term	Long Term
Current	Month: 1.54% FY: 1.52%	Month: 2.90% FY: 2.82%
Previous	Month: 1.60% FY: 1.55%	Month: 2.99% FY: 2.84%

Five-year absence data



Summary position	Analysis	Actions being taken	Improvement opportunities	Risks
<p>The sickness absence rate of 4.35% for the financial year to March is slightly above the NHS Scotland standard of 4%.</p>	<ul style="list-style-type: none"> The total sickness absence rate for the month of March was 4.43% with a 5.06% in February. Both short term and long term absence have decreased in the month. Analysis of the data indicates that the top reasons for absence are anxiety/stress/depression/ other psychiatric illness and other known causes – not otherwise classified, both accounting for approximately 40% of the total. 	<ul style="list-style-type: none"> HR continues to work with managers to support attendance issues and progress cases in line with policy. A report showing all employees who have reached a trigger in the month and are still absent is encouraging active management and increased attendance cases. Weekly meetings take place between HR and Occupational Health to review complex cases and ensure delays are kept to a minimum and supportive interventions are being considered by managers. 	<ul style="list-style-type: none"> Sickness absence rates historically rise after each reporting month due to retrospective absence updates from line managers. HR re-run sickness absence reports each month to maximise accuracy and capture retrospective changes. NSS senior management are working with their line managers, HR case management, and HR Business Partners to address absence issues across their respective areas. 	<p>Strategic: 658</p>

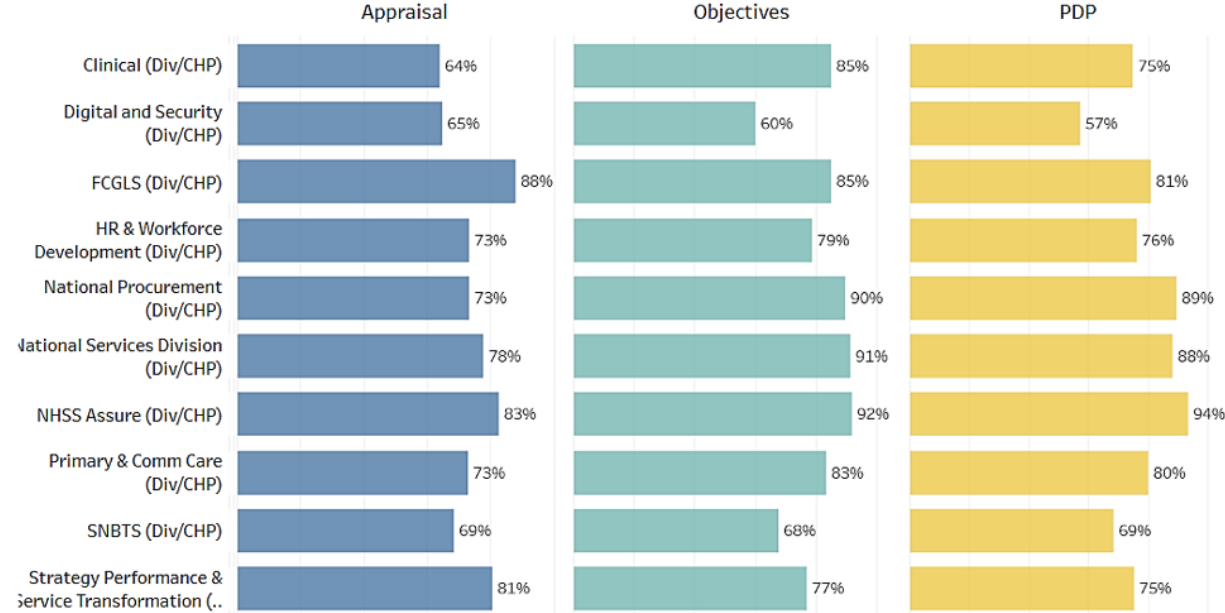
Workforce Sustainability: Staff Turnover at March 26

Turnover by Directorate	Current Turnover (Month)	Current Turnover (YTD)
(All)	0.84%	6.13%
Clinical	0.00%	8.93%
Digital and Security	1.23%	6.05%
FCGLS	0.24%	3.77%
HR & Workforce Development	1.98%	7.04%
NHSS Assure	0.71%	5.95%
National Procurement	0.94%	5.80%
National Services Division	1.52%	9.22%
Primary & Comm Care	0.69%	4.63%
SNBTS	0.70%	7.30%
Strategy Performance & Service Transformation	1.41%	5.99%

Summary position	Analysis	Actions being taken	Improvement opportunities	Risks
<p>NSS has recorded 279 new starts, 194 leavers and a turnover rate of 6.13% this financial year which is lower than the agreed target of 10%.</p> <p>Of the employees who left, 13% were on a fixed term contract, 2% were on an honorary contract and 85% were on a permanent contract.</p>	<ul style="list-style-type: none"> The main reason for staff leaving the organisation is due to age retirement, followed by the 'other' then "voluntary resignation- other". It should be noted that the "other" category relates to opportunities within the wider public sector, education and training, or no further employment. 	<ul style="list-style-type: none"> HR monitor turnover rates with Senior Management Teams and information is readily available in management dashboards. We are proactively encouraging leavers to complete an exit interview questionnaire. This helps us to capture meaningful insights and make relevant interventions. We are monitoring and improving the accuracy of our turnover forecast as we progress through the year. 	<ul style="list-style-type: none"> HR has implemented a change in the reports to use 'Last day of Working' instead of 'Effective End Date' for the new starts and leavers table counts. This provides more accurate data, for example, accounting for changes to fixed term contracts. 	<p>Strategic: 658</p>

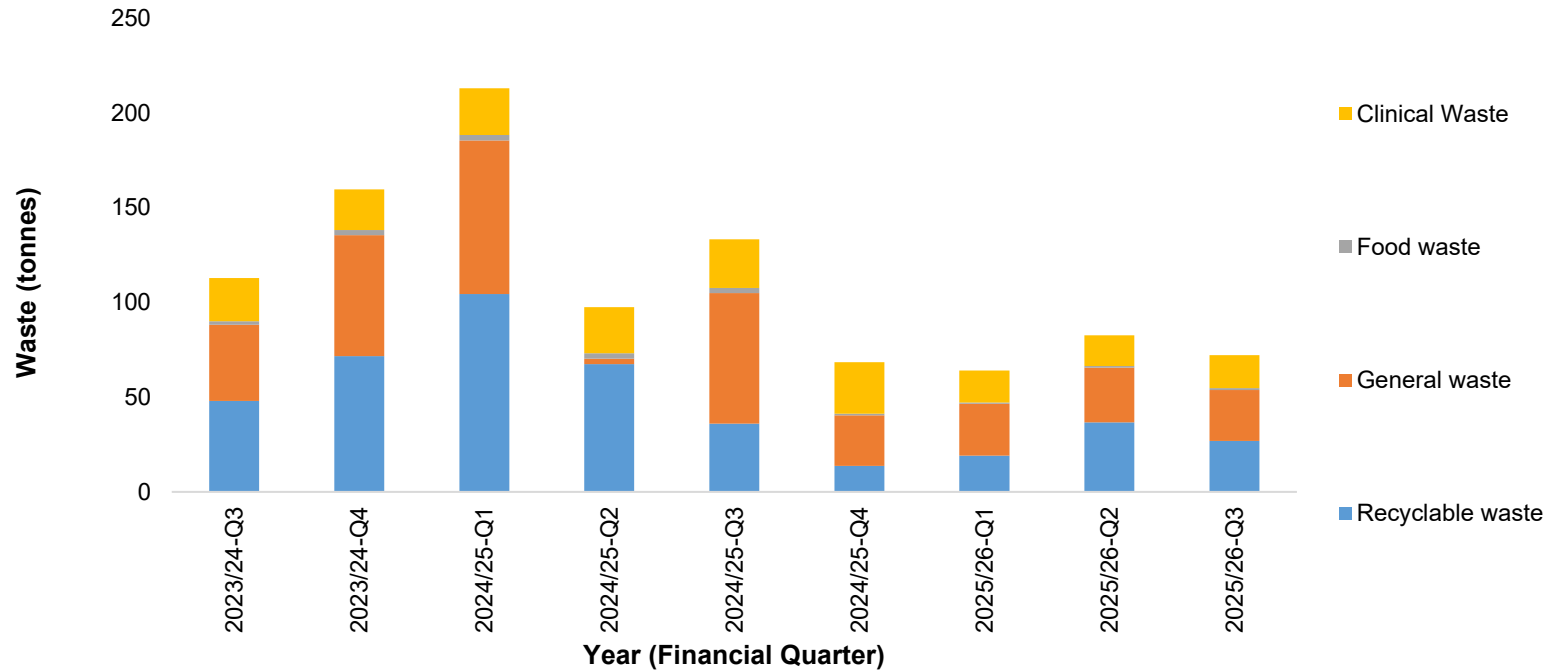
Workforce Sustainability: TURAS Appraisal at March 26

Compliance Rates by Directorate



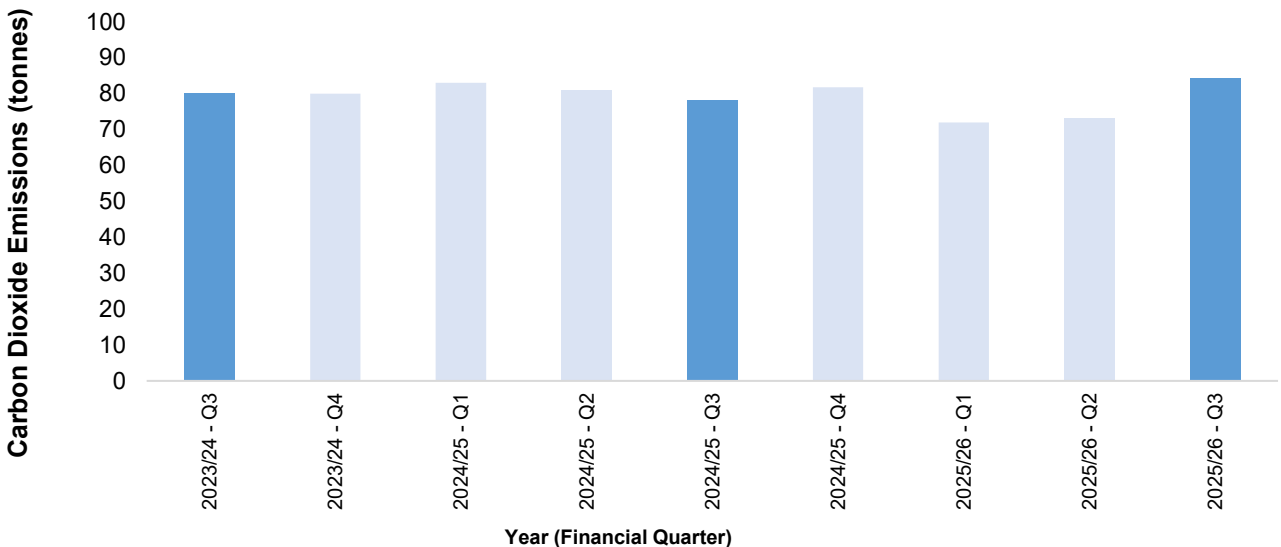
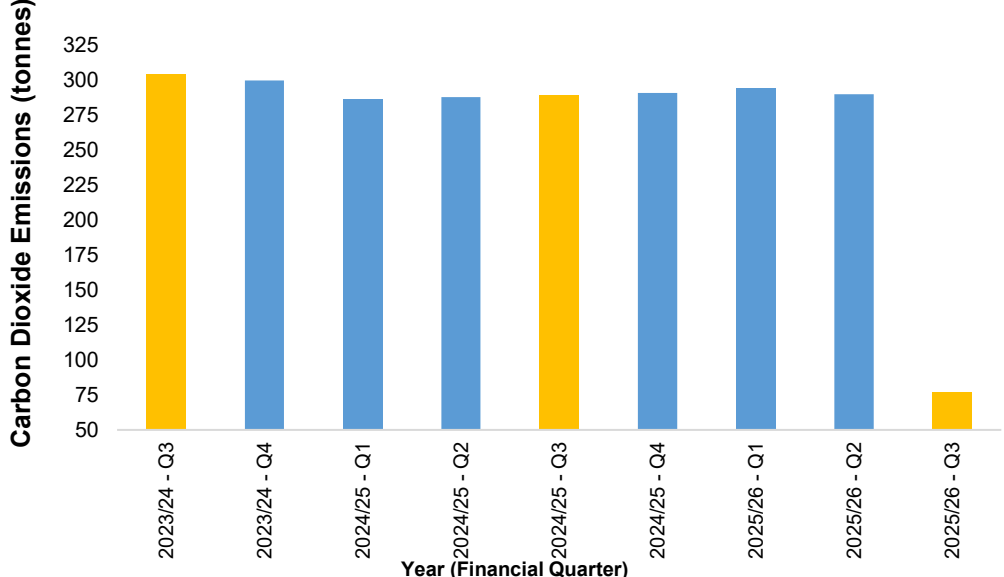
Summary position	Analysis	Actions being taken	Improvement opportunities	Risks
<p>Compliance across all three measures was below the 90% standard we set ourselves. The year to date position is:</p> <ul style="list-style-type: none"> 74% for appraisals 76% for objectives 75% for personal development plans <p>Please note: Compliance rates are calculated by excluding staff groups that are on maternity leave, long term sick, or career breaks. It also excludes new starts, medical staff, bank staff, and movers within the organisation.</p>	<ul style="list-style-type: none"> Compared with the position on last quarter, where appraisal compliance was at 84%, objectives at 79% and personal development plans at 76%, appraisal compliance has seen a reduction, likely due to the time of year when many appraisals will take place in April. 	<ul style="list-style-type: none"> The need for compliance and considerations for how it can be achieved by directorates has been raised with senior management teams. They will be responsible for ensuring actions are in place to meet agreed standards. 	<ul style="list-style-type: none"> Staff are responsible for ensuring they have had an appraisal and that objectives and a personal development plan is in place. Staff have been reminded of the importance of planning in end of year reviews, and objective and personal development planning setting meetings. 	<p>Strategic: 658</p>

Climate Sustainability: Waste, Quarter 3



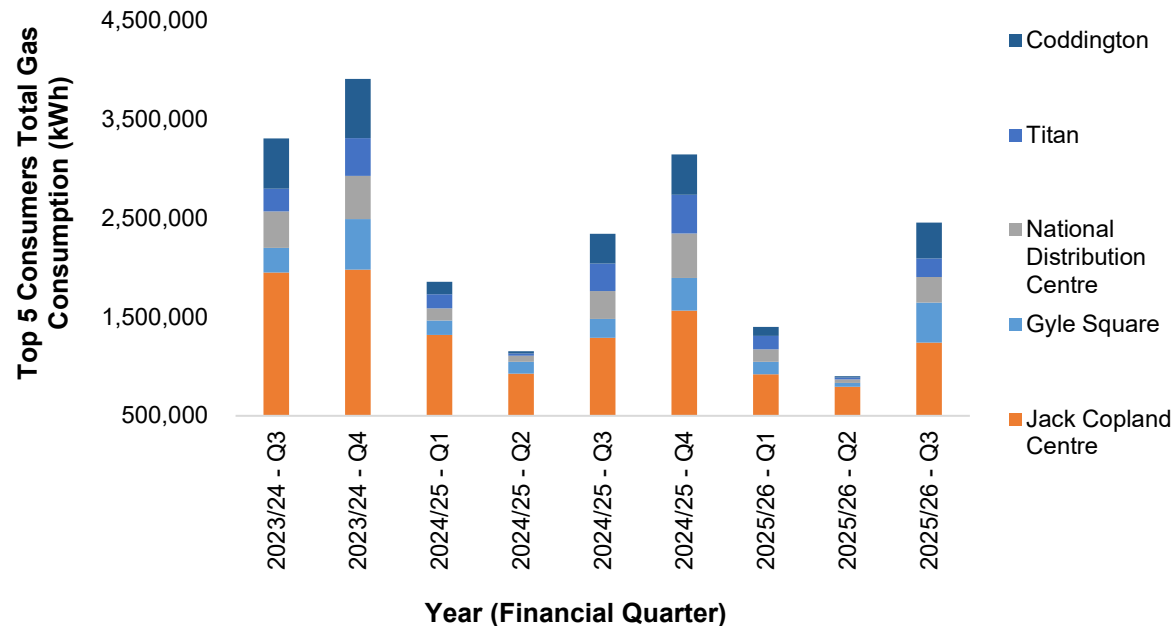
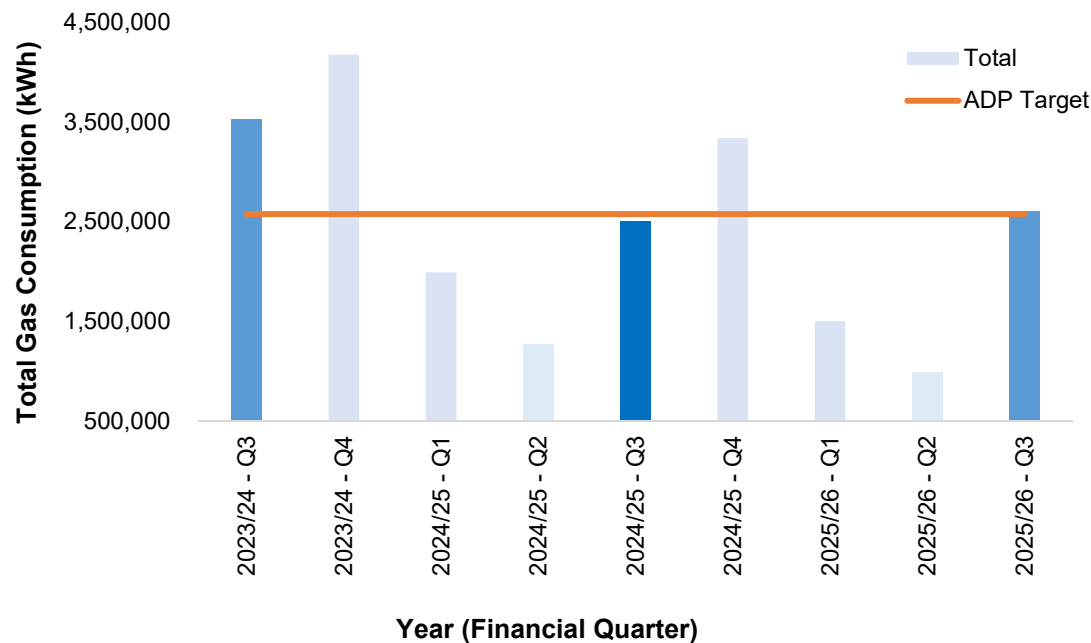
Summary position	Analysis	Actions being taken	Improvement opportunities	Risks
<ul style="list-style-type: none"> There has been a 18% (328.4 tonnes) reduction in waste when compared to the same quarters 1, 2 & 3 in 2024/25. The change in waste contractor has seen a positive impact in data quality being actual weights compared to the previous industry standard reported weights. 	<ul style="list-style-type: none"> Food waste weight reduced by 1.8 tonnes when compared to 2024/25-Q3. Residual waste reduced by 42.1 tonnes comparing 2024/25-Q3 to 2025/26-Q3. Clinical waste has reduced by 8.2 tonnes compared to 2024/25-Q3. Recyclable waste weight reduced by 9.2 tonnes when compared to 2024/25-Q3. 	<ul style="list-style-type: none"> NSS catering services at Gyle Square to be remodelled post Sustainability Infrastructure Board approval. Furniture short life working group progressing in the creation of supporting process documents to reduce future furniture disposal. New procurement of digital waste audit tool currently in progress. 	<ul style="list-style-type: none"> Changing from orange lidded sharps containers to metal recovery containers will allow NSS to implement metal recovery and support circular economy ambitions. A catering review has the opportunity to further reduce food waste. New procurement of digital waste audit tool currently in progress which will improve waste auditing efficiency. 	<p>Strategic: 660 664</p>

Climate Sustainability: Fuel National Procurement (Left) & SNBTS Fleet (Right), Quarter 3



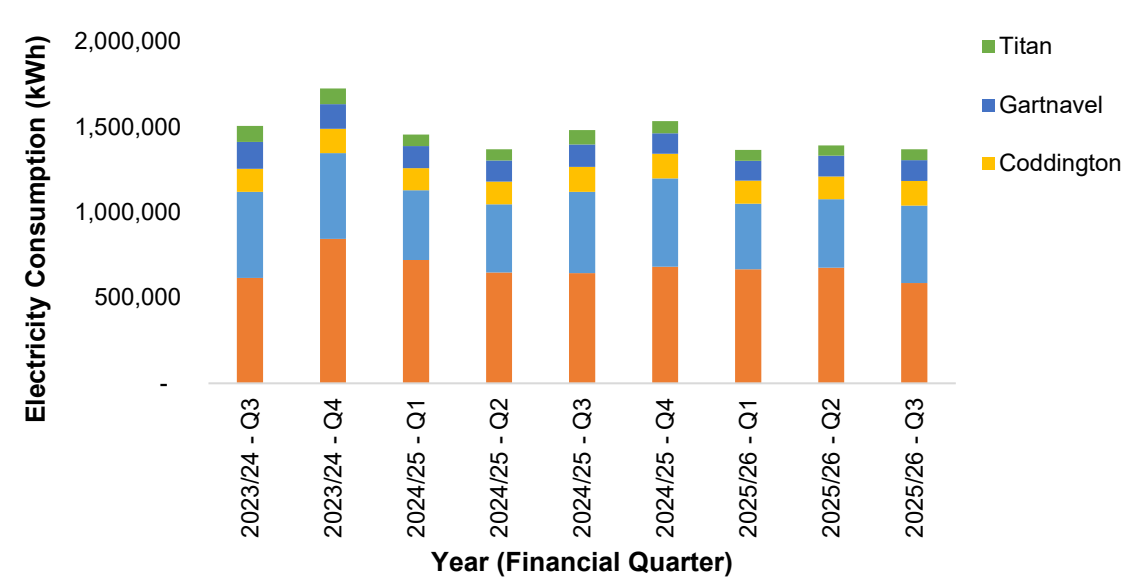
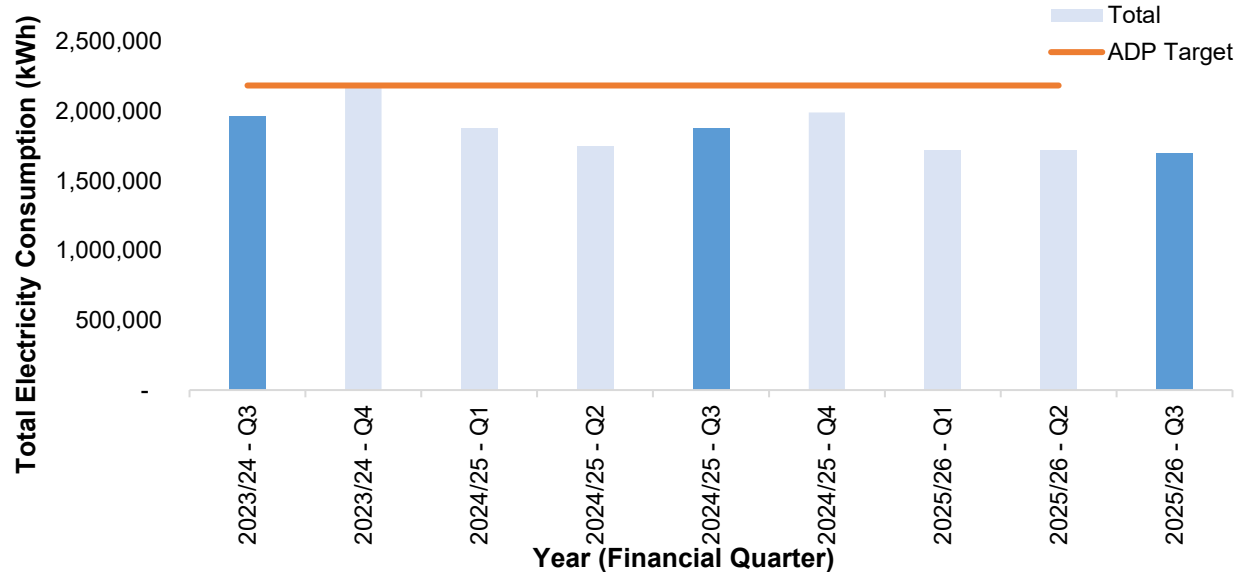
Summary position	Analysis	Actions being taken	Improvement opportunities	Risks
<ul style="list-style-type: none"> The graphs above highlight the carbon dioxide (CO₂) emissions produced across the National Distribution Sites (NDS) on the left and on the right-hand side the Scottish National Blood and Transfusion Service (SNBTS). SNBTS reported an increase of six tonnes over the same period. The logistics fleet have seen a decrease in carbon emissions compared to the previous Q3 due to switching to hydrogenated vegetable oil (HVO) fuel from pure diesel. 	<ul style="list-style-type: none"> Early analysis of 2025/26-Q3, where the HVO fuel tank is being utilised, has demonstrated its success in decreasing emissions. Scottish National Blood Transfusion Service (SNBTS) have seen an increase in carbon dioxide (CO₂) emissions in 2025/26-Q3 by 6tCO₂e when compared to 2024/25-Q3, this is reflected in the increase in Km's travelled. 	<ul style="list-style-type: none"> NSS has been awarded £385,000 to further the support the transition to zero emission SNBTS fleet. This funding is getting allocated for EV charging infrastructure implementation at sites in the North, East and West of Scotland. Additional funding applications have been submitted for the installation of a new substation at JCC which will be instrumental in installing new EV chargers for fleet. The introduction of the HVO fuel tank will act as a stepping stone technology towards net-zero for the logistics fleet. The installation is complete, and early signs indicate a significant decrease in emissions for Q3. 	<ul style="list-style-type: none"> Further work is required to support SNBTS with fleet transition post infrastructure implementation. Discussions to take place for future planning of the logistics fleet transition to zero emission vehicles. An EV car is about to be trailed within the fleet and used as a case study for further improvement works. 	<p>Strategic: 660</p>

Climate Sustainability: Gas Metered Sites, Quarter 3



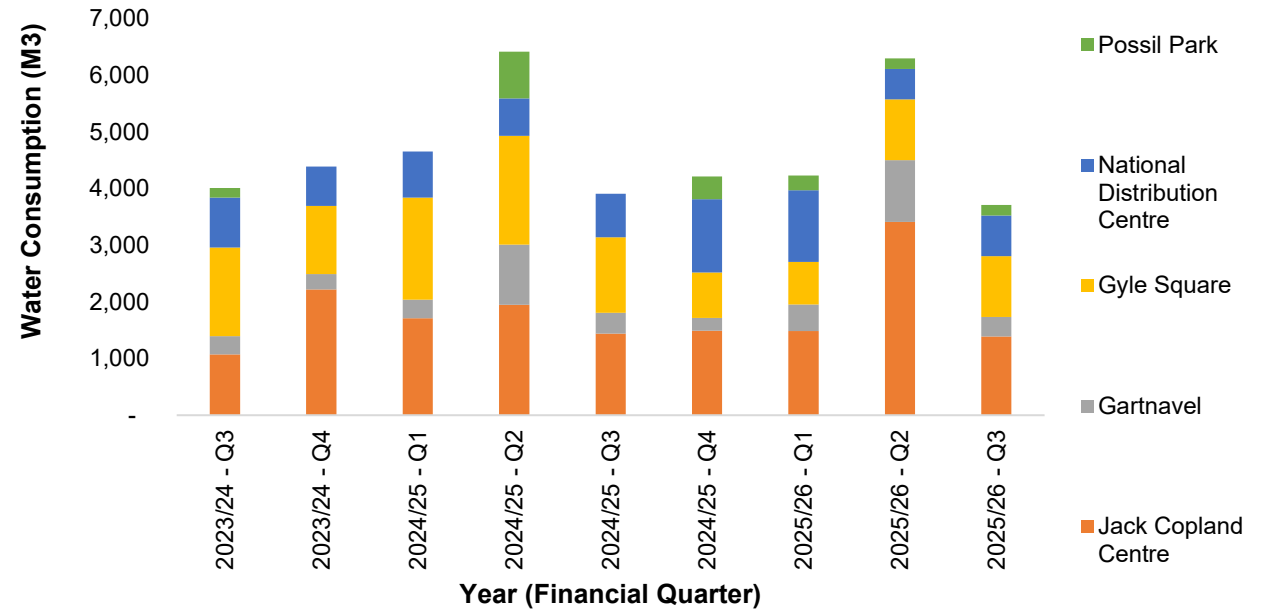
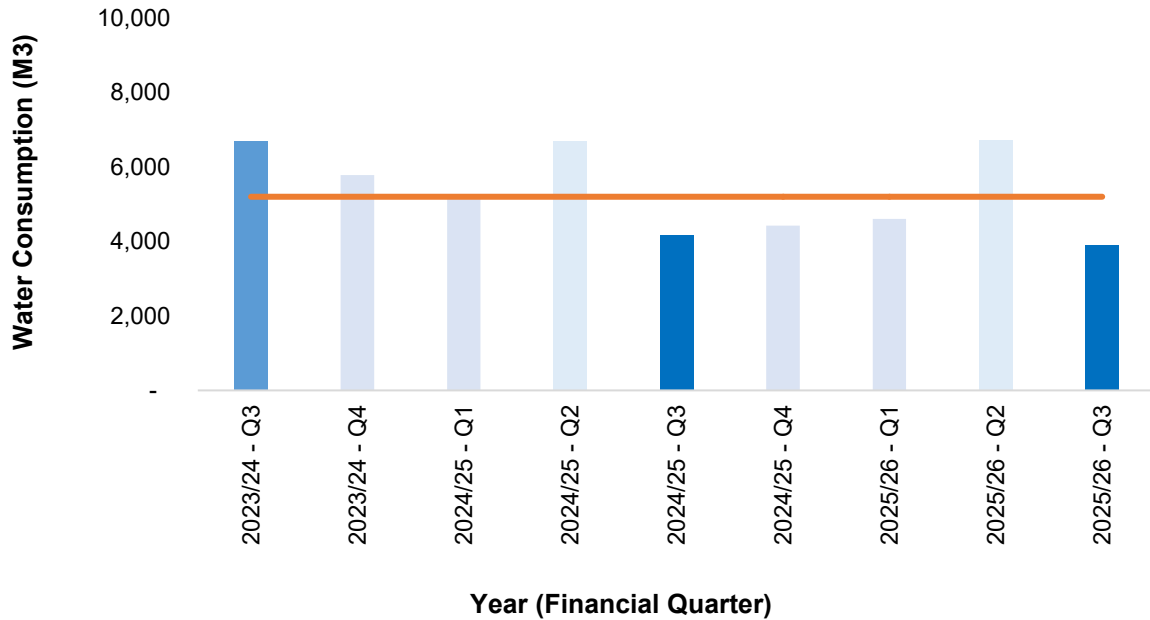
Summary position	Analysis	Actions being taken	Improvement opportunities	Risks
<ul style="list-style-type: none"> Gas consumption at metered sites has increased by 103,198 kWh's when comparing 2024/25-Q3 to 2025/26-Q3. This in part is due to previous under estimated billing for Gyle Square which was corrected within the latest quarter The total number of sites included in our current analysis is six. We do not include sites which we share with other NHS Boards and where another Board is the site host. 	<ul style="list-style-type: none"> Consumption has decreased compared to the previous Q3 at 4 sites most notably The Jack Copland Centre which saw a decrease of 48,090 kWh's Gas consumption varies depending on the time of year, with higher levels of consumption in Quarter 3 and Quarter 4. 	<ul style="list-style-type: none"> We are working with external stakeholders to better understand methods to improve our gas consumption and improve efficiency of use at Jack Copland Centre. NSS have submitted a major funding bid to Scottish Government for the installation of an upgraded Solar PV. If successful, this will reduce NSS' reliance on the CHP pumps that utilise gas. Recent building closures, including 10 South Gyle and Bain Square, has helped reduce our CO₂ emissions further. 	<ul style="list-style-type: none"> Please note: The summary table reports carbon emissions in line with Scottish Government requirements. However, NSS assesses consumption, which determines our carbon emissions, to help understand what can be done to achieve net zero. 	<p>Strategic: 660 664</p>

Climate Sustainability: Electricity Metered Sites, Quarter 3



Summary position	Analysis	Actions being taken	Improvement opportunities	Risks
<ul style="list-style-type: none"> NSS continues to decrease its electricity use across the estate, with a reduction of 174,723 kWh in 2025/26-Q3 compared to 2024/25-Q3. The graphs show quarterly electricity consumption for the top five electricity consuming buildings, total and by site. We do not include sites which we share with other NHS Boards and where another Board is the site host. Please note: The summary table reports carbon emissions in line with Scottish Government requirements. However, NSS assesses consumption, which determines our carbon emissions, to help understand what can be done to achieve net zero. 	<ul style="list-style-type: none"> There have been reductions across all sites within the quarter. Hassockrigg has had a meter issue resolved and has received credits for over estimates. Gyle Square has used 20,811 kWh less in the latest quarter Jack Copland Centre used 58,677 kWh less electricity, this is also reflected in the gas use as the gas powered Combined Heat & Power plant is used to generate electricity for the site 	<ul style="list-style-type: none"> We are working with external stakeholders to better understand methods to improve our electricity consumption and efficiency of use at JCC. JCC has now fully installed LED lighting across the estate, installation complete end of April 2025. We anticipate seeing consumption decreasing over the financial year. There is continual monitoring of project benefits. NSS have submitted a major funding bid to Scottish Government for the installation of an upgraded Solar PV. If successful, this will generate ~30% of JCC electricity use on site. 	<ul style="list-style-type: none"> Implementation of automatic meter readers (AMRs) will help us to better understand the use of electricity in NSS sites and enable us to identify improvement areas and pathways for transitioning to more sustainable alternatives. Forresterhill and Gartnavel are the final sites awaiting implementation of AMRs. 	<p>Strategic: 660 664</p>

Climate Sustainability: Water Metered Sites, Quarter 3



Summary position	Analysis	Actions being taken	Improvement opportunities	Risks
<ul style="list-style-type: none"> Water consumption has decreased by 255 cubic metres (M³) when compared to the same period last year. The graph above (left) shows total water consumption across all NSS metered sites. The graph on the right show's consumption for the top five water consuming buildings. 	<ul style="list-style-type: none"> JCC is the highest water consuming building in NSS. Factors that may be causing this include the heating, ventilation and air conditioning system, and specialist laboratory practices. JCC consumption decreased by 50 m³ Gyle Square consumption also decreased by 262 m³ 	<ul style="list-style-type: none"> We continue to monitor and make improvements using reporting tools. Tickets are raised with Business Stream for the installation of water automatic meter readers (AMRs) at 6 NSS sites. 	<ul style="list-style-type: none"> The implementation of automatic meter readers will help us to better understand the use of water in NSS sites and enable us to identify improvement areas and pathways for transitioning to more sustainable alternatives. 	<p>Strategic: 660 664</p>

Risk details

Risks featured in this report

Risk No./ RAG	Title	Summary	Owner	Strategic/ Corporate
565	Directorates not engaging with Finance	There is a risk that Directorates do not value the services Finance provide and do not engage with the department, using the staff and services to support them when required	Depute Director of Finance	Corporate
656	Clinical and Patient Safety	There is a risk that preventable harm may occur to patients and service users resulting in a negative outcome.	Executive Medical Director	Strategic
658	Workforce Sustainability	There is a risk that NSS will not have a sustainable workforce that is diverse, knowledgeable, and skilled to support the organisation to remain resilient and responsive to meet its strategic ambitions and service needs.	HR Director	Strategic
659	Service Excellence	There is a risk that NSS is unable to deliver effective services for its users.	Director of Primary & Community Care (interim), SPST	Strategic
660	Climate Change	There is a risk that we do not reduce our impact on the environment in line with government climate change targets.	Director of NHS Scotland Assure	Strategic
663	Delivery of National Programmes	There is a risk that NSS is unable to deliver the planned benefits, including service improvements and cost reduction, from the NHS Scotland national programmes it has been tasked to deliver.	Director of Finance	Strategic
664	Rationalisation of Office Accommodation	There is a risk that NSS is unable to fully realise savings and service improvements from the rationalisation of its office accommodation.	Director of Finance	Strategic
665	Financial Sustainability	There is a risk that NSS is unable to deliver its statutory obligation to deliver services within approved funding limits, whilst delivering cash releasing efficiency savings targets.	Director of Finance	Strategic
666	Governance and Regulatory Compliance	There is a risk that we fail to meet appropriate corporate legal, governance and regulatory requirements.	Director of Finance	Strategic

Public Services Delivery Scotland

Meeting:	PSD Scotland Board
Meeting date:	15 May 2026
Title:	NES Finance Update – Q4 2025/26
Paper No.	PSDB/26/14
Responsible Executive	Jim Boyle, Director of Finance
Report Author:	Jim Boyle, Director of Finance Laura Howard, Deputy Director of Finance Alan Young, Head of Finance Business Partnering

1. Purpose

- 1.1. This paper is presented to inform the Board of the financial outturn position at the end of Quarter 4 (Q4) of financial year 2025/26 for the activities previously carried out by NHS Education for Scotland (NES).

2. Recommendation

- 2.1. To review and scrutinise the financial results as set out in this report.
- 2.2. As the responsible executive, I am assured that the financial position presented is subject to appropriate reporting, management and escalation through established financial governance arrangements.

3. Report Summary

Situation

- 3.1. The year-end position, as set out in this report is an underspend of £1.9m, representing 0.2% of the approved budget. This is well within the SKPI target tolerance of 0.5% of budget.
- 3.2. The report sets out the Scottish Government (SG) in-year funding position and highlights the ongoing work with SG Health Finance and policy teams on baselining funding allocations.
- 3.3. A more detailed report on the Annual Accounts for 2025/26 will be brought to the Audit and Risk Committee on 18 June and to the Board on 26 June. That report will present the wider financial position for 2025/26 and will incorporate the revenue outturn position contained in this report.

Background

- 3.4. The Financial Plan which supports the Annual Delivery Plan was approved by the NES Board on 27 March 2025. This consisted of a baseline budget of £648.9m for NES to conduct its core activities with recurring and non-recurring funding of around £211m indicated at that time for additional commissioned work by the SG policy teams.
- 3.5. Due to timing of the initial announcement to end the lease at Westport the approved Financial Plan indicated a deficit position of £1.0m in all three years of the planning period, but the Board was assured that the Executive Team would work during 2025/26 to bring the Financial Plan into balance.
- 3.6. All Boards' opening baseline budgets for financial year 2025/26 were uplifted by 3% and, following extensive discussions with SG Sponsorship and Finance teams, a further £12m was returned to NES to restore the previous baseline reduction as part of the 2024/25 Financial Plan. The Digital Learning and Infrastructure programme (previously known as TURAS Refresh) was then to be funded from the restored NES baseline.
- 3.7. The Financial Plan for 2025/26 included the following assumptions set out by Scottish Government:
- 60% of the Employers National Insurance increase would be funded by an additional recurring allocation.
 - NES would receive recurring Sustainability Funding of £4.7m to offset in-year cost pressures.
 - Pay awards above 3% will be fully funded by SG (first 3% would be met by the baseline uplift in 2025/26).
- 3.8. A savings plan of £9.2m, split £6.6m recurrent and £2.6m non-recurrent, was approved as part of the Financial Plan at the Board meeting in March 2025. This reflects the request from Scottish Government to not impact on any areas of our budget which we provide funding to other NHS Scotland Boards for deliverables such as training grade salaries or undergraduate teaching.
- 3.9. Throughout the year Scottish Government policy teams ask NES to undertake additional commissions that reflect policy and service need, are aligned to the NES strategy, and are supported by further funding. Engagement with Scottish Government policy teams takes place regularly to ensure funding requirements are based on the most up to date information available and can be fully utilised in the financial year.

4. Assessment

- 4.1. NES has met all its financial targets for 2025/26. The full year outturn position shows an underspend of £1.9m.

Performance Indicator	Year-End Outturn
Revenue Outturn	£1.9m (underspend)
Capital Outturn	Breakeven
Cash Releasing Efficiency Savings (CRES)	£11.5m

- 4.2. The full year underspend position of £1.9m which is 0.2% of the total NES budget for 2025/26.
- 4.3. This is a shift of £1.7m from the Q3 position of £3.6m underspend. In March we were able to settle the dilapidations cost of £1m at our Westport property ahead of the lease ending and absorbed c.£0.5m of Medical Education Package costs following higher fees from the Scottish Funding Council for medical undergraduates.
- 4.4. £0.8m, or 42%, of the year end underspend relates to budgets where NES manages the funding and activity is delivered by other Boards, e.g. Additional Costs of Teaching (ACT) and where funding is provided to Boards for training places. The remaining underspend of £1.1m, or 58%, is internal to NES for core staffing costs and deliverables.
- 4.5. The main driver of the underspend position on areas where activity is delivered by Boards, is lower number of trainees recruited in Dental (£1.2m) and Psychology (£0.8m) than had been forecast within operational plans. For 2025/26 Psychology have utilised their underspend to deliver additional neurodiversity training. There is also an increasing number of Resident Doctors who are opting to work less than full time, but the funding that is not then deployed to Boards is recycled by NES to cover the funding gap for the medical expansion programmes.
- 4.6. The NES Executive Team commissioned a closer examination of the reasons for lower fill rates for some clinical programmes, as well as any actions that can be taken to address this. Within Medical new recurring funding has been approved by SG Health Workforce policy team for 2026/27 which will enable all Expansion training posts to be baselined and more whole time equivalent recruitment, rather than recruitment to headcount, to be undertaken for the August 2026 recruitment round. This will help provide more certainty of funding to territorial boards by moving the expansion posts to baseline-funded posts and fill rota gaps with the additional whole time equivalent recruitment of trainees.

- 4.7. The underspend on core NES activity is predominantly from a higher number of vacant NES-funded posts that continue to drive lower pay costs, with the vacancy lag figure at year end £5.1m against the operating plan target of £2.75m. Further detail can be found within Financial Summary Report.
- 4.8. A further £1.1m underspend sits within NHS Academy, Learning & Innovation, in relation to Digital Learning Infrastructure (DLI) programme, where work on the project has not proceeded as quickly as anticipated due to delays in getting Full Business Case to approval stage. Full approval has now been received which will enable the programme to move forward in 2026/27 against the agreed budget of £3.1m in financial plan.
- 4.9. A second pay award for Resident Doctors was agreed by SG and processed through payroll in March 2026. In addition to the 4.25% uplift agreed earlier in year, all resident doctors were moved up one point on the pay scale, backdated until December 2025. Full funding of £8.9m was received from SG in February allocation letter.
- 4.10. In Quarter 4 NES received a further £13m of in-year funding from Scottish Government, with £8.9m on a recurring basis for the Resident Doctors pay award. This brought the total revenue funding for NES in 25/26 to £870.7m - £868.3m in core revenue funding and £2.4m in non-core for depreciation and financial provisions. This includes £760.2m of opening baseline funding and £119.6m of additional in-year allocations. A revenue to capital funding transfer of £11.2m has also been provided, of which £9m was for internal NES spend on areas such as staff time on developing MyCare app and the fit out of new Bothwell Street property in Glasgow. The remaining £2.2m was for Medical ACT to support in year capital bids from territorial boards. Appendix 2 to the attached detailed financial report provides a detailed breakdown of allocations in excess of £0.5m.
- 4.11. In-year SG funding of £9.2m was returned to SG Finance in Month 12 allocation letter as it could not be utilised in year. This included £3.8m for Medical ACT due to lower bids received from Territorial Health Boards, £1.7m on Mental Health from lower number of training places taken up by territorial board staff and delays in recruiting the permanent staffing required to deliver the training, £1.1m on Digital Prescribing & Dispensing Pathway as the electronic signature work has been delayed until 2026/27, £1m on Digital Front Door and Vaccinations programmes due to lower number of posts recruited to and filled throughout year and £0.8m on Pharmacy Clinical Skills and Independent Prescribing to correct timing of funding and ensure it matches activity to financial year.
- 4.12. At year end we have delivered savings of £11.5m which exceeds the savings target of £9.2m set out in the Financial Plan. The additional savings have been driven by increased vacancy lag, due to increased pay awards, new baseline funding for posts which would previously not been part of the vacancy lag process and higher number of vacancies filled by internal applicants which in turn creates a further vacancy.

Workforce

- 4.13. The detailed Financial Planning papers summarise the planned workforce resource requirements. Delegated Budget Holders are required to ensure financial balance and drive financial sustainability across their respective services.
- 4.14. All proposals within the plan that impact staff have been developed in partnership, with specific discussion on how the Reduced Working Week (RWW) could be implemented across teams from 1st April and any associated cost impacts where productivity gains cannot be realised.

Financial

- 4.15. NES has met all of its statutory financial targets for 2025/26. The financial implications are considered in the detailed Financial Summary Report, which includes further information on including the financial outturn position for capital, revenue, and savings efficiencies.

Education and Training

- 4.16. Education and training implications are considered as part of the NES operational planning process. The financial plan fully supports the education and training deliverables set out in the Annual Delivery Plan.

Information Governance

- 4.17. There is no impact associated with this report.

Environmental and Climate Sustainability

- 4.18. Environmental and climate sustainability implications have been considered as part of the wider integrated service planning processes.

Equality, Diversity, Human Rights and Health Inequalities

- 4.19. The NES financial plan was supported by an Equality Impact Assessment (EqIA). The EqIA assessed that the work funded by this budget will not have significant detrimental impact on groups with protected characteristics or on children in terms of the UNCRC, and that we will promote equality of opportunity, tackle discrimination and harassment and promote good relations through our work.

Other Impacts

- 4.20. None.

Risk Assessment/Management

- 4.21. All identified risks have either been mitigated or managed within the final financial outturn.

Communication, Involvement, Engagement and Consultation

- 4.22. All budget holders have engaged with finance throughout the financial year to deliver the outturn position. Regular communication with SG policy and finance teams has taken

place to ensure in year funding is sufficient to meet agreed deliverables.

- 4.23. NES Board have been updated throughout the year with quarterly reports on forecast position as well as risks and any mitigations put in place to reduce or alleviate.
- NES Board, 5 February 2026, Q3 Financial Report

Route to the Meeting

- 4.24. The following groups have previously considered this as part of their development. The groups have either supported the content or their feedback has informed the development of the content presented in this report.
- NES Board, 5 February 2026, Q3 Financial Report
 - PSD Scotland Transitional Leadership Group, 5 May 2026

5. List of Appendices

- 5.1. The more detailed Financial Summary Report which follows contains the following appendices:
- Appendix No 1, Year End Position by Directorate
 - Appendix No 2, Scottish Government In-Year Funding Received 2025/26

FINANCIAL SUMMARY REPORT

AS AT Q4 (March) 2025/26

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1. Executive Summary

At the end of 2025/26 financial year, NES is on track to meet all its statutory financial targets. The year end outturn is £1.9m underspend as detailed in section A.

Table 1 – Summary Position	Year-End Outturn	Year to Date at Q3	Year to Date at Q2	Year to Date at Q1
Revenue Budget	£1.9m underspend	£3.6m underspend	£4.1m underspend	£3.1m underspend
Cash Releasing Efficiency Savings (CRES)	£11.5m	£8.5	£5.8m	£2.4m

A. Revenue Budget

- The NES year end position for financial year 2025/26 is an underspend of £1.9m against a budget of £870.7m.
- Underspends are driven by higher number of vacant baseline funded posts, gaps in trainee recruitment across Dental and Healthcare Sciences, delay to DLI full business case gaining approval and lower number of study leave requests from medical trainees.
- Identified and managed pressures include a shortfall in funding from Scottish Government for changes to employer national insurance contributions, funding the dilapidations costs on Westport property following SG decision not to consent to a lease extension, additional costs to fund medical expansion training posts and additional costs of medical education package from higher Scottish Funding council costs. Rather than ask SG policy team to fund NES were able to cover on non-recurring basis for 25/26.

NES Year End Position - P12		£m	£m
Trainee Gaps	Dental	1.2	
	Health Care Sciences	0.2	
Total Trainee Gaps			1.4
Vacant Baseline Funded Posts			2.4
Digital Learning Infrastructure project delay			1.1
Medical Directorate			0.5
All Other Areas			(0.2)
Total Underspend			5.2
NI Funding Shortfall Pressure		(1.2)	
Westport Dilapidations Paid		(1.0)	
MEP Funding Gap		(0.5)	
MTG Expansion Posts		(0.6)	
Total Pressures			(3.3)
Year End Outturn			1.9

- All anticipated in year funding from SG was received. The total additional in year revenue funding was £119.6m.
- There are various overspends and underspends reported across directorates, and these are discussed further in the Operational Performance section on Page 7.

B. Capital

- Each financial year a revenue to capital allocation is agreed with Scottish Government as part of the Financial Plan. For 2025/26 that amount is £11.4m to support capital programmes. The switch from revenue to capital funding was included on month 12

allocation letter with adjustments included on month 13 allocation letter from SG, with all assets now created on the asset register.

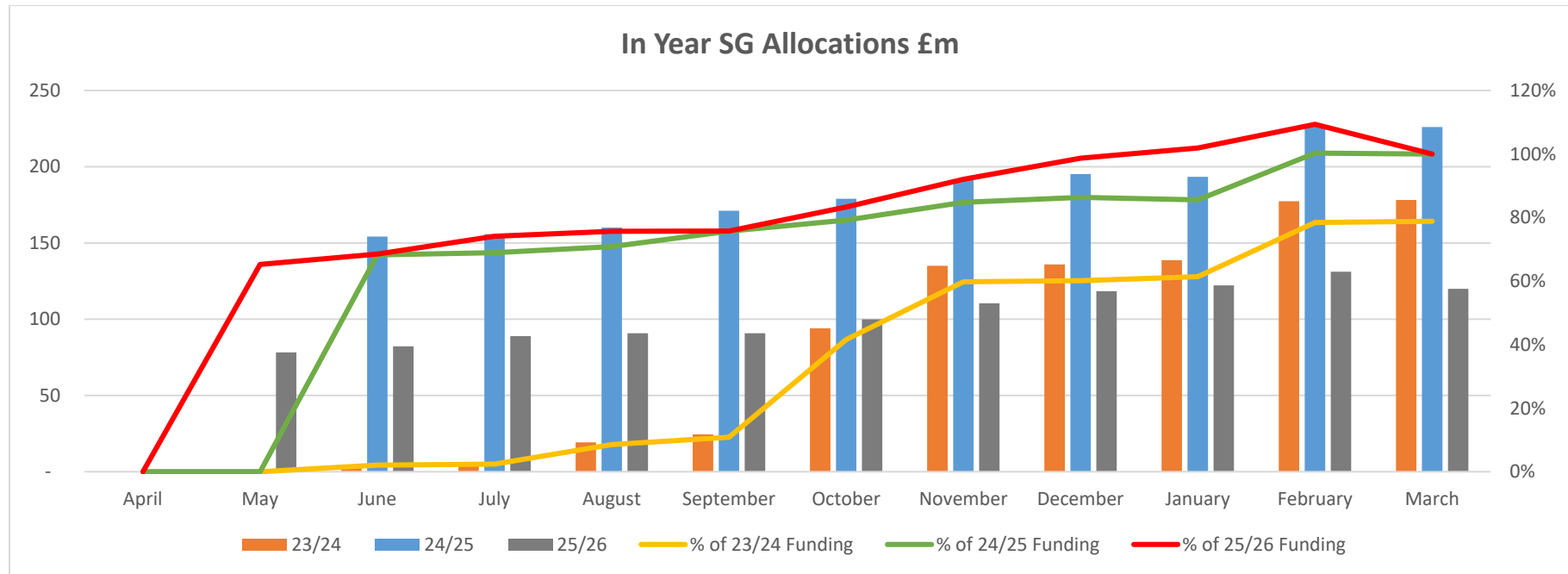
- Asset creations include staff time spent on development phase of Digital Front Door (DFD) MyCare, with £3.7m for first rollout in NHS Lanarkshire and further spend of £3.4m on next phase of whole population availability. Other spend includes staff time on Digital Prescribing and Dispensing Programme (DPDP), fit-out works at our new Bothwell Street property in Glasgow and new audio-visual equipment at our dental education centres. Scottish Government also agreed a straight capital allocation of £0.2m for Optometry to purchase an Eye-Si simulator for use in new Foundation Training Year programme.
- As part of Medical ACT bids process, where projects contain proposals to provide or renew infrastructure that facilitates education and training, this has passed through robust scrutiny within NES, including securing assurances that assets will continue to be used for education and training purposes for a period of time. When such approvals are made, we facilitate the in-year transfer of revenue to capital funding for territorial boards. Once a bid has been approved which requires capital funding, NES engage with SG Finance to remove revenue funding from our budget on a one-off non-recurring basis and allocate it as capital funding to the Boards to carry out the approved work. The Boards own the asset which will sit on their asset register, and they are responsible for all future depreciation and maintenance. For 2025/26 a total transfer of £2.2m was processed in the final allocation letters to remove revenue funding from NES and provide capital funding to 4 other NHS Boards.
- Due to the significant constraints on capital availability for Scottish Government, NES have been informed that this arrangement will not be available in 2026/27. The impact of this has been included in the submission of 2026/27 financial plans and approved by NES Board and SG in March 2026.

C. Savings

- At the end of the year NES has exceeded its Cash-Releasing Efficiency (CRES) savings plans, with a total of £11.5m being realised, which is £2.4m higher than target. The increased savings are driven by an increase in the vacancy lag, due to higher in year pay awards, new baseline funding for posts which would previously not been part of the vacancy lag process and higher number of vacancies filled by internal applicants which in turn creates a further vacancy. All other savings were delivered fully to plan.

D. Key Risks and Issues

- Funding** – All anticipated funding was received as expected. In 2025/26 funding was again received promptly throughout the year, with 69% received in first quarter and 99% by end of quarter 3. Receiving this level of in year funding early in the year provides NES with greater clarity and allows teams to plan spend accordingly across the full year. Discussions are ongoing with some policy teams who are still holding funding until late in year, which creates additional work to chase and track, as well as adding risk to NES where work has already been undertaken based on funding letter commitments. We are also continuing to push for allocations to be provided on a recurring basis where there is a long-term commitment, with SG Finance colleagues supporting those discussions with policy teams.



- **Major Programmes – The Digital Learning Infrastructure (DLI)** Full Business Case (FBC) has now been fully approved by all stakeholders in early April 2026. The delay in getting to this stage has resulted in an underspend of £1.1m on the £2.2m budget provided. Work is ongoing on recruitment to required staffing to move the next stage forward. With a budget of £3.1m agreed as part of 2026/27 financial plans.
- **Digital Front Door (DFD)** – Funding of £12m was allocated by SG in 25/26 for DFD which has been fully utilised to deliver the first implementation to NHS Lanarkshire in December 2025 with work then focused on delivering the next stage of whole population availability by April 2026.
- **Digital Prescribing and Dispensing Programme (DPDP)** - funding of £2.5m had been allocated for 2025/26, however £1.1m was returned at end of year due to delays in recruiting staff, tendering for a delivery partner and work on electronic signature being delayed until next financial year. A delivery partner is now in place so this should help with staffing requirements as we progress through 2026/27 deliverables. One risk that is not directly related to NES but will form part of overall programme is the need for further work on the future implementation and business as usual costs for territorial boards to ensure sign up for the new platform being built. At this point, the Scottish Government's position is that Boards will meet these costs from existing funding, but there has been significant push back from Boards in the current constrained financial environment.

2. Operational Performance

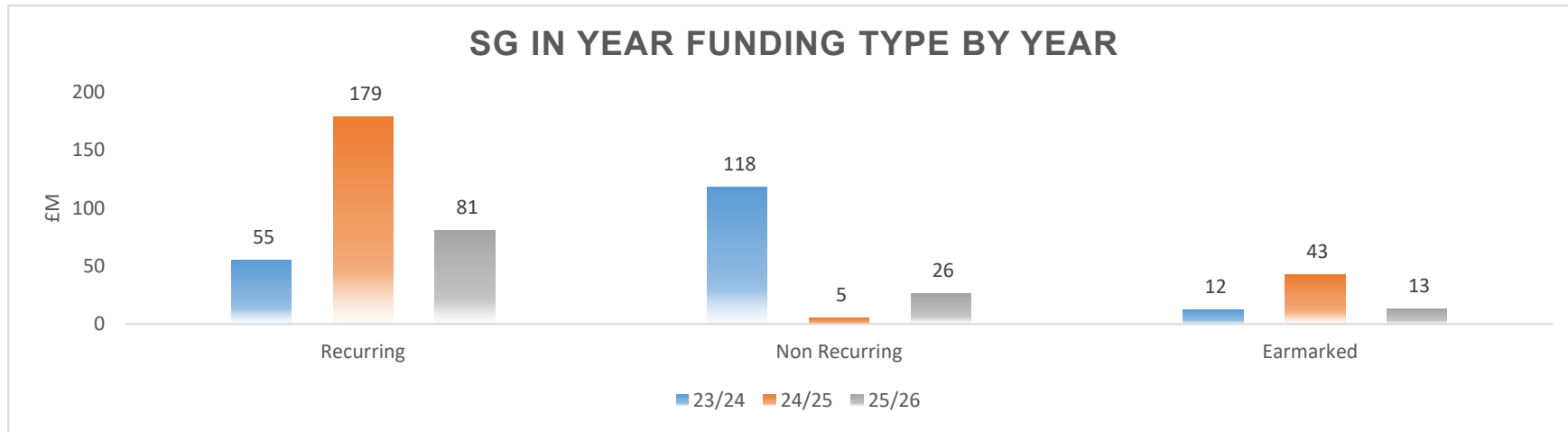
- An in-depth review of the financial position was undertaken with directorates in final quarter of the year to ensure spend plans were robust and in year funding received from SG could be utilised before the year end. The summary of the year-end position is included by Directorate in Table 2 below and a more detailed breakdown by Directorate can be found at Appendix 1.
- **Medical including Medical Training Grade Salaries, Pharmacy & Healthcare Science:** Overall £0.6m underspend mainly from lower level of study leave claims by trainees, lower trainees in HCS from early leavers and vacancies on GP Fellowships. These are partly offset by pressures from higher number of GP Training Grants requiring paid and higher cost of Pharmacy ACT student travel costs to placements.
- **Dental:** £0.8m underspend within Dental, which is predominantly driven by lower recruitment fill rates, for September 25 intake, in dental training grades on both core and vocational training (10 wte core, 3 wte VT, 3 wte Therapies). £0.2m of the underspend relates to the reduction of funding for the BSc Oral Health training with NHS Lothian which is in a 4-year wind down process.
- **NHS Scotland Academy, Learning & innovation:** Longer time to get DLI full business case approved meant later start date to next phase of programme, resulting in an underspend of £1.1m against the £2.2m budget allocated at operational plan.
- **Provisions:** A £0.8m overspend is shown within provisions which is driven by a number of factors, including £1.2m funding shortfall from SG for the changes to Employer National Insurance contributions, £1m payment for settling dilapidations due for vacating Westport at end of lease, providing £0.6m support to Medical to cover cost of paying all expansion training posts ahead of them being baselined by SG in 2026/27 and absorbing £0.5m additional Scottish Funding Council costs on Medical Education Package as NES were forecasting an overall surplus on full allocated budget. These additional costs were able to be absorbed due to £2.4m higher vacancy lag savings being achieved.
- **All Other Areas:** No other budgets were more than £0.12m over or under allocated budgets for the year.

Table 2 - Year End Outturn by Directorate	Full Year Budget £'000	Full Year Forecast £'000	Under/(over) Spend £'000
Medical, Pharmacy, Healthcare Science	213,676	213,123	553
Dental, Optometry	61,065	60,177	888
NMAHP	18,565	18,455	110
Psychology	48,249	48,226	23
NHS Scotland Academy, Learning & Innovation	11,750	10,622	1,128
Social Care	1,984	1,992	(8)
NES Technology	21,774	21,649	125
Workforce, Planning	12,269	12,207	62
Finance, Properties	10,600	10,591	9
Corporate Provisions	(2)	977	(979)
Total excluding Medical Training Grades	399,930	398,019	1,911
Medical Training Grades	470,863	470,863	0
Total NES	870,793	868,882	1,911

3. Scottish Government Additional In-Year Allocations

- NES has received a total of £119.6m in additional in-year allocations as at end of Q3. This equates to 14% of the total NES Revenue Budget. For comparison, the in-year funding for 2024/25 amounted to 29% of the overall NES budget, which highlights the success of the work to move funding, where appropriate, to our baseline.
- £80.6m has been received recurrently which will be transferred to the NES baseline from 2026/27, including £24m for Mental Health, £15.3m for Medical Training Grade expansion trainee salaries, £7.4m for Medical ACT, £10m for changes to Employer

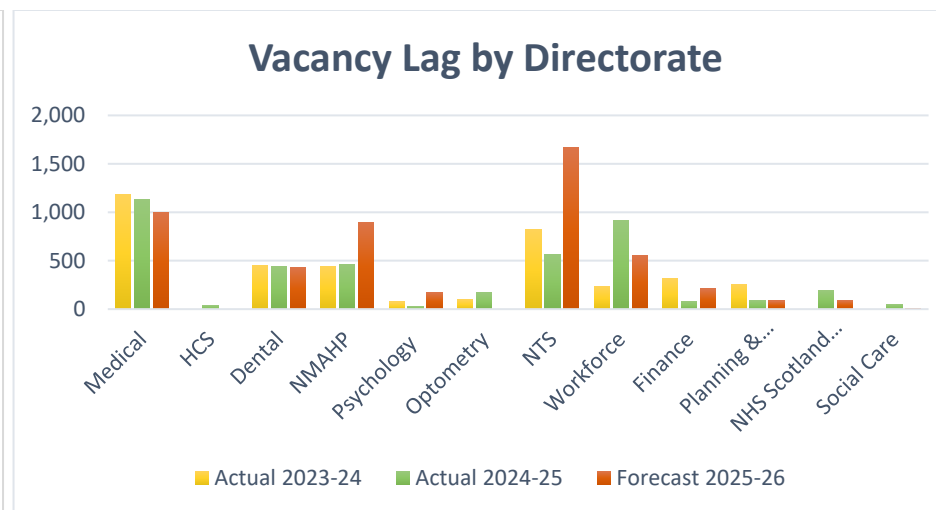
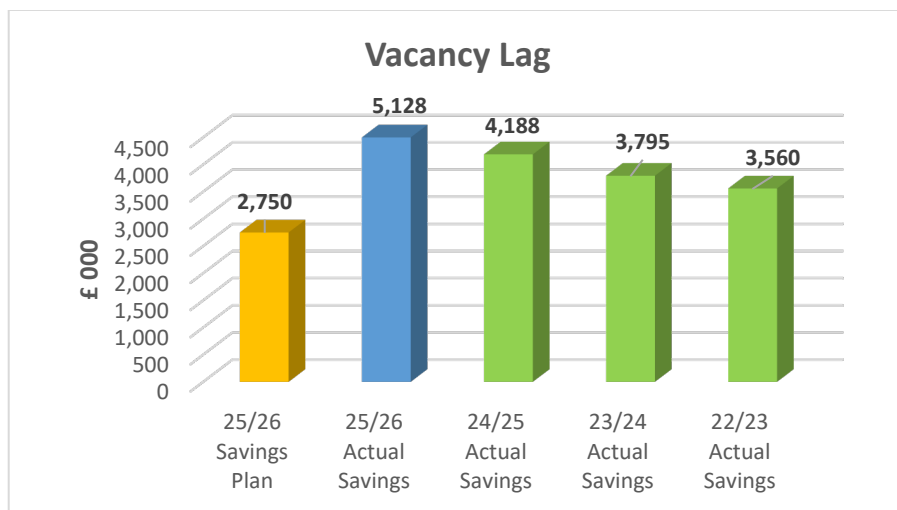
National Insurance contributions and £22.7m for 25/26 pay awards. This large element of funding confirmation provides NES with greater clarity and increased certainty as it sets its operational planning deliverables for future financial years and has enabled more work to be spread across the financial year.



- All anticipated allocations were received as expected.
- In year SG funding of £9.2m was returned to SG finance in month 12 allocation letter as it could not be utilised in year. This included £3.8m for Medical ACT due to lower bids received from territorial health boards, £1.7m on Mental Health as lower number of training places taken up by territorial board staff, £1.1m on Digital Prescribing & Dispensing Pathway as the electronic signature work has been delayed until 2026/27, £1m on Digital Front Door and Vaccinations programmes due to lower number of posts recruited to and filled throughout year and £0.8m on Pharmacy Clinical Skills and Independent Prescribing to correct timing of funding and ensure it matches activity to financial year.

4. Recruitment Vacancy Lag

- An anticipated Vacancy Lag savings of £2.75m was included in 2025/26 Operational & Financial Plans, to reflect the reduced pay costs from vacancies arising across the organisation naturally and time taken to fill them.
- At Year-end we have achieved £5.1m, delivering an additional £2.4m of cash releasing efficiency savings.
- Higher vacancies within NTS and NMAHP, in part due to new recurring funding being received for posts which would previously not have been part of vacancy lag process. This is partly offset by lower vacancies in Medical and Workforce who went through re-structure and transformation in prior years.
- A review of the higher level of vacancy lag has confirmed it is due to a number of factors including increased staffing, longer recruitment lead times, higher pay awards, more baseline funding brings more posts into scope for clawback, additional consistency checks for new posts and more internal appointments leading to further posts becoming vacant.



5. Cash Releasing Efficiency Savings (CRES)

- The 2025/26 approved Financial Plan identified a savings plan of £9.2m, 1.4% of the total NES baseline.
- We have exceeded of the CRES Workforce savings target of £4m at the end of the financial year by £2.4m. This is driven by higher vacancy lag due to the various factors detailed in section 4. The additional savings are all on a non-recurring basis.
- The majority of the Workforce savings are the result of the time required to recruit to vacant posts. The property savings have been delivered by entering into shared space arrangements at our Glasgow, Edinburgh, and Aberdeen offices.
- The 2025/26 Savings Plan consisted of £6.6m on a recurrent basis and £2.6m on a non-recurrent basis.



Appendix 1 – Year End Position by Directorate

Directorate	Full Year			Q3 Variance	Q4 v Q3
	Budget	Outturn	Variance Under/(Over)		
	£000s	£000s	£000s		
Quality Management	2,043	2,003	40	36	4
Medical ACT and Academic	146,339	146,339	0	1	(1)
Medical Directorate Support	9,433	9,381	52	82	(30)
Training Programme Management (excl. MTGS)*	27,175	26,926	249	105	144
Professional Development	7,692	7,483	209	85	124
Pharmacy	16,826	16,968	(142)	0	(142)
Healthcare Sciences	4,168	4,023	145	144	1
Medical Total	213,676	213,123	553	453	100
Dental	59,076	58,269	807	736	71
NMAHP	18,565	18,455	110	164	(54)
Psychology	48,249	48,226	23	0	23
Optometry	1,989	1,908	81	8	73
NHS Scotland Academy, Learning & Innovation	11,750	10,622	1,128	896	232
Social Care	1,984	1,992	(8)	(7)	(1)
NES Technology Services	21,774	21,649	125	130	(5)
Workforce	8,531	8,408	123	(22)	145
Finance	3,875	3,917	(42)	(63)	21
Properties & FM	6,725	6,674	51	(28)	79
Planning	3,738	3,799	(61)	(26)	(35)
Corporate Provisions	(2)	977	(979)	1,365	(2,344)
NES Total (excl. MTGS)	399,930	398,019	1,911	3,606	(1,695)
Medical Training Grade Salaries	470,863	470,863	0	0	0
NES Total (incl. MTGS)	870,793	868,882	1,911	3,606	(1,695)

* Note: MTGS = Medical Training Grade Salaries

Appendix 2 – SG In Year Funding Received 2025/26

Funding	Recurrent	Earmarked	Non Recurrent	Total
	£000s	£000s	£000s	£000s
Baseline budget	648,875			648,875
24/25 Recurring Allocations Adj to Baseline	111,305			111,305
Original budget	760,180	0	0	760,180
Anticipated pay award AfC	3,789	0	0	3,789
Anticipated pay award M&D Consultants	2,149	0	0	2,149
Anticipated pay award Resident Doctors	7,830	0	0	7,830
Anticipated pay award Resident Doctors	8,666	0	0	8,666
NI increase 60%	5,163	0	0	5,163
Sustainability Fund	4,818	0	0	4,818
Nursing & Midwifery Education	0	0	558	558
Dental ACT Levy	0	0	(186)	(186)
Vocational Training Grant Rate	603	0	0	603
Digital Enabled Workforce	0	0	831	831
Digital PDP	0	0	2,500	2,500
Patient Record Opthtamology	0	0	539	539
Pharmacy Trainees	0	7,533	120	7,653
Pharmacy Non Global Sum	0	571	0	571
Pharmacy clinical supervision and IP/CS places	0	932	0	932
Medical ACT	7,393	0	(1,194)	6,200
MEP Gap including Widening Access & ScotGEM	0	2,148	0	2,148
Medical Training Grades & Expansions	15,598	0	1,662	17,261
IFRS16 Non Core	0	0	1,682	1,682
Primary Care	0	0	1,707	1,707
Remote & Rural Centre for Helath & Social Care	0	0	1,169	1,169
Mental Health	23,896	0	7,765	31,661
Vocational Training Additionality	0	0	710	710
Digital Front Door	0	0	12,000	12,000
Vaccinations	0	0	1,937	1,937
Other allocations (under £500k)	715	1,558	(5,385)	(3,112)
Total in-Year allocations	80,621	12,741	26,415	119,778
Total Revenue Allocation	840,801	12,741	26,415	879,958
Capital Spend (Revenue to Capital Transfer)			(9,049)	(9,049)
Capital Budget received			(198)	(198)
Total Non Revenue Budget in Ledger	0	0	(9,247)	(9,247)
Total Budget	840,801	12,741	17,168	870,711

Public Services Delivery Scotland

Meeting:	Public Services Delivery Scotland Board
Meeting date:	15 May 2026
Title:	NHS National Services Scotland Quarter 4 Finance Report
Paper No.	PDSB/26/15
Responsible Executive:	Carolyn Low, Director of Finance, Corporate Governance & Legal Services
Report Authors:	Andy McLean, Deputy Director of Finance Ana Vercosa, Head of Business Finance

1. Purpose

- 1.1. This is presented to the Board for scrutiny.
- 1.2. The paper provides the PSD Scotland Board with the financial position for NSS as at 31st March 2026.

2. Recommendation

- 2.1. It is recommended that the Board scrutinise the report, noting the achievement of all statutory financial targets for FY25/26.
- 2.2. As responsible Executive I am assured that statutory financial targets, financial policies, and financial management arrangements are being appropriately progressed, managed, and escalated as necessary through established NHS Scotland and NSS processes, with learning being identified and improvements implemented.

3. Report Summary

Situation

- 3.1. This report presents the PSD Scotland Board with a summary of NSS' financial performance in FY25/26.

Background

- 3.2. NSS has consistently delivered against financial (and non-financial) targets historically. During FY25/26, a break-even position and achievement of all statutory financial targets has been forecast. This report confirms achievement of this position (subject to external audit review).

4. Assessment

Quality, Value, Care and Technology

- 4.1. All expenditure prioritisation decisions have been focused on improving the quality and value of the services we deliver. Benefits management on an ongoing basis will demonstrate whether that aim has been achieved.

Workforce

- 4.2. As per Risk Section, the capacity of our existing workforce to deliver against increased and changing asks was a critical consideration.

Financial

- 4.3. NSS has delivered its statutory financial targets at year-end (M12), closing the year in balance. The final position remains subject to external audit and routine year-end confirmations, with no residual items expected to materially change the outturn.

Revenue

- 4.4. Revenue budgets were underspent by £489k overall. The year-end position has been actively managed in-year and is supported by non-recurrent drivers, primarily workforce underspends, delivery phasing, and timing of hosted fund expenditure.

CRES

- 4.5. CRES delivery was £0.3m in excess of target but delivery still relies partly on non-recurrent savings. Directorates must convert savings opportunities into recurring where possible to support longer term financial sustainability.

Capital

- 4.6. The capital budget closed with a small underspend due to delivery slippage in SG-funded programmes across DaS (CHI/Child Health and server refresh impacted by the data-centre relocation) and NHS Assure (EV charging now completing Apr–May 2026). Carry forward has been agreed with SG where spending commitments were in place, and FY26/27 delivery will be managed through reprioritisation within the programme to complete the slipped activity.
- 4.7. The full, detailed M12 report can be found in Appendix 1 “FY25/26 NSS Financial Report”

Education and Training

- 4.8. There is no impact associated with this report.

Information Governance

- 4.9. There is no impact associated with this report.

Environmental and Climate Sustainability

- 4.10. There are no direct climate change or environmental sustainability implications arising from this report.

Equality, Diversity, Human Rights and Health Inequalities

- 4.11. Given this is a performance report, an EQIA screen and/or full assessment is not required.

Other Impacts

- 4.12. None.

Risk Assessment/Management

- 4.13. Whilst financial targets were achieved in FY25/26, there were various financial risks which needed to be managed closely. Some of which needs to continue into FY26/27 where the delivery will be challenging, given the extremely difficult financial environment across NHS Scotland.
- 4.14. Financial Sustainability: While the year-end outturn is delivered, it remains supported by non-recurrent measures (workforce underspends, hosted-fund phasing and delivery slippage). This heightens the FY26/27 sustainability challenge and increases importance of recurring CRES delivery.
- 4.15. Pay underspends: materially support the M12 position (£12.5m underspend), driven largely by vacancies, recruitment phasing and delivery timing, rather than structural efficiencies. The key risk is workforce resilience and delivery capacity in FY26/27, alongside the need to convert non-recurrent pay benefit into recurring CRES where appropriate.
- 4.16. Hosted Funds: close year-end in a net underspend position, driven mainly by delivery phasing and programme timing. These benefits are non-recurrent and expected to unwind in FY26/27, exposing underlying pressures and increasing reliance on sustainable savings and funding solutions. Specific risks include the recurring bowel screening pressure without confirmed recurring funding.
- 4.17. CRES: delivery has exceeded plan at year-end; however, a portion remains supported by non-recurrent measures. The risk is maintaining delivery in FY26/27 - non-recurrent savings should be converted where possible and the pipeline of recurring opportunities is strengthened through governance and directorate ownership.
- Capital closed slightly underspent due to delivery phasing in DaS and NHS Assure. With SG carry forward agreed for contractually committed spend, the risk shifts to FY26/27 execution - completing slipped commitments to schedule through prioritisation, dependency management and executive oversight.
- SG Allocations Allocation risk has reduced materially, with remaining items confirmed. Continued engagement with SG is required to ensure timely confirmation of planned allocations and that recurring costs are supported by recurring funding.

Communication, Involvement, Engagement and Consultation

- 4.18. NSS carried out its duties to involve and engage external stakeholders where appropriate.

Route to the Meeting

- 4.19. Throughout FY25/26, the financial position was reviewed at Directorate level with a consolidated NSS position produced for the Executive Management Team (EMT) each month. Actions agreed were managed collectively by EMT.
- 4.20. Each quarter, the Finance, Procurement & Performance Committee (FPPC) scrutinised the financial position on behalf of the NSS Board.
- 4.21. The January financial position and forecast was scrutinised by FPPC at its meeting on 10th March.
- 4.22. The February financial position and forecast was discussed by EMT at its meeting on 16th March.

5. List of Appendices

- 5.1. The following appendices are included with this report:
- Appendix No 1 – NSS FY25/26 Finance Report

Public Services Delivery Scotland

NSS Financial Performance FY25-26

Transitional Leadership Group – May 2026



PSD Scotland – Transitional Leadership Group

Financial Performance – Mar-26

Executive Summary

NSS Targets	FY Budget	FY Outturn	Variance	Target
	£'000	£'000	£'000	
Revenue Total	-	(489)	489	<u>Breakeven</u>
Revenue Income	(1,195,337)	(1,201,207)	5,870	
Revenue Costs	1,195,337	1,200,718	(5,381)	
CRES Total	12,856	13,139	282	<u>3% Recurring</u>
NSS (exc NSD) CRES	9,612	9,895	283	
NSD CRES	3,244	3,244	(0)	
Direct Capital Total	-	(80)	80	<u>Breakeven</u>
Capital Income	(13,499)	(13,499)	-	
Capital Costs	13,499	13,419	(80)	

Performance Summary - Revenue

NSS has delivered its statutory financial targets at year-end (M12), closing the year **in balance**. The final position remains subject to external audit and routine year-end confirmations, with **no residual items expected to materially change the outturn**.

Revenue (£0.5m underspend)

Revenue closed underspent overall, reflecting a £1m core overspend offset by a £1.467m hosted funds underspend. The year-end position has been actively managed in-year and is supported by non-recurrent drivers, primarily workforce underspends, delivery phasing, and hosted-fund timing.

At M12, NSS has received £316.2m (~100%) of SG allocations, with remaining items confirmed

CRES

£0.3m above plan in 25/26, but delivery still relies partly on non-recurrent savings. Directorates should keep converting these savings into recurring where possible to support FY26/27+ financial balance.

Capital (£0.1m underspend)

FY25/26 capital closed with a small underspent due to delivery slippage in SG-funded programmes across DaS (CHI/Child Health and server refresh impacted by the data-centre relocation) and NHS Assure (EV charging now completing Apr–May 2026). Carry forward has been agreed with SG where spending commitments were in place, and FY26/27 delivery will be managed through reprioritisation within the programme to complete the slipped activity.

Key Messages

- Statutory targets delivered at year-end, with residual close-down items not expected to change the position.
- Outturn remains supported by non-recurrent drivers (workforce underspends, hosted funds phasing, delivery slippage), increasing the FY26/27 sustainability challenge.
- CRES delivery exceeded plan, but continued focus is required to strengthen recurring savings and reduce reliance on non-recurrent.
- FY26/27 priorities are recurring savings conversion, hosted-fund sustainability actions, and delivery capacity to complete planned and slipped commitments.

Risks and Issues

Financial Sustainability: While the year-end outturn is delivered, it remains supported by non-recurrent measures (workforce underspends, hosted-fund phasing and delivery slippage). This heightens the FY26/27 sustainability challenge and increases reliance on recurring CRES delivery, service redesign, and resolution of structural pressures.

Pay underspends: materially support the M12 position (£12.5m underspend), driven largely by vacancies, recruitment phasing and delivery timing, rather than structural efficiencies. The key risk is workforce resilience and delivery capacity in FY26/27, alongside the need to convert non-recurrent pay benefit into recurring CRES where appropriate.

Hosted Funds: close year-end in a net underspend position, driven mainly by delivery phasing and programme timing. These benefits are non-recurrent and expected to unwind in FY26/27, exposing underlying pressures and increasing reliance on sustainable savings and funding solutions. Specific risks the recurring bowel screening pressure (c£2.0m) without confirmed recurring funding.

CRES: delivery has exceeded plan at year-end; however, a portion remains supported by non-recurrent measures. The risk is maintaining delivery in FY26/27 unless non-recurrent savings are converted and the pipeline of recurring opportunities is strengthened through governance and directorate ownership.

Capital closed slightly underspent due to delivery phasing in DaS and NHS Assure. With SG carry forward agreed for committed spend, the risk shifts to FY26/27 execution - completing slipped commitments to schedule through prioritisation, dependency management and executive oversight.

SG Allocations Allocation risk has reduced materially, with remaining items confirmed. Continued engagement with SG is required to ensure timely confirmation of planned allocations and that recurring costs are supported by recurring funding.

The TLG is asked to note that while the year-end outturn is delivered and controlled, forward risks remain centred on FY26/27 sustainability, particularly conversion of non-recurrent savings, workforce resilience, and delivery capacity to complete planned and slipped activity.

PSD Scotland – Transitional Leadership Group

Financial Performance – Mar-26

Directorate Summary

Financial Performance (£'000) - Outturn vs Plan					
Dir	Revenue Outturn			Other Financial Targets	
	FY Actual vs Budget				
	Core	Hosted Funds	Total	FY CRES VAR	FY Capital VAR
NHS Assure	3	n/a	3	-	1,676
NSD	n/a	49	49	-	(31)
SNBTS	377	n/a	377	-	162
DaS	1,041	1,425	2,466	-	1,843
FCGLS	14	(4)	9	-	n/a
SPST	80	n/a	80	-	n/a
HR	702	n/a	702	-	n/a
Clinical	975	n/a	975	-	n/a
NP	284	(3)	281	-	-
PaCC	1,055	n/a	1,055	282	0
Subtotal	4,531	1,467	5,998	282	3,649
Reserves	(5,509)	-	(5,509)	-	237
Total	(978)	1,467	489	282	3,887

Performance Summary by Directorate

The table summarises the financial performance by Directorate across Revenue, CRES and Capital.

The M12 position demonstrates that NSS achieved all statutory financial targets for FY25/26 (subject to audit review). Revenue has been delivered in balance through active management of Directorate underspends and reserves, the CRES target has been exceeded and capital expenditure has been appropriately controlled.

Residual risks are limited to final confirmation of SG funding and audit review, neither of which is expected to materially change the reported outturn.

It should be noted that this is a Finance Report – and focusses on financial performance.

Finance has sought to assess the financial performance in the context of service delivery / excellence and workforce. We do not have all the data to interpret and present a complete picture of integrated performance at a service level, but we are committed to doing this by supporting and influencing work within PSDS and wider Business Systems.

Services should continue to review financial performance in conjunction with other, separate performance reports to ensure focus and proper action.

PSD Scotland – Transitional Leadership Group

Financial Performance – Mar-26

Operational Performance: Directorate Summary(1)

	Summary of Position	Actions Required
NHS Assure	<p>Revenue core: robust vacancy management controls driving the underspends, offset by additional PgMS support and property cost pressures.</p> <p>Capital: the underspend relates to slippage in the delivery of EV charging infrastructure, with installation now expected to complete in April or May 2026.</p> <p>CRES: delivered</p> <p>Approved Investment Projects: fully spent</p>	<p>Revenue: FY breakeven relied on non-recurring on vacancy savings. Funding for recurring pressures have been approved as part of 26-27 budget review. NHS Assure to confirm public enquiry pressure and funding requirements</p> <p>Capital: confirm slippage into 26/27.</p>
NSD	<p>Revenue hosted funds: £50k u/s, significant u/s in Specialist Services offset by pressures in Screening (bowel screening) and Risk-Share. The position reflects managed in-year trade-offs, including a total of £6.5m returned to Health Boards.</p> <p>Capital: £31k o/ higher costs confirmed following completion of the tender. This was within the overall capital budget.</p> <p>CRES: delivered</p>	<p>Secure a sustainable funding solution for bowel screening, strengthen forward management of risk-share pressures, and embed tighter delivery and cost discipline across Screening and Specialist Services. Given NSD represents around 30% of the NSS cost base, sustained delivery of recurring CRES is critical to maintaining overall financial balance as non-recurrent underspends unwind.</p>
SNBTS	<p>Revenue core: FY surplus driven by non-pay u/s across operating costs, property and IM&T, and favourable income variances, partially offset by pressures in other operating costs.</p> <p>Capital: underspend due to slippage of Donor Digital Consent and STAR programme.</p> <p>CRES: delivered</p>	<p>Reduce reliance on vacancy-driven savings by progressing recruitment and embedding more sustainable efficiencies. Sustain grip on non-pay cost drivers, particularly operating and risk-share costs, while maintaining service delivery.</p>
DaS	<p>Revenue core: surplus driven by vacancy-related underspends across NSS Infrastructure, Contract Management and Data Strategy.</p> <p>Revenue hosted funds: surplus reflects delivery phasing, partially offset by additional ATOS charges.</p> <p>Capital: on track.</p> <p>CRES: fully achieved.</p>	<p>Strengthen recharge governance, ensuring all DaS recharges are accurate, timely and fully reflective of service delivery costs.</p> <p>Reduce reliance on vacancy-driven savings by progressing recruitment and embedding more sustainable efficiencies where possible.</p>
FCGLS	<p>Revenue core: u/s driven by vacancies, with current pay underspends offsetting emerging non-pay pressures.</p> <p>CRES: delivered</p> <p>Approved Investment Projects: underspent but CFS now fully staffed</p>	<p>Complete non-pay review</p>

PSD Scotland – Transitional Leadership Group

Financial Performance – Mar-26

Operational Performance: Directorate Summary(2)

	Summary of Position	Actions Required
SPST	<p>Revenue core: broadly in line with plan, with in-year pressures driven primarily by PGMS activity. This has been managed within the overall Directorate envelope. High demand for PGMS services has returned a surplus of £0.1M in M12.</p> <p>CRES: delivered</p>	<p>Tighten forecasting and control of PGMS cost drivers, ensuring early identification and escalation of demand-led pressures. Maintain close grip on invoicing and income recognition, ensuring charges are raised promptly and accurately to support financial balance.</p>
HR	<p>Revenue core: u/s driven by vacancies above plan. This was partially offset by pressures in other areas, including licence costs and income assumptions.</p> <p>CRES: delivered</p> <p>Approved Investment Projects: fully utilised with small element of slippage in 26/27.</p>	<p>Ensure critical vacancies are recruited into and reduce reliance on non-recurrent underspends to balance budget</p>
Clinical	<p>Revenue core: u/s driven by temporary vacancies in SCN with recruitment underway.</p> <p>CRES: delivered</p>	<p>Complete recruitment to critical roles and reduce reliance on vacancy-driven underspends by Q1. Embed workforce changes to sustain delivery without vacancy benefit</p>
NP	<p>Revenue core: underspend driven by robust vacancy management/hard to fill posts, partially offset by procurement and pharmacy pressures.</p> <p>Hosted funds: Reduced agency spend as well as vacancies across Logistics resulting in £0.6m returned to Boards.</p> <p>CRES: delivered</p> <p>Approved Investment Projects: partially utilised and remaining requirements re-profiled into 26/27.</p>	<p>Continue to embed strong vacancy and agency controls, actively manage hosted-fund dependencies with SG, and convert non-recurrent savings into sustainable efficiencies while re-profiling outstanding investment activity into FY26/27.</p> <p>Finalise Service Charge so that this can be agreed with Territorial Boards.</p>
PaCC	<p>Revenue core: u/s driven mainly by pay underspends, despite a reduction in vacancies later in the year and delays in delivering planned nDCVP system developments.</p> <p>CRES: over-delivered primarily through non-recurrent vacancies.</p> <p>Capital: fully spent.</p> <p>Approved Investment Projects: delays in NITC and nDCVP resulting in slippage into 26/27.</p>	<p>Deliver delayed nDCVP and NITC in 26/27 and confirm full impact of slippage on the budget. .</p>

PSD Scotland – Transitional Leadership Group

Financial Performance – Mar-26

Revenue Analysis – Pay Deep Dive (£'000)

Directorate	YTD Budget	25-26 Actuals					YTD Actual	Budget vs Actual	Budget vs Actual (NSS Core)	Budget vs Actual (Hosted Funds)	PY YTD Spend	25/26 vs 24/25
		Pay	Overtime & Enhanced Pay	Seconded Costs, Income and recharges	Agency							
SNBTS	58,350	55,414	1,516	370	30	57,330	1,020	1,020		52,818	(4,512)	
DaS	37,925	36,077	71	(2,147)	338	34,339	3,586	2,967	619	33,718	(621)	
FCGLS	27,591	26,375	171	230	-	26,776	814	749	66	24,554	(2,222)	
NP	24,937	22,240	1,052	(168)	1,414	24,538	399	400	(1)	23,542	(996)	
NHSS Assure	22,889	20,530	98	(85)	72	20,615	2,274	2,274		20,038	(577)	
PACC	21,432	20,071	187	19	57	20,335	1,097	1,097		19,402	(933)	
SPST	5,205	14,485	14	(9,371)	176	5,304	(99)	(99)		7,233	1,929	
NSD	9,067	7,833	0	(281)	-	7,528	1,538		1,538	7,599	71	
HR	6,113	6,060	1	(242)	41	5,860	253	253		5,105	(755)	
Clinical	6,630	6,051	4	(158)	22	5,941	689	689		4,287	(1,654)	
Redeployment	870	146	-	(244)	-	(99)	969	969		374	473	
Total	221,008	215,281	3,114	(12,077)	2,150	208,468	12,540	10,318	2,222	198,670	(9,798)	
% Total Spend		103%	1%	-6%	1%							
PY Spend	209,533	200,849	3,192	(9,455)	4,084	198,670	10,863					

Position Summary:

Pay expenditure at M12 **shows a £12.5m year-end underspend against budget**. The underspend is driven primarily by sustained vacancies, recruitment phasing and programme slippage, rather than permanent efficiency improvements. Several Directorates underspent their pay budgets, and this position was **known, monitored and managed throughout the year within the overall funding envelope**. Compared to the prior year, there has been a **material reduction in agency usage, demonstrating strengthened workforce controls and reduced reliance on temporary staffing**.

NSS **managed its redeployment register effectively throughout the year**, ensuring displaced staff were supported into suitable alternative roles and mitigating further pay pressures. Overall, the M12 pay position represents a closed and controlled outturn, with the underspend deliberately deployed to support delivery of statutory financial balance.

PSD Scotland – Transitional Leadership Group

Financial Performance – Mar-26

Services delivered on behalf of NHS Scotland

Hosted Funds – Year-End Position (£1.5m underspend)

Hosted funds closed FY25/26 with a net underspend, with the overall position reflecting a mix of material underspends and significant overspends across individual programmes.

The most significant underspends arise within PAC reprovisioning, GP IT, Covid/Flu Vaccinations, PCDIP and SWAN Reprourement. These favourable variances primarily reflect delivery phasing, activity levels below original assumptions and non-recurrent factors, and are managed at a SG level where national funding arrangements apply. These favourable positions offset by a material overspend within ATOS (£5.1m), reflecting additional costs associated with the extension of the VME contract to maintain the operation of Payroll and Child Health systems. At an aggregate level, DaS reports a net underspend of £1.4m, equivalent to 99% budget utilisation, reflecting the net impact of these programme-level movements.

NSD, NDC and SIBSS all broadly in line with budget. Within NSD, an existing cost pressure within bowel screening was managed in-year; however, this is forecast at c£2.0m on a recurring basis, with no additional funding yet confirmed by SG, representing a key financial risk for FY26/27.

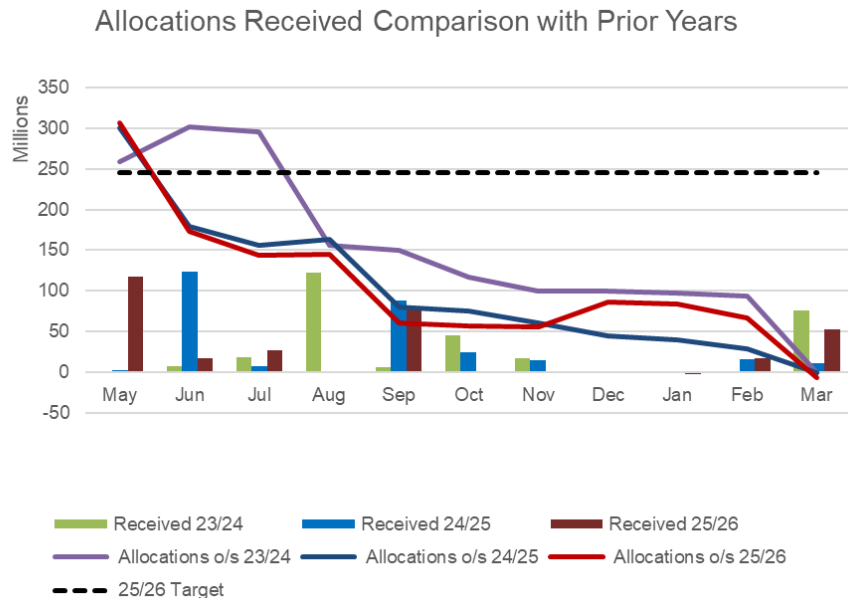
While the hosted-funds underspend supports the FY25/26 outturn, it is predominantly non-recurrent and expected to unwind, increasing reliance on sustainable savings, service redesign and funding resolution, particularly for Screening services.

Hosted Funds	FY Bud	FY Act	Var	% Budget Spent
CHI	5,162	5,151	11	100%
O365	67,126	67,143	(17)	100%
eRoosting	3,178	3,374	(196)	106%
eHealth	33,542	33,542	0	100%
ATOS	41,518	46,582	(5,064)	112%
SWAN Reprourement	1,723	1,370	353	80%
EESS National Systems	1,833	1,887	(54)	103%
Cyber Security Centre	4,862	4,809	53	99%
PAC's	8,776	6,348	2,427	72%
GP IT	10,175	7,989	2,186	79%
CEPAS	309	344	(35)	111%
SNOMED	950	915	35	96%
Covid/Flu Vaccinations	8,221	6,749	1,472	82%
PCDIP	1,192	938	254	79%
DaS Total	188,567	187,142	1,425	99%
NDC	245,969	245,972	(3)	100%
NSD	358,264	358,215	49	100%
SIBSS	58,348	58,353	(4)	100%
NSS Total	851,149	849,682	1,467	100%

PSD Scotland – Transitional Leadership Group

Financial Performance – Mar-26

Scottish Government Funding Allocation Tracker (£'000)



SG Allocations – Outstanding

As at the end of **M12**, NSS has received **£316.2m** of Scottish Government allocations, representing almost all expected funding to date (excluding capital charges, returns of funding, and revenue-to-capital transfers).

Any remaining allocations are **confirmed** and are therefore assessed **as low / no risk**.

Moving into the new financial year, NSS will continue to work closely with SG to finalise confirmation of all planned allocations and to review funding models so that **recurring costs are matched with recurring funding**.

The table below summarises the allocations listed as potentially at risk; however, **all items are currently rated green/low risk**.

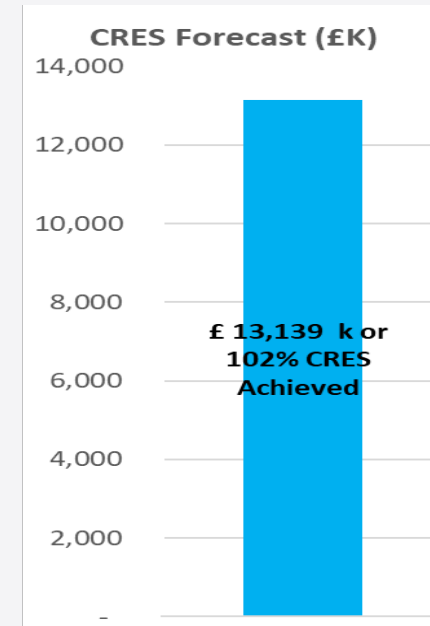
Directorate	Green	Amber	Red	Total	Comment
NSD	(1,700)	-	-	(1,700)	Return of Riskshare funds
NHSS Assure	1,948	-	-	1,948	
NP	2,289	-	-	2,289	
DaS	(492)	-	-	(492)	Net Credit revenue to capital.
SPST	20	-	-	20	
Reserves	(7,800)	-	-	(7,800)	Credit allocation being largely revenue to capital transfer.
SNBTS	(251)	-	-	(251)	Credit revenue to capital.
Clinical	-	-	-	-	
FCGLS	27	-	-	27	
Total	(6,457)	-	-	(6,457)	

PSD Scotland – Transitional Leadership Group

Financial Performance – Mar-26

Delivery of Cash Releasing Efficiency Savings (CRES) (£'000)

	Starting CRES Budget	YTD Achieved			Total CRES Forecast
		Recurring	Non-Recurring	Non-recurring Measures	
Clinical	101	60	41	-	101
DAS	945	555	390	-	945
FCGLS	1,108	597	511	-	1,108
HR	145	50	95	-	145
NHSAssure	1,732	1,712	20	-	1,732
NP	1,085	1,033	52	-	1,085
PaCC	1,462	1,138	606	-	1,744
Reserves	1,380	-	1,380	-	1,380
SNBTS	539	539	-	-	539
SPST	1,115	1,115	-	-	1,115
NSD	3,244	1,887	1,357	-	3,244
NSS Total	12,856	8,687	4,452	-	13,139



NSS CRES Performance Summary

The NSS CRES target for 2025/26 is £12.9M (3% of baseline budget). As at year end, £13.1M has been delivered. This overachievement was driven by additional non-recurrent efficiencies identified within PaCC, supported by investments made this year.

However, a proportion of delivery remains supported by non-recurrent measures, including workforce underspends. Directorates should continue to focus on converting non-recurrent savings into recurrent opportunities. Finance will actively support this through monthly reviews and pipeline development.

NSD CRES

CRES achieved within NSD is retained to manage service pressures as a ring-fenced budget. A new governance process has been introduced to oversee this approach and will be incorporated into the overall NSS CRES framework once embedded.

PSD Scotland – Transitional Leadership Group

Financial Performance – Mar-26

Capital Programme Delivery – Plan (£'000)

Directorate	FY Budget	FY Actual	YTD Variance
DaS	4,392	4,301	91
NHS Assure	5,097	5,016	81
NP	29	29	(0)
NSD	824	855	(31)
PACC	123	123	0
Reserves	-	27	-
SNBTS	3,033	3,067	(34)
Total	13,499	13,419	107

FY25/26 Capital

At the close of M12, NSS reported capital spend of £0.1m below plan, driven primarily by delivery slippage within DaS and NHS Assure.

Within DaS, the underspend comprises approximately £59k relating to the CHI and Child Health Programme, together with a further £23k associated with the planned rolling replacement of servers and equipment, where delivery was affected by the data centre relocation programme.

Within NHS Assure, the underspend relates to slippage in the delivery of EV charging infrastructure, with installation now expected to complete in April or May 2026.

Given the limited flexibility to carry capital funding forward, SG has confirmed that funding will be provided for committed capital programmes in 26/27. delivery of these elements in FY26/27 will require either re-prioritisation within the PSDS capital programme and/or agreement with Scottish Government to carry funding forward.

The TLG is asked to note the final capital outturn position for FY25/26 and the associated implications for FY26/27 capital planning.

PSD Scotland – Transitional Leadership Group

Financial Performance – Mar-26

Investment Fund – Overview of Programmes (£'000)

Programme/categories	FY25/26 Approved Spend Opening Budget	FY Outturn	FY Var	YTD as % of FY Budget
Projects Approved - COG Oversight	5,090	4,075	1,015	80%
PMO Support – Gateway Review and Resource Allocation	125	143	(18)	114%
Investment in National Services	585	170	415	29%
Grand total	5,800	4,388	1,412	76%

NSS Investment Fund (£1.4M underspend)

NSS closed FY25/26 with an overall underspend of £1.4m against the approved £5.8m investment funding envelope, with 76% of the available budget utilised in year. The underspend is concentrated primarily within stand-alone investment activity, and reflects delivery phasing, dependency management and prudent use of contingency rather than withdrawal of investment intent.

Delivery of projects overseen by Change Oversight Group (COG) governance totalled £4.2m against an opening budget of £5.2m. Variances within this portfolio largely relate to individual projects where delivery was paced pending wider organisational readiness or where implementation occurred later than originally profiled. All movements were subject to active scrutiny and decision-making through COG during the year.

Within the MDT portfolio, delivery of £1.8m against an opening budget of £2.2m reflects the non-utilisation of contingency held within the IT Service Operations Model (ITSOM). A contingency provision of approximately £0.3m was approved to manage delivery risk but was not required, resulting in a favourable year-end variance. This represents a positive control outcome rather than project slippage.

Given the limited ability to carry funding forward, all material slippage and non-utilisation of contingency has been explicitly reviewed and incorporated into the FY26/27 investment plan, through re-prioritisation within the investment programme.

There are no unapproved or unfunded investment commitments carried forward from FY25/26.

TLG is asked to note the final FY25/26 investment outturn and take assurance that investment delivery, contingency and slippage have been appropriately governed and reflected in FY26/27 planning assumptions.

PSD Scotland – Transitional Leadership Group

Financial Performance – Mar-26

Investment Fund – Overview of Programmes (£'000)

FD Ref	Programme Name	FY25/26 Opening Budget Approved Spend	FY Outturn	FY Forecast vs Budget	YTD as % of FY Forecast
COG Oversight					
408	Post National IT contract Review Discovery	1,530	716	814	47%
439	Payroll services	652	569	83	87%
444	AfC Non-pay Elements Programme	109	175	(65)	160%
447	nDCVP UAT	215	81	134	38%
505	Property portfolio	336	374	(38)	111%
438/446	eRostering	219	495	(276)	226%
Stand Alone Subtotal		3,062	2,410	652	79%
MDT					
430	Digital Transformation Strategy Development	300	65	235	22%
449	BCS Decommission Discovery	125	72	53	58%
451	Portfolio Management Tooling Discovery	50	110	(60)	220%
455	Cyber Security Continuous Controls Monitoring & Assurance	100	36	64	36%
457	Low Code / No Code Coding Standards Discovery	30	35	(5)	118%
484	Committee Management System Options Appraisal	30	55	(25)	183%
541	Health & Safety Applications Options Appraisal	-	33	(33)	
527	One NSS	-	35	(35)	
TBC CP	Co-Pilot/AI Proof of Concept	-	34	(34)	
453	ServiceNow Custom Apps Divestment Delivery	350	379	(29)	108%
458	ITSOM (Service Desk) re-procurement and replacement.	665	384	281	58%
467	M365 PowerApps Strategy Delivery	378	344	34	91%
OMINI	Omni Channel Customer Contact Desk POCs	-	28	(28)	
PMO	PMO Support	125	143	(18)	114%
MDT - Unallocated	MDT - Unallocated	-	56	(56)	
MDT Subtotal		2,153	1,808	345	84%
Other Programmes					
424	Commercial Improvement Task force - Horizon 1	250	160	90	64%
427	Counter Fraud Services – Additional Staffing	335	10	325	3%
Other Programmes Subtotal		585	170	415	29%
NSS Grand Total		5,800	4,388	1,412	76%

This resource may be made available, in full or summary form, in alternative formats and community languages. Please contact us on **0131 275 6000** or email [**altformats@nhs.scot**](mailto:altformats@nhs.scot) to discuss how we can best meet your requirements.

**Public Services Delivery
Scotland**

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PSD Scotland Public Board Schedule of Business

Report Title	Recurrence	Purpose	Owner	Author	15-May-26	26-Jun-26	21-Aug-26	25-Sep-26	18-Dec-26	26-Mar-27
01. Chair's Welcome	Standing	Review	Chair		x	x	x	x	x	x
02. Apologies for absence	Standing	Noting	Chair		x	x	x	x	x	x
03. Declarations of interest	Standing	Assurance	Chair		x	x	x	x	x	x
04. Minutes of previous meeting	Standing	Decision	Chair		x	x	x	x	x	x
05. Actions from previous Board Meetings	Standing	Decision	Chair		x	x	x	x	x	x
06. Notification of any other business	Standing	Scrutiny	Chair		x	x	x	x	x	x
07. Chair's report	Standing	Assurance	Chair		x	x	x	x	x	x
08. Chief Executive's report	Standing	Assurance	CEO		x	x	x	x	x	x
PSD Board - Quarterly Finance Report	Quarterly	Scrutiny	Director(s) of Finance	Director(s) of Finance				x	x	x
NES - Q4 Finance Report	Quarterly	Scrutiny	Director(s) of Finance	Director(s) of Finance	x					
NSS - Q4 Finance Report	Quarterly	Scrutiny	Director(s) of Finance	Director(s) of Finance	x					
PSD Board - Annual Feedback and Complaints Report	Annual	Scrutiny	Director(s) of Planning			x				
PSD Board - Annual Whistleblowing Report	Annual	Scrutiny	Director of Planning, Performance & Transformation; Director of Nursing			x				
PSD Board - Caldicott Guardian Annual Report	Annual	Decision	Director of Social Care & Communities; Medical Director				x			
PSD Board - Anchor Strategic Plan and Report 2025/26	Annual	Decision	Director(s) of Planning				x			
PSD Board - Quarterly Performance Delivery Report	Quarterly	Scrutiny	Director(s) of Planning		x			x	x	x
NES - Q4 Performance Delivery Report	Quarterly	Scrutiny	Director(s) of Planning			x				
NES - Q4 Strategic Key Performance Indicator Report	Quarterly	Scrutiny	Director(s) of Planning			x				
NSS - Q4 Performance Report	Quarterly	Scrutiny	Director(s) of Planning			x				
PSD Board - Quarterly Public Inquiries Report	Quarterly	Scrutiny	Director of Primary Care, Strategy, Performance and Service Transformation			x		x	x	x
PSD Board - Whistleblowing Non Executive Director Champion Report 2024/25	Annual	Scrutiny	Non-Executive Whistleblowing Champion			x				
PSD Board - Equality, Diversity & Inclusion Mid Year Report 2026/27	Annual	Decision	Equality & Diversity Principal Lead; Head of Equality, Engagement and Experience					x		
PSD Board - iMatter Survey Report	Annual	Noting	Director(s) of HR/People					x		
PSD Board - Quarterly Strategic Risk & Issues Register Report	Quarterly	Scrutiny	Director(s) of Planning				x	x	x	
PSD Board - Combined Strategic Risk Register	Individual	Decision	Director of Finance; Director of Primary Care, Strategy, Performance and Service Transformation		x					
PSD Board - PSD Scotland Strategy and Values SG	Individual	Noting	CEO		x					
PSD Board - Annual Report on NHS Scotland Global Climate Emergency & Sustainable Development Policy for Scottish Government	Annual	Decision	Director(s) of Finance; Director Assure					x		
PSD Board - Counter Fraud Policy & Counter Fraud Services Strategy	Annual	Scrutiny	Director(s) of Finance							x
PSD Board - United Nations and Rights of the Child Reporting	Annual		Director(s) of Nursing							x
PSD Board - Risk Strategy, Integrated Risk Management Approach, and Risk Appetite	Annual	Decision	Director of Finance; Director of Primary Care, Strategy, Performance and Service Transformation					x		
PSD Board - Board and Committee meeting dates (Q1 2026)	Annual	Decision	Board Secretaries	Board Secretaries						
PSD Board - Information Governance & Security Annual Report	Quarterly	Decision	Director of NES Technology Services; Head of Service, Information Governance				x			
PSD Board - PSD Scotland Appointment of Internal Auditor	Individual	Homologation	Board Secretaries	Board Secretaries						
PSD Board - PSD Scotland Corporate Governance Framework	Individual	Decision	Director of Planning, Performance and Transformation; Director of Finance, Corporate Governance & Legal Services	Board Secretaries				x		x
PSD Board - Schedule of Business April – September 2026	Individual	Decision	Director of Planning, Performance and Transformation; Director of Finance, Corporate Governance & Legal Services	Board Secretaries						
PSD Board - Board and Committee meeting dates (Q2 to Q4 2026/27)	Annual	Decision	Board Secretaries	Board Secretaries	x					
PSD Board - Committee Annual Reports	Annual	Decision	Board Secretaries	Board Services						x
PSD Board - Committee Meeting Updates and Approved Committee Minutes	Standing	Assurance	Committee Chairs	Board Services		x	x	x	x	x
10. Board Rolling Schedule of Business	Standing	Decision	Chair	Board Services	x	x	x	x	x	x
11. Any Other Business			Chair		x	x	x	x	x	x
12. Date of Next Meeting	Standing	Decision	Chair	Board Services	x	x	x	x	x	x

PSD Scotland Private Board Schedule of Business

Report Title	Recurrence	Purpose	Owner	Author	15-May-26	26-Jun-26	26-Mar-27
01. Minutes of previous Private meeting	Standing	Approval	Chair			x	x
02. Actions from previous Private Board Meetings	Standing	Approval	Chair			x	x
03. Notification of any other business	Standing	Scrutiny	Chair			x	x
PSD Private Board - Board Audit Scotland Annual Audit Report	Annual	Noting	Director(s) of Finance			x	
PSD Private Board - Board Annual Report and Accounts for NSS and NES	Annual	Approval	Director(s) of Finance			x	
PSD - Consolidated Financial Plan 2026-27	Annual	Decision	Director(s) of Finance		x		
PSD - Annual Delivery Plan 2026-27	Annual	Decision	Director(s) of Planning		x		
04. Board Schedule of Business	Standing	Approval	Chair	Board Services		x	x
05. Any Other Business	Standing	Approval	Chair	Board Services	x	x	x
06. Date of Next Meeting	Standing	Approval	Chair	Board Services	x	x	x