

CIPFA Scotland's response to "Independent Examination Of Proposals for Major Change in NHS Services"

08-02-2008

GENERAL COMMENTS

CIPFA welcomed the opportunity to participate in the 2 independent scrutiny panels. Our comments below reflect the experience we have had as well as some long held views on raising the performance of those charged, in public bodies, with governance.

SPECIFIC QUESTIONS

1. Do you agree that an expert panel is the most effective way to provide independent scrutiny?

1.1 The governors of public service organisations face a difficult task. They are the people responsible for governance – the leadership, direction and control of the organisations they serve. Their responsibility is to ensure that they address the purpose and objectives of these organizations and that they work in the public interest. They have to bring about positive outcomes for the people who use the services, as well as providing good value for the taxpayers who fund these services.

1.2 It is interesting to note that non-executive governors are sometimes referred to as independent directors. This would suggest that the public service governance system, as currently designed, has an element of independence already built in. There is clear evidence that many governors, operating within the current governance system, have difficulties in fulfilling their responsibilities . To help them with their tasks, there is an urgent and ongoing need to be clear about the purpose of governance and the role of the governor, expand the supply of governors, and improve induction programmes.

1.3 Active scrutiny should pervade all aspects of board members involvement with the board. Scrutiny should form an element of the working of all committees and be supportive of decisions making. Board members should scrutinize the performance and decisions that are made. It is vital that the capability of people with governance responsibilities within NHS board are further developed and that their performance is evaluated as individuals as well as a group. This is regarded as good practice by The Good Governance Standards which was developed by the Independent Commission on Good Governance in Public Services.

1.4 The Good Governance Standard expects board members to be engaged in independent scrutiny. The question posed, could be interpreted to be inferring that the current board structure is not the most effective way of undertaking

scrutiny. It is our understanding that the ISP's will undertake scrutiny of the evidence put forward to support significant service reconfiguration. They will not scrutinize performance nor scrutinize decisions taken with regard to service reconfiguration. Against this context, it is our view that the ISP is an effective mechanism for scrutinizing evidence to support service reconfiguration. Given the on-going role of the board to scrutinize performance and decisions, it is essential that the performance of individual board members as well as the board's collective performance is assessed and plans put in place to ensure performance improvement.

1.5 A distinction can be made between scrutiny which is undertaken internally as opposed to that which is undertaken by external organizations. Professor Lorne Crerar's Review identified that external scrutiny is made up of 4 elements: regulation, inspection, audit and complaints handling. The Crerar Review suggests that the role of external scrutiny is to provide independent assurance that services are well managed, safe and fit for purpose and that public money is being used properly. There is clearly some common ground between the Crerar Review and the creation of an ISP in the sense that "independent assurance" is common to both. It is therefore vital that against an agenda of decluttering the scrutiny landscape that thought is given to how the ISP will fit into the new landscape. It would be our considered view that the ISP process can be readily accommodated without undue additional management focus being deployed in answering such scrutiny. Indeed, given that the assessment of existing evidence is core to the work of an ISP, a soundly managed service should have absolutely no difficulty in responding to such an external scrutiny function with a specific remit.

2. Do you agree that the role of the panel should be to assess the safety, sustainability, evidence base and value for money of proposals for major changes to local NHS services?

2.1 Central to the role of the ISP is an assessment of the strength of evidence used by the appropriate body, the demonstration of the evaluation of appropriate options and the utilization of best practice within the proposal formulation and decision making process. It would be our view that it is not the role of the ISP to provide consultancy services from first principles. For example, an ISP would be seeking robust evidence to support sustainability and in doing so form a view on whether that the appropriate Board had adequately demonstrated its case. In the time frame permitted for the first ISP's and the information presented, it was not possible to comprehensively assess the financial sustainability and value for money aspects of the proposals. Assessing financial sustainability and value for money would require a much wider examination of the boards' financial plans and this in itself would demand more time. In terms of clinical safety, again it would only be for the ISP to form a view on the quality of evidence presented within the proposal formulation and decision making process - not make a

pronouncement, however unqualified it may be to do so, based upon its own research.

3. Do you agree that the chair should be a lay person appointed by Scottish Ministers

3.1 From our experience of the ISP, the chair is a pivotal appointment. Annex 2 states that a small pool of people with the skills and experience to lead an independent scrutiny process would be selected through the public appointments process. It is our understanding that the public appointments suffers from a shortage of applicants. Most public appointments are supplemented by a degree of head hunting in order to encourage individuals to apply. This may be necessary for future ISP's.

3.2 Clarity is required on exactly what is meant by a lay person. The chairs of both ISP's had an academic background and this brought with it the ability to analyse and assess evidence rigorously.

4. Do you agree that the panel should have a lay majority among its members?

4.1 Yes. However, the learning curve we faced as individual members of the panels was tremendous and on reflection, it would have been helpful to have been walked through existing service configurations as well as the proposals for change.

5. Do you agree that the panel should assess the evidence and options during the process of public engagement prior to consultation and provide a commentary on these that would be available to the board and to Ministers in reaching decisions?

5.1 It would be our view that the responsibility for public engagement should firmly remain with the health board. During the first ISP processes there was evidence of a lack of clarity within the Boards on the understanding of the accountability issues relating to the ISP processes. At worst, there was a perception that the ISP had reporting and advisory responsibilities to one of the Board's. There is a need for much greater clarity on the reporting responsibilities of the ISPs and the associated accountability to the Minister and public.

6. Do you have any other comments on how independent scrutiny should be carried out, or on the guidance on "informing, engaging and consulting the public in developing health and community care services" at annex 3?

Evidence submitted

6.1 It would save a lot of time, effort and reduce the frustration on all sides if

there is clarity up front about the evidence to be provided to the ISP. From a financial perspective, a checklist of information to be submitted to any ISP could be developed. A submission which did not include the information specified on the checklist would be viewed as incomplete.

6.2 While experience from this round of ISP's is relevant, it must be recognized that all 3 panels and boards were working to an incredibly tight timescale and this must have compromised the quality and completeness of the submissions made to the ISPs.

Relationships

6.3 Understandably, given the newness of the ISP arrangement, there was much uncertainty about how the ISP should interface with the board and its officials. The panel was keen to maintain their independence while the boards were keen to engage much more with the panel.

6.4 From our perspective, many issues were resolved by face to face discussion with the respective directors of finance. In going forward, it would be helpful if time could be permitted to allow engagement which builds up the understanding of the panel.

Time

6.5 The allocated time budget to the ISP's was insufficient and in going forward, more time needs to be allocated.

Secretariat

6.6 The role of the full time secretariat to the panel must not be overlooked as it is essential that there is this dedicated resource.

7. Do you have any other comments on either the consultation process or your preferred choice?

7.1 If ISP's are considered to be the way forward, then the experiences gained from these first panels should be fully harnessed. The reflections of both the panel members and board officials need to be considered and somehow captured so that future panels benefit from their experience.