Health and Sport Committee

NHS Governance – Corporate Governance

Submission from NHS Orkney

The function and role of NHS Boards is set out in legislation and this includes establishing the strategic direction and framework of the area in question. This strategy direction and framework must align with Scottish Government policy, albeit in a local rather than a national context. The strategic intent and by default the operationalisation of that intent, if constructed properly, must be to maximise the health gain of the local health board population, this must be for the overall good of the ‘public’ of that health board area, although it must be accepted that a strategy or decision that results in the maximise overall gain may not necessarily be the best course of action for any particular individual. Resources allocation is always an area where public interest, at a very local level, may not appear to being best served by a decision, say to move to centralised provision of services, whether that is within a Health Board, within a Regional or even at a National level but a properly constructed ‘business case’ supposed by financial and non financial analysis should arrive at the correct conclusion and if implemented correctly there should be maximum health gain across the totality of the health system. The issue of trust is directly linked to the way in which communication is handled and lack of trust generally comes from a failure to communicate effectively or clearly in language that is easy to understand.

NHS Scotland and its Health Boards seek to be patient, public and staff centred in the way they conduct business, but it is not always apparent that they succeed given the potentially competing pressure of achieving these in the face of an obligation to achieve financial balance. The composition of Boards and the way in which non-executive directors are appointed should provide the skills to deliver good governance but there is a perception that the lack of local democratic accountability means that the Board may not sufficiently represent the interests of the community when delivery National policy.
Openness and transparency is a cornerstone of effective corporate governance. Corporate governance establishes the values of how any organisation should operate and it is key that in all matters, not just those of the Board, openness and transparency must be paramount. This tenant is reflected in many aspects of NHS Scotland work such as the Patient Safety Programme, the Duty of Candour and the emphasis on a no blame, open, honest methodology for undertaking our work. It must be recognised however that there are times when certain information must remain confidential, particular when it is sensitive in nature, whether that be for commercial or other reasons. As not all governance meetings are held in the public domain by default this would conflict with openness and transparency. The Board meeting would be held in public domain, albeit generally poorly attended by both public and media, with agenda and supporting papers made available online via our website. In some instances the engagement and communication prior to the Board making a decision is not as effective as it could or perhaps should be which means that rationale for a particular decision may not be well understood.

NHS Boards are accountable to Scottish Government and are open to public scrutiny via mechanisms such as the Scottish Health Council, a very robust complaints procedure, via a national process and easy accessibility to the Ombudsman, and active public participation in many key groups in committees. Scrutiny of performance and the standard of healthcare provision is regulated by Health Improvement Scotland and inspection reports are published national and locally. There is also a very robust audit process in place whereby all Boards are subject to external audit of not only their key financial decisions and outcomes but also key non financial programme. The adoption of a process whereby the annual report and annual accounts are now more focussed on the non financial aspects of the board is very positive, with the detail of the various notes to the accounts now being available as additional information to those who wish to analyse to that level but key performance information. The annual performance report requires:

- A statement from the CEO on the performance of the Board over the period;
- Key activities of the Board;
- Key issues and risks;
- A non financial performance summary

These individual reports are collated by the Auditor General and an overview report is published in the Autumn of each year. When married with the range of information that is published on a very regular basis by ISD, via publicly accessible websites, it is very difficult for the actual performance of a Board not to be very easily determined. Each year all Boards have an annual review and a mid year review with Scottish Government ministers and/or officials. These meetings reviews in year performance and plans for the future.

One view to take on reviewing the effectives of a health board would be to look at the population – this is currently as a whole improving and life expectancy is increasing. This is achieved in the face of an increasingly elderly population suffering from more complex conditions. Another view would be to review the achievement of financial balance, achievement of access targets, these can be measured however do not truly measure effectiveness. Public Health measures such as ABI, Smoking Quits, Healthy Weights are an attempt to introduce a measure to the preventative element of Health service provision.
The effectiveness of such intentions will only properly be assessed after a significant period of time although there would be argument that expenditure as the preventative agenda is fundamental to securing the long term sustainability of NHS Scotland.

I trust this is helpful.

Yours sincerely

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