AUDIT COMMITTEE

Tuesday 11 May 2004
(*Morning*)

Session 2

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CONTENTS

Tuesday 11 May 2004

AUDIT COMMITTEE
10th Meeting 2004, Session 2

CONVENER

*Mr Brian Monteith (Mid Scotland and Fife) (Con)

DEPUTY CONVENER

*Mr Kenny MacAskill (Lothians) (SNP)

COMMITTEE MEMBERS

Rhona Brankin (Midlothian) (Lab)
*Susan Deacon (Edinburgh East and Musselburgh) (Lab)
*Robin Harper (Lothians) (Green)
Margaret Jamieson (Kilmarnock and Loudoun) (Lab)
*George Lyon (Argyll and Bute) (LD)

COMMITTEE SUBSTITUTES

Chris Ballance (South of Scotland) (Green)
Mr Ted Brocklebank (Mid Scotland and Fife) (Con)
Marlyn Glen (North East Scotland) (Lab)
Mr Andrew Welsh (Angus) (SNP)

*attended

THE FOLLOWING ALSO ATTENDED:

Mr Robert Black (Auditor General for Scotland)
Caroline Gardner (Audit Scotland)
Barbara Hurst (Audit Scotland)

CLERK TO THE COMMITTEE

Shelagh McKinlay

SENIOR ASSISTANT CLERK

Joanna Hardy

ASSISTANT CLERK

Christine Lambourne

LOCATION

Committee Room 2

Scottish Parliament

Audit Committee

Tuesday 11 May 2004

(*Morning*)

[THE CONVENER *opened the meeting at 10:06*]

Items in Private

The Convener (Mr Brian Monteith): I welcome members to the 10th meeting in 2004 of the Audit Committee and remind everyone to switch off their mobile phones and pagers, so that the whips cannot get us. I also welcome the Auditor General for Scotland and his team. We have received apologies from Susan Deacon, who has to leave at about 11 o'clock because of another engagement, and from Margaret Jamieson and Rhona Brankin, who cannot be with us today due to ill health.

The first item on the agenda is on matters that we seek to take in private—I will run through them for the benefit of the committee. Item 4 is consideration of proposals for Audit Scotland's future programme of performance studies. Item 5 is a briefing on the Auditor General's report "Better equipped to care? Follow-up report on managing medical equipment". Item 6 is consideration of the key issues that arose from the committee's inquiry into the "Overview of the National Health Service in Scotland 2002/03". Item 7 is consideration of the committee's approach to the Auditor General's report "Day surgery in Scotland – reviewing progress". Item 8 is consideration of possible findings and recommendations on the Auditor General's report on the Scottish Parliamentary Corporate Body accounts, "The 2002-03 Audit of the Scottish Parliamentary Corporate Body".

Members will have noticed that we will take five items in private if the committee agrees to do so. That reflects the amount of work that we are processing at the moment. It is unfortunate that there are so many items in private today, but we have to work through them. Do members agree to take items 4 to 8 in private?

Members *indicated agreement*.

The Convener: I also seek the committee's agreement to take in private lines of questioning for the witnesses at the evidence session on 25 May, when we will discuss the Auditor General's report on managing medical equipment. Our normal practice is to put such items on the agenda as a private item. Members will be aware that we will discuss at our away day whether to change that practice. Do members agree to take that matter in private?

Members *indicated agreement*.

"Holding to account and helping to improve"

10:09

The Convener: Agenda item 2 is a briefing from the Auditor General for Scotland on his report "Holding to account and helping to improve: A strategic statement for public audit in Scotland 2004-06".

Mr Robert Black (Auditor General for Scotland): Recently, I published a strategic statement in which I summarised the main issues and priorities for public audit in the next three years. In that statement, I indicated how Audit Scotland is responding to the changing environment and the growing demands and expectations that are being placed on us. I produced the strategy for discussion with our stakeholders, including the Parliament—through the Audit Committee—the Scottish Executive and the bodies that we audit. The document has been distributed widely to audited bodies in Scotland.

I have used the title "Holding to account and helping to improve" because I think that we are now able to demonstrate that public audit can fulfil those two roles without compromising the independence and objectivity of the audit process. On the theme of holding to account, I believe that over the past four years we have shown that Audit Scotland can provide powerful support to effective democratic scrutiny of how public money is spent and what it achieves. In my view, one of the most significant benefits of having a Scottish Parliament is that the process of holding public servants to account has become much more transparent, robust and comprehensive than it was before devolution.

On the theme of helping to improve, I suggest that we have been able to produce reports that have challenged and supported improvements in the management and performance of public services in Scotland. In my strategic statement, I suggest that, over the next few years, we have a great opportunity to build on those successes.

In doing so, we need to be aware of and responsive to the changing environment in public services in Scotland. I will touch on one or two of those changes. From exhibit 1, members will see that, since devolution, public spending has increased considerably. Public expectations are that the quality and availability of public services will improve as spending rises. However, it is reasonable to suggest that it is unlikely that expenditure will continue to grow at past rates. Through the audit process, we—along with the committee—see evidence of the growing pressures resulting from rising costs in many parts of the public sector. It is likely that it will become very difficult to meet all the needs for and expectations of more and better public services.

In response to public expectations that public services should be well managed, the Parliament has placed a new statutory duty of best value on local government. The Executive is introducing the best-value duty in other parts of the public sector, through the responsibilities that it places on accountable officers. I suggest that it is for audit to provide assurance that that duty is being fulfilled.

As the committee knows from recent evidence-taking sessions, the national health service in Scotland has been reorganised. At the same time, significant changes are being introduced in the delivery of health care in Scotland. The new boards will face great challenges in strategic planning, service delivery and financial management. An effective, risk-based audit approach to audit in the health service will be required to support that process and to provide high-quality, robust reports to the Parliament and, in particular, the Audit Committee.

Another significant issue in the changing environment is that the Government now places a premium on public sector bodies working across organisational boundaries to achieve improvements in service delivery. Those initiatives offer the potential to improve the experience of service users and to make better use of resources, but they give rise to new risks for audited bodies and challenges in measuring and monitoring performance. The search for better ways of delivering services means that public sector bodies will have to continue to seek and use new procurement methods. As members of the committee are aware, private finance initiative/public-private partnership schemes are being used across Scotland, often for large contracts with a high public profile. They will require monitoring, through the audit process, to ensure that they deliver value for money.

Against that background, I will touch on some of the developments in Audit Scotland and how we are fine tuning our approach to public audit. We have identified two broad groups that have a particular interest in our work. The first consists of our major stakeholders—the Audit Committee of the Scottish Parliament and the Scottish Parliament more widely. Reports come to the Parliament through me, as Auditor General. Our other major stakeholder is the Accounts Commission, which oversees the discharge of the audit of local authorities. The second group consists of the 200 or so organisations that are covered by the public audit regime, including the Scottish Executive—in other words, the audited bodies. It can be helpful for us to see those

organisations as, in effect, our clients, although when using that word we must all take care to recognise that our auditors are independent of the bodies that they audit and that their first duty is to report to the Accounts Commission and to me.

10:15

We will produce stakeholder reports for the Parliament and the wider public. We will ensure that those focus on issues that are of real importance, either because of their significance to an individual body or because they affect a number of bodies in a similar way across Scotland. Stakeholder reports will include integrated overview reports of major sectors, such as the NHS in Scotland. They will focus on significant issues and risks and attempt to anticipate issues of concern to the Parliament and the public. We will also produce reports on the performance of particular public bodies and services, as well as reports on matters relating to the audited accounts of bodies. From time to time, it will be necessary for us to undertake investigations into matters of on-going parliamentary and public concern.

Stakeholder reports will be complemented by high-quality, risk-based reports to audit bodies. They will challenge and support audited bodies in managing their major risks, improving their performance and addressing areas of weakness. Final audit reports for audited bodies will be prepared at the conclusion of each audit, summarising the main items arising from it. They will be copied to me, as Auditor General, and I will use them as the basis for reports to the Parliament. I expect that final audit reports for audited bodies will be treated as public documents that should be readily available to members of the public and MSPs.

The revised reporting framework will distinguish between reports that assist the Parliament to hold public bodies to account on the issues that really matter and reports that will challenge and assist audited bodies at local level to improve.

I turn briefly to one or two other issues. In my strategic statement, I emphasise the importance of working with inspectors and regulators so that together we can be a real force for improvement. I demonstrate by means of a diagram the complementary roles that I see audit and inspection fulfilling.

Another important feature of our work must be to find out about the reality of the experience of those who use public services. As I am sure the committee will agree, the key test of whether better services are being delivered is whether users find that services are getting better. Where appropriate, I expect our studies to report on the quality and availability of public services from the perspective of those who are dependent on them.

In effect, the strategy is the framework that I have passed to Audit Scotland as the basis for developing its corporate plan, which is now complete. The latest plan, covering the next three years, is available on the Audit Scotland website. I am happy to answer questions and to take comments.

The Convener: Thank you. Members have the opportunity to put questions to the Auditor General or to make observations on the report. It is fair to say, without being partisan, that critics of devolution, past or current, must accept that in the past four years the public audit environment has changed much to the benefit of Scotland. This document takes us forward from and builds on that achievement.

George Lyon (Argyll and Bute) (LD): I seek clarification on the risk-based audit reports that will be addressed mainly to audited bodies. You suggested that those will not normally be laid before Parliament. I take it that that will not preclude the committee from having sight of them, if and when we request that as part of an investigation into a body.

Mr Black: The reports will be readily available to members of the Parliament and, of course, members of the committee, should the need arise. As I said, there are more than 200 audited bodies in Scotland. The majority of issues that arise through the audit process are matters that should really be addressed by local management—local boards and, in the case of the Accounts Commission, individual local authorities. Normally, the final audit report will be accompanied by an action plan to address areas of weakness that auditors have been able to identify or have felt necessary to mention. Provided that the management are responding timeously and effectively to those areas of weakness, it may not be necessary to report to the committee every issue and weakness in every one of the 200 or so audited bodies.

In order to ensure that those reports are scrutinised thoroughly, a core part of my role is to draw the major issues that they contain through to our integrated overview reports to the Audit Committee. My role also includes ensuring that, where appropriate, individual reports on individual audited bodies accompany the reports that are laid before the Parliament—the so-called section 22 reports. A few of those individual reports have been produced.

I can offer the committee an absolute assurance that, to the best of our ability, we will ensure that all significant issues are actively brought to the attention of the Parliament through this committee.

Equally, if the Parliament is interested in seeing more of the audit papers, I would be pleased to make them available to the committee.

Susan Deacon (Edinburgh East and Musselburgh) (Lab): I thank the Auditor General for the report, which is an excellent and incisive summary of where things are generally in the public services in Scotland and in the audit process in particular. It is good to read something that is reflective about our experience over recent years and that looks at how improvements can be made in future.

I welcome the emphasis on improvement. In particular, I welcome the distinction that is drawn between reports that are about holding bodies to account and reports that challenge and assist organisations to improve—I think that that was the phrase that you used, Auditor General. I also welcome the emphasis that is to be put on the involvement of service users.

I have four questions. First, will you elaborate on the methods that you are considering using to extend service-user involvement in the process?

Secondly, page 4 of the report makes reference to the importance of joint working. Particular mention is made of areas such as

"community planning and the Joint Futures agenda".

How might the audit process ensure that an assessment of the effectiveness of joint working focuses on the experience of the end user? Are users getting a joined-up service or is it the case that providers of services are expending a great deal of effort and energy in meeting and talking together but are not necessarily delivering the results that might be hoped for?

Thirdly, how might you deal with the number of reactive issues that arise? Since devolution, such issues have arisen extensively in a number of areas and have achieved great prominence in the Parliament and/or in the press. Increasingly, people are coming to you to take forward those issues. I wonder where that fits into your strategy.

Finally, will you say more about how you might take forward what I would refer to as generic themes across the public services? Again, on page 4 in the report, I notice that you raise the issue of information and communications technology; moreover, earlier, you mentioned PFI—those areas span different parts of the public sector. There are also wider issues about management capacity and the development of skills. Will we see more consideration of the generic issues in the Scottish public sector in the planned new way forward?

Mr Black: If I may, I will take a moment or two to answer the questions. The first two relate to user experience and the quality of service delivery. In my experience, auditors have always been concerned about those issues, although it is only recently that we have started in a robust way to reflect them in the reports that we produce. We will be considering user experience in a number of different ways. One useful technique that has been used in the past is to get together service users and use them as focus groups to simply talk to us about their experience. More recently, we have used limited surveys of citizens in Scotland to find out more about how they perceive services and what they have found in their use of the services.

I had a discussion just this week in my office about a report that will be coming out over the summer about community aids and adaptations. The report contains important and interesting information, which was drawn both from user groups and from a survey of users' perceptions of the services. The report will also highlight some of the problems that have been experienced.

Clearly, that approach is not applicable to all studies. Nevertheless, I am giving an undertaking that, where such an approach is appropriate, we will increasingly use it in future. Such techniques are also applicable to the joint working initiatives—it should be possible to approach users of services and ask, "Is the service joined up and is it working effectively?" The community aids and adaptations study is an example of that way of working.

On whether we are effective in looking across organisational boundaries, one of the major themes in our corporate plan is the need for Audit Scotland to reorganise itself to specialise in key areas. That will help us to develop expertise to look across organisational boundaries in some of the performance audit work that we undertake. Internally, we are trying to improve our capacity to deliver by developing centres of excellence and specialisation within Audit Scotland.

The next question was on the number of reactive issues and how we cope with them. It is fair to say that quite often I have to make careful judgments about what we get involved in. As committee members fully appreciate, it is inappropriate for the Auditor General to engage in matters of policy or to second-guess management in their role in implementing policy. By that I mean that, if a policy has been agreed on and management are implementing it, generally speaking it is appropriate for the audit process to stand back until a later stage. If appropriate, at that later stage, an objective report can be produced on how the implementation has gone.

Another factor is the limited resources that we have available. We have a full and demanding programme of work and, from time to time, it is necessary to adjust our programme to incorporate issues of public concern, of which there have been

a number. It is impossible to write a rulebook for that. I have to make a judgment on each issue on an individual basis. Generally speaking, I will advise the committee in advance and seek its views informally on whether it is comfortable with the pieces of work that are being undertaken.

The final question concerned generic themes. As we begin to form our future work programme, a number of generic themes are emerging that we would like to share with the committee, including quality of management and leadership in the Scottish public services. Another theme relates to work-force planning and flexibility and includes the whole agenda of pay modernisation. Yet another relates to effective partnership working between agencies—that issue transcends the public sector. Another theme could well be the use of ICT and modern communications technologies to improve services. Finally, there is the theme of better procurement of assets, goods and services. As we put our programme together, at the back of our minds is the need to reflect those themes in the prioritisation and selection of the pieces of work that we are to undertake.

The Convener: Thank you. Do you have any further points to make, Susan?

Susan Deacon: No. I welcome the answer. In particular, I welcome the themes for the areas of work that the Auditor General has just identified.

10:30

Robin Harper (Lothians) (Green): The Auditor General will not be surprised to hear that I will pursue the issue of sustainability, which, for me, is the big theme that runs through all the areas that he has just delineated. Sustainability issues arise in many areas, particularly procurement; they also have a bearing on the theme of quality and the idea of developing centres of excellence and specialisation within the audit structure.

As sustainability requirements are relatively thin on the ground in public services, there is not so much to audit and not as much need to ask public bodies whether they have measured up to such-and-such a requirement. However, St John's hospital in Livingston has set its own quality environmental management standards and, in relation to procurement, is considering achieving ISO 14001, which is the standard environment management certificate.

I do not expect a detailed answer to this question, but is it possible to mention in an audit report that certain public services or elements of such services—for example, a particular hospital or council—have set or measured up to their own sustainability, procurement or energy management standards?

Mr Black: Sustainability is clearly an important issue for Scotland. Although I did not identify it as an explicit theme of the study programme, we might well consider undertaking in our forward programme a number of individual projects in which sustainability issues are important. In particular projects in which such issues are important, we will ensure that they are addressed and highlighted.

It is also important to bear in mind that sustainability is an explicit criterion in the best-value regime that has been introduced under the Local Government in Scotland Act 2003. Clearly, it is also equally applicable to the rest of the public sector. I expect that, when we discuss at a future meeting the programme of studies for consultation, Mr Harper will be pleased to find a few studies that reflect environmental concerns. As ever, we will make a balanced judgment on the studies to which we will give priority.

George Lyon: Cross-cutting service delivery is now a theme in many areas. For example, the health improvement agenda is being delivered not only by the health service but by local government through education and so on. Moreover, issues such as bedblocking are now subject to more cross-cutting approaches such as community planning and joint working.

The new audit services group that you are setting up will both challenge and support bodies with regard to managing performance. However, given that you, as Auditor General, have no role in examining local government, how will you do that? Will you need to have a closer relationship with the Accounts Commission? I apologise if that matter was covered at the committee's evidence session with the Accounts Commission, but there is clearly a big gap. After all, you have no impact on driving improvement in performance in a third of Scottish Executive expenditure. How will you tackle that problem?

Mr Black: A huge advantage in Scotland is that we can cover pretty well all of public spending, which means that we are fully joined up when we plan and undertake our work and that the senior management of Audit Scotland can operate seamlessly in preparing studies and taking them forward to the next stage. The programme has increasingly included studies that have been jointly commissioned, in the formal sense, between the Accounts Commission and the Auditor General. That simply reflects the fact that, as George Lyon mentioned, more of the big local government issues involve work with other agencies. As a result, the programme has had an increasing emphasis on joined-up studies.

That said, we are careful to observe formal reporting routes to ensure that the Accounts Commission reports in public on purely local

government issues and that, if appropriate, matters can be raised with the Scottish Executive and ministers if it is felt that action needs to be taken on individual local authorities or that local authority services need to be treated in isolation from the rest of the public sector. However, any significant issues that might raise reasonable and appropriate concerns for the Parliament become the subject of joint studies, which open the door to this committee and, in theory, other parliamentary committees to have a legitimate and informed interest in those topics.

George Lyon: How do you challenge local authorities to improve in areas in which their side of the equation might be letting down the delivery of national objectives? After all, they are separate and democratically elected bodies that we vigorously and rightly defend. I am not clear how you can have the same impact in that area as committees can have in other areas. We can at least summon accountable officers to appear before us and produce reports that are as hard hitting as possible and that demand action. How will you impact on a sector in which we have no authority to carry out such work?

Mr Black: The issue was explored in some detail in the recent dialogue between the Audit Committee and the Accounts Commission, but I will provide a thumbnail sketch of what will happen. Through the audit process, there will be a best-value audit of every local authority in Scotland. All local authorities will be expected on a rolling cycle to prepare a performance report on public service delivery and on the quality of their stewardship. That report will be subject to an independent best-value audit and a report will be prepared for the Accounts Commission. The commission then has the duty and power to engage with the local authority not only on the areas that are going well, but on those that need attention because they are weak or could be improved.

After the commission issues its findings, we hope—in fact, we confidently expect—that it will be able to reach an understanding with the local authority on the areas that require improvement. As a result, a robust regime will be in place to encourage, support and—where necessary—challenge each and every local authority in Scotland on the basis of its best-value report.

The Convener: You mentioned developing specialisation in Audit Scotland. How will you ensure that auditors do not get too close to the bodies that they are auditing and that they can identify or examine objectively any issues that might arise?

Mr Black: I am very pleased to answer that fundamental question on the independence and credibility of the audit process. The first point to make is that all auditors are appointed by me or the Accounts Commission, not by the audited bodies themselves. That is quite different from the situation in the private sector and indeed in other parts of the public sector. As a result, the auditors have an independent duty to report to me and the commission.

Secondly, the auditors are remunerated by us, not by the audited bodies. As one of the oldest adages puts it, he who pays the piper calls the tune. The tune that we call for from auditors is enshrined in the detailed and robust code of audit practice, which auditors must comply with when they undertake their work and make reports.

The final important element is that we exercise a rigorous quality control regime in relation to all appointed auditors. Not only do we look at the quality of the reports that they prepare, but we examine on a sample basis the procedures that they use to make reports. I am confident that we have robust systems in place to prevent any risk arising of auditors getting too close to audited bodies.

There is, of course, a countervailing benefit. If we are expecting the auditor of, say, NHS Lothian, which is a large and extremely complex business, to use limited and expensive audit resources to greatest effect to address the real risks and the performance issues, that auditor must know NHS Lothian pretty well. There is a balancing act, but I am confident that we are achieving the right balance in the way in which we organise our audit process.

The Convener: Thank you, Auditor General.

"Day surgery in Scotland – reviewing progress"

10:41

The Convener: Item 3 is a discussion of the report by Audit Scotland on day surgery in Scotland. We shall be hearing from Barbara Hurst.

Barbara Hurst (Audit Scotland): "Day surgery in Scotland—reviewing progress" is a report that we published in April. We have done a number of reviews of day surgery in the past, so the new report is, if you like, a follow-up of a follow-up. It was a desktop review and we extend many thanks to the information and statistics division of the health service for providing us with the central data that we analysed to examine performance across Scotland. We looked at 19 procedures that have been widely regarded as suitable for day surgery, because we wanted to ensure that we were comparing like with like.

The findings are fairly straightforward. The key finding is that the rate of day surgery continues to grow, but the pace has slowed significantly. There is still scope to improve the rate of day surgery in some places. We found wide variation between trusts, and even within trusts there is variation between specialties. In general, for the procedures that we compared with England, Scotland is doing less well, although there are a few procedures for which we are doing better.

There is an interesting finding that links with some of the evidence that the committee has taken on the report "Overview of the National Health Service in Scotland 2002/03". We were quite careful to consider whether some procedures were now more suitable to do as out-patient procedures, so we asked the ISD to do a check for us on a given number of the procedures, to ensure that the activity was not transferring into out-patients. We must remember that the data on out-patient procedures are not as good as they are for day-case or in-patient procedures. Even so, we found just one of the procedures—cystoscopy—that has now shifted and can be done in out-patients, and we are recommending that that procedure should come out of the targets for day cases, otherwise there will be a perverse incentive.

The key recommendations that we are making focus on the data. If the information is collected consistently across out-patient, day-case and in-patient procedures, we will have a better way of monitoring what is happening in real time, so we can track whether procedures are being done in the most appropriate places. We have also recommended to boards that they should take a more active interest in what is happening in their areas, both in relation to the rate of day surgery in general and in relation to specialties.

I am happy to take questions on the report.

The Convener: Thank you. I remind members that we have a further item on the agenda to discuss how to approach the report. At this juncture, we have the opportunity to ask questions of the Audit Scotland representatives for the record.

George Lyon: I would like a further explanation of why the rate of increase has slowed considerably. Will Barbara Hurst give us a little more detail on that? The difference between the various trusts is extreme, as we can see from the performance of Argyll and Clyde Acute Hospitals NHS Trust compared with that of Fife Acute Hospitals NHS Trust and some of the other trusts. Have we any explanation of why that is? I see that rurality is hinted at as a possibility, but although Argyll and Clyde has a rural hinterland, it also has a huge urban mass. Perhaps she could also give an indication of the fundamental drivers behind the difference in performance between hospitals in England and Wales and hospitals in Scotland.

10:45

Barbara Hurst: No difficulty there, then.

On the rate of increase, when we saw what was happening, we thought that perhaps we had reached an optimum, and we would expect the curve to flatten out to reflect that. For some areas, that is the case, but it is not the case across the piece, because of the wide variation. It is a Scotland-wide picture, and although we would expect the curve to flatten out a bit, we might not expect it to flatten quite so much.

You are quite right to comment on the difference between the areas covered. The first thing that we thought of was the fact that we have areas with huge rural coverage, which must have an impact, and I think that it probably does have a partial impact. When we start looking at some of the individual procedures, we find that a trust such as Argyll and Clyde Acute Hospitals NHS Trust covers a big rural area, but is the highest-performing trust for some procedures. Therefore, it is not just rurality that is at issue; something else is going on. The review was a desktop review, so we have not gone back into the detail to explain. However, previous work suggests that the way in which day surgery units are used affects performance, and that clinicians' preferences also come into play. That may explain some of the variation.

George Lyon: Will you explain that point a little further? What do you mean by clinicians'

preferences? Are they saying that they will not perform procedures as day work?

Barbara Hurst: The situation is quite complicated. Day surgery is certainly not appropriate for everybody, so we would expect even some of the procedures that we were considering in the review to be done on an in-patient basis if the cases were complex. Other research has found that some clinicians want to manage their surgery list so that they can mix big surgical procedures with smaller ones, with the smaller ones being performed on people who can be seen in day surgery. Clinicians might balance procedures in that way because of how they want to manage the list.

George Lyon: The point that I am trying to get at is whether such a decision could be overturned by management.

Barbara Hurst: It is a clinical decision. That is how it is presented, but it is not a simple equation.

Mr Black: I would like to come at the issue of concern from a slightly different angle. We would expect the report to be considered by individual NHS bodies. We would expect clinical directors and the board to be aware of it and to ask reasonable questions of their clinicians about the level of day surgery performance achieved in individual trusts compared with performance in the rest of Scotland or in England and Wales. It would be inappropriate for us at the centre to try to drive the system out of audit or to suggest for a moment that individual clinicians were not acting appropriately. However, it seems entirely reasonable and appropriate that the information should be used at local level to ask informed questions about what is happening in local clinical practices.

Barbara Hurst: It is an interesting question. I have had discussions with several medical directors who, although they may not agree completely with the report, think that there is enough in it to be able to take it back and consider performance in their own area. That reinforces what Robert Black has said.

On George Lyon's final point about differences compared with England and Wales, I suppose that any comments will be a bit speculative, because we have not considered why the picture is as it is in England. However, there are a few issues that we thought might affect performance in England, including more pressure on beds, which could be driving the move to day surgery, and possibly a stronger or more aggressive central drive to promote day surgery. However, that is speculative.

Susan Deacon: To return to clinical preferences, which I know is sensitive terrain for us—including me—to get into, I think that it is worth while to note, as your report does, that previous work by Audit Scotland identified as early as 1998

"considerable variation among consultants in the percentage of day surgery they carry out".

That was six years ago, but the variations appear to continue.

I recognise that there are all sorts of reasons for that, but I am aware that there is a dynamic in the system that militates against consultants who wish dramatically to change aspects of clinical practice; there can be a pull-back to previous practice. You talked about feeding back your observations and comments to clinical and medical directors, but have you done anything to discuss them with the medical royal colleges, which play a key role in driving clinical practice in such areas? I have a second question, but I will pause there.

Barbara Hurst: The honest answer is no, but I think that it would be good to have that dialogue. The more that we can do to promote our findings and improve practice, the better, so I take your point.

Susan Deacon: Further to George Lyon's question about comparisons with England, and to address the factors that have apparently led to a slow-down, will you say some more about the bricks-and-mortar issues that are involved? In England, there has been a move towards the provision of walk-in treatment centres, and new physical models of care are being delivered. There were, and I believe that there still are, plans to make similar changes in Scotland and to develop what have been called ambulatory care and diagnostic centres—ACADs—although I prefer to call them day hospitals. However, such facilities have not been delivered in the timescales that were planned, not least because of local controversy, consultation and debate about the configuration of hospital services. Do those issues have a direct impact on the trends that you observe in your report?

Barbara Hurst: I do not think that I can answer that question. We did not examine the matter, so it would be risky for me to give opinions on it. We are certainly aware that walk-in treatment centres appear to drive some quite different models of practice in places where they exist, but we have not examined that yet, so I do not think that I can go far in answering the question. I am sorry.

Robin Harper: On the statistics in exhibit 5, it is important to note that the English performance is almost consistent across the board. There is slightly more day surgery in England in every category except bunions and sub-mucous resection. In the Scottish results, there is little difference between the median and the mean, which suggests that there is no long tailback caused by people staying for extended times. Of

course, one cannot have a tailback at the other end, as day surgery is day surgery. Why do we not have the mean results for England? They would add to our interpretation of the figures and would give us a better steer on them.

Barbara Hurst: We had a lot of debate about whether we should mix median and mean figures in the exhibit that you highlight. We worked closely with our sister organisation in England, the Audit Commission; it provided us with the English comparators but it could not give us the mean figures.

We would have run with the Scottish and English medians, but for the very point that you have highlighted: we wanted to show what was happening. As some Scottish trusts were so small in relation to the English trusts, we wanted to ensure that the comparison seemed sensible. I am sorry that I cannot give you more of a response on that matter, but we did try.

Robin Harper: I understand perfectly.

Mr Kenny MacAskill (Lothians) (SNP): As someone who has benefited from a quick in-and-out knee operation, I was very interested in this report. There seems to be a consensus that, although day surgery is not suitable in certain areas, it is beneficial in the main. However, we seem to have a logjam and we are not quite sure why such an approach is not being taken as far as it might be or as speedily as it could be. How can we break the logjam? We could write to the health boards for their views on the report, but it appears that you have already had some informal—if not more formal—discussions with them. Should we take a more outside-the-box view on this matter by, for example, wielding a stick or introducing incentives? After all, we are almost grinding into the sand and we need a solution.

Barbara Hurst: Oh, what a question. I suppose that, if I could answer it, I would make a lot of money as a consultant. Can anyone else help me out here?

Caroline Gardner (Audit Scotland): The health boards have a key role in this situation, particularly now that they are unified organisations and are responsible for setting the direction of health services and ensuring that the operating divisions can deliver them. As the Auditor General said, health boards need to sit down with the clinicians and the clinical director to come to a better understanding of what lies behind the figures and whether the rate of increase is being slowed down by the availability of day surgery units; the level of deprivation that makes it harder for more patients to go home the same evening; or the clinicians' preferences. Such a local understanding of the constraints that are operating in each situation, specialty by specialty, would allow people to move forward. I guess, in that respect, that the committee might be interested in finding out what the health board is doing to promote such dialogue and to take action on the back of it to break the logjam that the member described.

George Lyon: If consultants' preferences are a constraint on the situation, will the new consultant contract—which the Executive's Health Department would have us believe will lead to greater flexibility in managing consultants' time—help to tackle the problem? Clearly, we must get something back from the extra money that we are giving them.

Barbara Hurst: The contract will certainly be one of the mechanisms that will be used. However, we have not yet seen any job plans, so we do not know how it will play out in practice. As the contract forms part of the whole pay modernisation agenda, we will examine how it changes service delivery.

The Convener: As there are no further questions, I thank Barbara Hurst for her responses. I should point out that, later in the meeting, the committee will discuss how to take the matter forward.

We will now have a five-minute comfort break, after which we will resume in private session.

10:59

Meeting suspended until 11:08 and thereafter continued in private until 12:28.

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