



NHS Management Executive
St. Andrew's House
Edinburgh EH1 3DG
31 December 1996

Dear Colleague

ACCOUNTABILITY REVIEWS 1997

Summary

1. This Circular sets out arrangements for 1997 Accountability Reviews.
2. Health Boards should submit draft Corporate Contracts for 1997-98, based on the suggested format, by 31 January 1997.

Yours sincerely

GEOFF SCAIFE
Chief Executive, NHS in Scotland

Addressees

For action:
General Managers, Health Boards

General Manager, State Hospital
Board for Scotland

For information:
General Manager, HEBS

General Managers, Common Services
Agency

Executive Director, SCPMDE

Chief Executives, NHS Trusts

Enquiries to:

Mr D Ford
Directorate of Purchasing
Department of Health
St Andrew's House
EDINBURGH EH1 3DG

Tel: 0131-244 2406
Fax: 0131-244 2051

COMMON SERVICES AGENCY	
RECEIVED	
- 3 JAN 1997	
FILE No	
REFERRED TO	ACTION TAKEN
MS 6/1	

ACCOUNTABILITY REVIEW MEETINGS 1997

Purpose

1. This circular describes arrangements for the 1997 Accountability Reviews and sets the reviews in the context of the ME's planning and performance management process. It also gives specific advice on the format for 1997/98 Corporate Contracts.

National Strategic Framework

2. NHS MEL (1996)59 set out the key priorities and planning guidance for the Scottish Health Service. It reaffirmed the strategic objectives and national priorities for the short to medium term, and set the strategic framework in which Health Boards, as commissioners of health, are expected to develop Local Health Strategies, Annual Purchasing Intentions, and Corporate Contracts. It is for Boards to specify in their plans how the goals and standards they set themselves relate to the health care needs of the population which they serve, and to national priorities.

Relationship between Priorities and Planning Guidance, Local Health Strategies, Accountability Reviews, Corporate Contracts and the Corporate Quarterly Report

3. In the context of Boards' local health strategies and the national objectives set out in "Priorities and Planning Guidance", the aim of the annual Accountability Reviews is to establish whether Boards are achieving the intentions set out in Corporate Contracts and are implementing national policy. The Accountability Reviews in 1997 will also be used to examine the extent to which Boards have become effective commissioning organisations.

4. Targets agreed in Corporate Contracts provide the formal input against which performance is assessed. During 1997/98, performance will be monitored, in 2 main ways:

- ongoing bilateral discussions between ME and Health Board officials including a mid year review; and
- discussions on the overall performance of the NHS in Scotland at the Chief Executive's quarterly meetings with General Managers, drawing on Contracting Templates, and the Quarterly Corporate Report.

Corporate Contracts

5. The draft Corporate Contract should identify the objectives against which Health Boards intend their achievements to be judged and should include specific measurable targets and milestones which allow both the Health Board and the Management Executive to track progress. Annual targets in the Corporate Contract should relate to longer term strategic aims and national priorities. It is important that objectives are outcomes focused and demonstrate the intended impact on improving health or health services (or both).

6. Discussion over the past year has led us to the conclusion that it would be helpful to have a degree of standardisation in Corporate Contracts to eliminate unproductive dialogue about the format of contracts. This year, therefore we include at **Annex A**, a list of the key issues we will address at the Accountability Reviews in 1997, and which therefore we expect to see included in draft Corporate Contracts. Boards will wish to indicate the action they are taking to progress the supporting strategies (Clinical Effectiveness; People-Centred Care; Value for Money; Education, Training, R&D; and Organisational Development) in each of the sections of the Corporate Contract. Boards should also show in their Corporate Contract the planned extra resources that they will commit to the 3 national priorities. **Annex B** shows a suggested template for the Corporate Contract. We have drawn upon a number of Corporate Contracts in drawing up this template. Key points are:

- objectives should be specific and quantified wherever possible;
- the contract should be focused on outcomes and impacts on health;
- it should be used as a working document by Health Boards as well as the Management Executive;
- it should be a summary document - long narrative description is not required; and
- it should link to individual performance objectives within Boards.

7. **Draft Corporate Contracts should be submitted to the NHS Management Executive no later than 31 January 1997.** The extra month is to allow Boards to produce their Corporate Contracts in accordance with the suggested format. Health Boards should discuss the content of their Corporate Contracts with their relevant performance managers in the ME prior to submission. The draft Corporate Contract should be accompanied by a draft contracting template for 1997-98. The purpose of this draft is:

- to show the relationship between the key service objectives outlined in the draft Corporate Contract and expenditure and activity plans;
- to outline how Boards intend to use the change in their resources between 1996-97 and 1997-98;

- to indicate the main shifts in expenditure and activity between the different programmes of care between 1996-97 and 1997-98, for example, shifts between acute and non-acute services and between hospital and community services;

- to show the extent to which Health Boards are seeking to secure efficiency improvements in 1997-98.

8. Health Boards will need to revise these contracting plans in the light of negotiations with their providers over the next few months. At this stage, however, it should be possible for Boards to use the draft contracting template for 1997-98 to show the changes in expenditure and activity that they are seeking to achieve. A commentary should be provided to explain how the planned changes in expenditure and activity relate to the objectives set out in the draft Corporate Contract. This commentary should also explain the relationship between the overall changes in Health Boards' revenue resources and the planned changes in expenditure.

9. Some changes are currently being considered to the structure of the contracting template in 1997-98. However, these changes are unlikely to be substantial and Health Boards should use the current template to indicate their initial plans for expenditure and activity in 1997-98.

1997 Accountability Review Meetings

10. Accountability Review meetings are both the formal end point of the "in-year" assessment of a Health Board's performance and the opportunity to agree forward plans and future objectives for the following year. **Annex C** shows the general agenda that we intend to follow for the 1997 Accountability Reviews, although this will be tailored to suit local needs. We intend that these meetings should focus only on the major issues from the previous year and any outstanding matters which were not resolved during the in-year performance monitoring process. This means we should spend less time looking back and spend more time looking forward. The main purpose will be to look ahead and agree appropriate targets and objectives which will assist the Board in making progress towards realising its long term objectives. In particular, in 1997, Boards will be expected to demonstrate a measurable improvement in the care provided in the three national priority areas; and also how the savings as a result of implementing the recommendations of the Shields Report are being invested.

11. At the conclusion of the Accountability Review I aim to sign-off Corporate Contracts. As these will have been proposed in draft by the Board before the Accountability Review meeting, the purpose of the discussion will be to resolve any outstanding issues.

Timing

12. I intend to hold the reviews in April and May as last year, and once again aim to sign all Corporate Contracts by the end of May. This will mean that good use of time will need to be made between the submission of draft Corporate Contracts in January and the reviews themselves to ensure that the draft Corporate Contract can be signed immediately after the meeting. Health Boards should therefore expect an approach from the Management Executive in February or March to negotiate any required changes to Corporate Contracts in advance of the date of their Accountability Review meetings. This will allow the meeting to focus on outstanding matters.

Attendance at Meetings

13. A schedule of meeting dates is attached at **Annex D**. For meetings other than with the State Hospital, the Management Executive will be represented by me, Dr. Kevin Woods, Director of Purchasing; Mrs Agnes Robson, Director of Primary Care; and your Board's performance manager. Health Boards are invited to field a team of 4 people; additional participants may, on occasion be necessary. It is expected that the Chairman and General Manager will attend and that at least one of the other places will be taken by a non-executive Board Member. Whilst we are content for the Board to decide on the additional director, last year we found the contribution of the Directors of Public Health to be particularly helpful.

14. A separate letter will be sent to each Health Board setting out the date and agenda of each meeting. Papers for the meetings will be finalised one week in advance.

CORPORATE CONTRACT CONTENTS

SECTIONS

- A: Improving Health**
- B: Developing Primary Care**
- C: Promoting Care in the Community**
- D: Reshaping Hospital Services**
- E: Mental Health**
- F: Coronary Heart Disease / Stroke**
- G: Cancer**
- H: Organisational Development in light of the Shields Report**

These 8 main sections are a core that can be built on with local priorities. Each section should include appropriate objectives, with detailed actions to achieve them clearly stated. Milestones which will enable performance to be measured, and to gain a picture of the impact of the Board's efforts on health, should be included.

ANNEX B

STRATEGIC AIM (A-G) - Plus any local goals			
Objectives	Actions	Milestones	Impact
1)	<ul style="list-style-type: none"> i) ii) iii) iv) v) 	Local contact Target completion dates	
2)	<ul style="list-style-type: none"> i) ii) iii) iv) v) 		
etc...			

ACCOUNTABILITY REVIEW 1997

AGENDA

1. Performance against 1996-97 Contract
2. Financial Plan
3. Presentation (National Priorities)
4. Corporate Contract for 1997/98
5. Implementation of Shields Report
6. Any issues outstanding from last year's Letter to Chairman

ANNEX D

SCHEDULE OF DATES

	<u>Date and time of Main Meeting</u>	
Ayrshire & Arran	23 April 1997	2.00pm
Lothian	24 April 1997	10.00am
Grampian	25 April 1997	10.00am
Borders	29 April 1997	2.00pm
Highland	1 May 1997	10.00am
Greater Glasgow	2 May 1997	10.00am
Forth Valley	7 May 1997	10.00am
Orkney	9 May 1997	10.00am
State Hospital	15 May 1997	10.00am
Argyll and Clyde	16 May 1997	2.00pm
Dumfries and Galloway	19 May 1997	10.00am
Lanarkshire	21 May 1997	2.00pm
Tayside	22 May 1997	10.00am
Western Isles	23 May 1997	2.00pm
Fife	2 June 1997	2.00pm
Shetland	3 June 1997	2.00pm