



THE SCOTTISH OFFICE

Department of Health

**NHS
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NHS Management Executive
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22nd December 1997
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Dear Colleague

1998-99 CORPORATE CONTRACTS AND 1998 ACCOUNTABILITY REVIEWS

Summary

1. This guidance provides advice on the 1998-99 Corporate Contracts and describes the arrangements for the 1998 Accountability Reviews.

Action

2. Health Boards should submit draft Corporate Contracts for 1998-99 to the Management Executive, in the requested format, by 31 January 1998. Health Boards should take account of the attached advice in preparing for their 1998 Accountability Reviews

Yours sincerely

GEOFF SCAIFE
Chief Executive, NHS in Scotland

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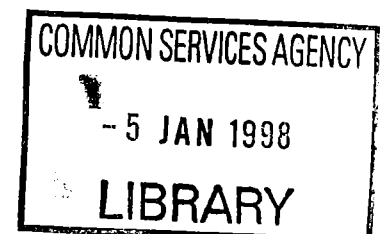
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1998-99 CORPORATE CONTRACTS AND 1998 ACCOUNTABILITY REVIEWS

Introduction

1. This guidance provides specific advice on the format for 1998/99 Corporate Contracts and describes the arrangements for the 1998 Accountability Reviews. It sets these in the context of the White Paper 'Designed to Care: Renewing the NHS in Scotland' (Cm 3811), the Management Executive's performance management process and Health Improvement Programmes.
2. The arrangements set out in this guidance will provide a significant degree of continuity for Boards, particularly in relation to the Corporate Contracts where no radical changes in format from the current year are required. However, there are a number of areas where this guidance does ask for a more consistent approach across the NHS in Scotland, and re-focuses attention on fundamental tasks. Health Boards are expected to adhere to these requests in their responses to this guidance.

National Strategic Framework

3. NHS MEL(1997)44 - Priorities and Planning Guidance for the NHS in Scotland: 1998/99 - reaffirmed the 3 national clinical priorities and the 4 established strategic aims of the NHS in Scotland. In addition, it introduced a new strategic aim: tackling inequalities. All Health Boards, NHS Trusts and GP Fundholders are expected to take full account of the Priorities and Planning Guidance in preparing Corporate Contracts, Health Improvement Programmes (HIPs), Trust Implementation Plans (TIPs) and other strategic documents.
4. The White Paper, 'Designed to Care: Renewing the NHS in Scotland' (Cm 3811) set out a comprehensive programme for change. The key tasks arising for Health Boards should be reflected in Corporate Contracts for 1998/99, as should forthcoming guidance on the implementation of the White Paper. Boards' proposals to lead and implement reforms will be discussed at 1998 Accountability Reviews.

1998/99 Corporate Contracts

5. Corporate Contracts should set out the key objectives against which Health Boards intend their achievements to be assessed. They should therefore include specific and measurable targets, and milestones which will allow Boards and the Management Executive to track progress.
6. For 1997/98 we introduced a degree of standardisation across all Health Boards' Corporate Contracts. This included using a template to ensure a consistent format and the requirement that Corporate Contract targets related to the national strategic aims and national and local clinical priorities. Most Health Boards used the standardised format, and this proved helpful in focusing discussion on the content, rather than the form, of Corporate Contracts. In addition, experience over the last 2 years suggests that the more concise Corporate Contracts have proved to be the more useful to both Health Boards and the Management Executive. **For 1998/99 Corporate Contracts, therefore, all Health Boards are asked to use the format set out at Annex A.**

7. In addition, all Corporate Contracts should be:

- short and concise: no more than 20 sides in total. Explanatory text, or supplementary information setting out the wider strategies or other contexts, is not required by the Management Executive;
- objectives should be limited to the key issues in each area, rather than a comprehensive list of all the action planned by the Board in that area;
- objectives should be specific and quantified;
- objectives should be focused on outcomes and impacts on health.

8. Health Boards may of course wish to produce fuller documents for their own purposes, for example a more detailed list of subsidiary objectives for use as a work plan. But these are not required for Corporate Contracts. Corporate Contracts should contain the following 9 core sections, in addition to sections reflecting additional local priorities:

- mental health;
- cancer;
- CHD/Stroke;
- tackling inequalities;
- improving health;
- developing primary care;
- promoting care in the community;
- reshaping hospital services;
- organisational development in the light of the White Paper.

The section on mental health should include plans to implement the Framework for Mental Health Services in Scotland.

9. Experience suggests that during times of change, it is important for all organisations to retain a focus on the continuing priorities as well as the areas of reform. This will be an important theme for the NHS in Scotland in 1998/99. With that in mind, all Corporate Contracts should take into account 3 basic tasks:

- maintaining pressure on reducing waiting times and meeting guarantees;
- managing peaks in emergency admissions;
- managing the financial resources available to deliver fully Health Improvement Programmes.

10. Clearly, these 3 tasks are as relevant to Trusts as they are to Boards. The 3 tasks above should figure strongly in all HIPs and be reflected in TIPs. As set out in the White Paper, Boards will be responsible for agreeing Trust Implementation Plans and then monitoring implementation of HIPs throughout the year. Boards' Corporate Contracts should therefore show how they propose to monitor and manage Trusts' performance against their TIPs. Boards are expected to continue to monitor and manage their expenditure rigorously. Trusts' 3 financial duties will remain, and all Trusts are expected to meet them. Allocations for 1998/99 were issued in August 1997, and the degree of certainty that this brought to financial planning should be reflected in HIPs.

11. Draft Corporate Contracts should be submitted to the Management Executive Performance Managers by **31 January 1998**: Catherine Brown for North Boards, Norman Harvey for East Boards, Kenneth Hogg for West Boards.

Relationship between Corporate Contracts, Health Improvement Programmes and Trust Implementation Plans

12. The relationship between HIPs and Corporate Contracts is an important one. The documents must be consistent with each other, but each has a distinct and quite separate purpose. HIPs, introduced in NHS MEL(1997)44, should be jointly agreed documents between Health Boards, Trusts and GPs and represent the collective NHS view of priorities for health improvement and investment over the next 5 years. Fundamentally they are locally 'owned' documents. Corporate Contracts, on the other hand, represent an agreement between the NHS Management Executive and Health Boards about the key objectives for the year ahead. While they will therefore need to reflect Year 1 of the Health Improvement Programme, and should be shared with Trusts - in both draft and final form - Corporate Contracts are primarily an accountability mechanism: the means by which the Government can ensure that public money is spent wisely within the NHS.

13. It will also be important to ensure consistency between objectives included in Corporate Contracts and Trust Implementation Plans (TIPs). As mentioned above, each Corporate Contract should reflect Year 1 of the HIP (albeit in a distilled format), from which TIPs are also derived. We will therefore expect to see consistency between the objectives and impacts included in Corporate Contracts and the similar elements in the relevant TIPs.

Performance Management Process including 1998 Accountability Reviews

14. The Management Executive's performance management process is now well established and the main elements will continue in 1998/99. The 1998 Accountability Reviews will, as in previous years, be used to review Health Boards' performance in meeting the targets set out in the 1997/98 Corporate Contracts, and to discuss how Boards are preparing for the challenges ahead. As for the current year, Boards' performance against Corporate Contracts in 1998/99 will subsequently be monitored in-year between Management Executive and Board officials. Most Health Boards now produce for their own monitoring purposes, and share with ME Performance Managers, regular updates on progress against Corporate Contract targets. This has proved very helpful in focusing discussion at in-year review discussions, and **all Boards should continue this practice in 1998/99**. Updates should be submitted quarterly. In addition, the Chief Executive will continue to discuss the overall performance of the NHS in Scotland at regular meetings with Chairmen, General Managers and Trust Chief Executives.

Agenda for 1998 Accountability Reviews

15. The core agenda for the Reviews will be as follows:

- performance against 1997/98 Corporate Contract;
- Health Improvement Programme including financial strategy;
- implementation of White Paper;

- tackling inequalities in Health;
- Corporate Contract 1998/99.

16. In terms of a retrospective review, therefore, these meetings will focus only on the major issues arising from 1997/98 and any other matters which were not resolved during the in-year performance management process. The main purpose of the meetings will be to look ahead and agree appropriate objectives for the year ahead. In particular, we expect to discuss the improvements planned in the 3 national clinical priority areas, plans to tackle inequalities, and Boards' proposals for implementing the White Paper. As in previous years, I intend to sign off Corporate Contracts for 1998/99 at the conclusion of the Review meetings, subject to satisfactory resolution of any outstanding issues.

Timing

17. The Reviews will be held in April, May and June 1998. A list of meeting dates is attached at **Annex B**. Submission of draft Corporate Contracts to the Management Executive by 31 January will allow for 2 months in which to agree any suggested amendments of the drafts before the Accountability Reviews. The aim will be to complete any negotiations about the content of the Corporate Contracts before the Review meetings themselves.

Attendance

18. Attendance at Accountability Reviews will be similar to the 1997 round. For meetings other than the State Hospital, the Management Executive will normally be represented by me; Dr Kevin Woods, Director of Strategy and Performance Management; Mrs Agnes Robson, Director of Primary Care; and your Board's performance manager. Health Boards are invited to bring a team of 4 people including the Chairman, General Manager, and a non-executive Board Member. The contribution of Directors of Public Health has in recent Reviews been particularly helpful. Additional participants may, on occasion, be necessary.

STRATEGIC AIM OR CLINICAL PRIORITY

Longer term objective as set out in HIP	Action	Milestones to monitor in-year progress	Desired impact on health of population
1.	<ol style="list-style-type: none"> 1. 2. 3. 	<ol style="list-style-type: none"> 1. 2. 3. 	1.
2.	<ol style="list-style-type: none"> 1. 2. 3. 	<ol style="list-style-type: none"> 1. 2. 3. 	1.
Etc...			

ANNEX A

ANNEX B**ACCOUNTABILITY REVIEW DATES**

Lanarkshire Health Board	24 April 1998	10.00 am
Borders Health Board	27 April 1998	10.00am
Grampian Health Board	30 April 1998	10.00am
Argyll & Clyde Health Board	7 May 1998	2.00pm
Fife Health Board	8 May 1998	10.00am
Highland Health Board	11 May 1998	2.00pm
Ayrshire & Arran Health Board	12 May 1998	2.00pm
Forth Valley Health Board	13 May 1998	10.00am
Western Isles Health Board	14 May 1998	10.00am
Dumfries & Galloway Health Board	27 May 1998	2.00pm
Lothian Health Board	28 May 1998	10.00am
Shetland Health Board	3 June 1998	10.00am
Greater Glasgow Health Board	5 June 1998	10.00am
Tayside Health Board	9 June 1998	2.00pm
Orkney Health Board	11 June 1998	10.00am
State Hospitals Board for Scotland	12 June 1998	10.00am