

Scottish Parliament Health and Sport Committee

Inquiry into corporate governance

February 2018

Health and social care in Scotland is becoming increasingly complex in an ever-changing landscape with governance structures in flux. The Royal College of Nursing (RCN) is clear that there needs to be open and transparent systems of governance embedded from frontline staff to the different levels of governance of health care services now in operation or emerging in Scotland. Structuring governance frameworks in this way will ensure there is clarity of accountability and that the voices of clinical staff underpin decision-making. The RCN believes this is critical to the quality of care and services, as well as ensuring the safeguarding of high standards for people receiving care and appropriate decisions on resourcing.

The 2018 report by the Royal College of Physicians of Edinburgh and the Good Governance Institute also emphasizes the need for action in order to address the changing landscape of healthcare in Scotland. With the development of Integration Authorities and new regional / national NHS planning structures, the RCN's response to the committee cannot focus solely on NHS Boards when addressing corporate governance. Our response to the committee will, therefore, focus on the need for robust governance and decision-making frameworks to be created in order to reflect a new landscape. Overall, we believe that good corporate governance requires:

- Clarity, on paper and in practice, on accountability and decision making in order for NHS Boards, regional / national groupings of NHS Boards, Integration Authorities and the Scottish Government to fulfil their roles in providing leadership, strategic direction and performance management, especially in this time of large-scale change;
- A demonstrably balanced focus across all elements of governance – including clinical, staff and financial governance – within each organisation's governance activity, in order to deliver appropriate outcomes;
- A strong clinical and staffside voice in all governance and decision-making bodies.

Summary

NHS territorial boards have been constituted to include the Nurse Director (since 2002) and the Medical Director (since 2003) to underline the importance of clinical engagement and expertise in the governance of quality, service development and decision-making. In addition, the Employee Director (since 2001) is a member of the Board elected to represent staff. This model of collaborative working, whilst not without its own challenges, has been developed to ensure strong clinical and staff voices in NHS decision-making.

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The governance landscape is, however, being tested and challenged with the integration of health and social care, moves to greater regionalisation and the increasing pressures on the NHS in the face of growing demand in an era of financial austerity. We cannot assume that the established NHS model of corporate governance will deliver in this changed landscape. There is a risk of confusion in both decision making, and accountability. The RCN welcomes this timely focus on corporate governance from the committee.

A changing landscape

Whilst both NHS Boards and Integration Authorities have governance roles set out for them (though the shared and separate accountabilities held by them may not always be clear in practice), there are increasing moves towards organising NHS acute and support services on a regional or national basis. We are concerned that these embryonic regional / national structures have yet to have their governance structures made clear, despite the potential of their decisions to radically change services. It is, therefore, also not clear to us how they inter-relate, in terms of accountability, with the formal corporate governance structures of NHS boards and Integration Authorities. We would welcome clarity from the Scottish Government regarding corporate governance arrangements around the development and delivery of new regional and national plans for NHS services.

There is a complex and changing landscape in health and social care with the integration of these services. The establishment of Integration Authorities has brought in new governance structures and required the merging of two different cultures. This has resulted in NHS Boards and Integration Authorities facing significant challenges to reconcile, at times contradictory aims of shifting investment from hospital care to community care, while delivering savings from the acute sector while also improving access to hospital treatment. This changing landscape makes robust governance structures that create clarity, transparency and accountability all the more important.

The regulations and guidance set up around the care and clinical governance arrangements for Integration Authorities have now had two years to be tested. Given the experiences of nursing staff to date, we would now welcome a review of the care and clinical governance guidance associated with the Public Bodies (Joint Working) (Scotland) Act 2014, and of the guidance and regulations related to the role of the professional members of the Integration Authorities. This would be a helpful support to Integration Authorities who have responsibility for the governance, compliance with standards, high-risk clinical decisions and the quality of care services within their remit.

Challenges

Audit Scotland's report, *NHS in Scotland 2017*, stated that the Scottish Government should "develop a robust governance framework for the delivery of the Health and Social Care Delivery Plan." This Plan should "simplify and make clear the lines of accountability and decision-making authority between the Health and Social Care Delivery Plan Programme Board and major work programme delivery oversight groups, regional boards, NHS Boards

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and Integration Authorities.”¹ The RCN supports this call. Furthermore, the quality of care provided will be impacted if significant steps are not taken to ensure robust governance and decision-making frameworks are in place that manage the challenges of integrating local, regional and national planning.

Financial pressures

The RCN has consistently stated that, given the pressures and demand on health services in Scotland, difficult decisions will have to be made in regards to allocation of resources. Importantly, we argue that these decisions must be made together with the public and with staff.

On the issue of allocation of resources, the RCN has repeatedly raised concerns about the unintended consequences of insisting that NHS Boards make significant savings while balancing their books on a strictly annual basis, without consideration of the longer-term picture of investment and change that boards are being asked to deliver. There are also notable tensions between some Integration Authorities, NHS Boards and Local Authorities on the sums being delegated and the way savings are being managed and applied. There are significant pressures on governance bodies to ensure sustainability at this time.

Prioritisation and governance of performance

At a time when budgets and resources are stretched, and ever increasing demands are being placed upon Scotland’s health and care services, it is imperative that funding decisions are taken in a wholly transparent manner, and that their success or otherwise can be scrutinised in a meaningful way.

In order to aid transparent funding the RCN is seeking absolute clarity from the Scottish Government on what its key priorities are so that health and social care services are able to plan and budget accordingly. At present there is a confused market of HEAT targets, standards, outcomes, regulatory frameworks, strategic priorities and guidance. All of these can be seen to determine priorities and are pulling service providers in different, often competing, directions.

Though this has received some attention recently, there is more work required to change the current approach and to ensure that performance measures work together to improve the outcomes of everyone who needs to use a health care service. The RCN previously submitted work to the committee in 2016 on *Measuring Success* and believes that this work could continue to help support a shift that would impact positively on effective governance of health care services.

In addition, our work in looking at decision making on health care has repeatedly demonstrated that issues of financial sustainability have dominated the decision making debates of governance bodies, often omitting entirely discussions on the clinical implications,

¹ Audit Scotland, *NHS in Scotland 2017*



or potential consequence on outcomes, of decisions. We understand the severe constraints faced by NHS and Integration Authority governors at this time, but urge a re-focusing - from Scottish Government down – on health care quality and improved patient outcomes at the heart of decision making and organisational performance management.

The RCN recognises that there has been significant work by the Scottish Government to embed good governance within NHS Scotland as it has been traditionally constituted. However, there is now a need to take what is good from NHS boards to develop coherent governance and decision-making frameworks that reflect and respond to the challenges of this new and far more complex landscape. The frameworks should encompass all organisations responsible for health care, including Integration Authorities, NHS Boards and new regional / national planning groupings and the Scottish Government itself.

If you require any further information please contact Gemma Richardson, Parliamentary Officer, at gemma.richardson@rcn.org.uk or 0131 662 6186.

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