

EXECUTIVE NOTE

The National Health Service (Constitution of Health Boards) (Scotland) Amendment Order 2006 SSI/2006/32

The National Health Service (Variation of the Areas of Greater Glasgow and Highland Health Boards) (Scotland) Order 2006 SSI/2006/33

1. This Executive Note sets out details of the above instruments. The National Health Service (Constitution of Health Boards) (Scotland) Amendment Order 2006 is not subject to Parliamentary procedure. The National Health Service (Variation of the Areas of Greater Glasgow and Highland Health Boards) (Scotland) Order 2006 is subject to negative resolution procedure.

Policy Objectives

2. The dissolution of the Argyll and Clyde Health Board area and the intention to vary the boundaries of the Greater Glasgow and the Highland Health Board areas was announced by the Minister for Health and Community Care in a debate in Parliament on 19 May 2005.
3. In 2002 the Scottish Executive Health Department had considerable concerns about the performance of the Argyll and Clyde Health Board; about the size of the financial deficit and the ability of the management team to tackle the issues effectively. A support team was brought in and subsequently a new management team was appointed in 2003. Since then the issue of financial balance has proved to be long running and deep seated. The Auditor General predicted in his Report in September 2004 that Argyll and Clyde's accumulated deficit might rise as high as £80 to £100 million by 2007/08. The Minister for Health and Community Care concluded that there was no realistic prospect of the Board repaying the accumulated deficit. It was also felt that there were underlying difficulties in planning and delivering sustainable, affordable, high quality healthcare services given the geography of Argyll and Clyde. It had become increasingly clear that the geography of the Argyll and Clyde area precluded effective management by a single health board. As a consequence the Minister decided to dissolve the Argyll and Clyde Health Board and to consult on proposals to vary the boundaries of the Greater Glasgow and Highland Health Boards to enable them to take over the planning and management of health care services in the area currently administered by the Argyll and Clyde Board. The Minister also announced the Executive's decision to write-off the accumulated deficit up to £80m.

The Instruments

The National Health Service (Constitution of Health Boards) (Scotland) Amendment Order 2006

4. This Order ("the Dissolution Order") provides for the dissolution of the current Argyll and Clyde Health Board on 1 April 2006, and the amendment of the Schedule to the National Health Service (Constitution of Health Boards) (Scotland) Order 1974 to remove the entry relating to Argyll and Clyde Health Board.. The Order is made under sections 2(1)(a) and (1B) and 105 (6) and (7) of the National Health Service (Scotland) Act 1978 ("the 1978 Act") and comes into force on 1 April 2006.

The National Health Service (Scotland) (Variation of the Areas of Greater Glasgow and Highland Health Boards) (Scotland) Order 2006

5. The above Order (“the Variation Order”) is made under sections 2(3) and (4) and 105(7) of the National Health Service (Scotland) Act 1978 and comes into force on 1 March 2006, other than Articles 3, 10, 11 and 12, which come into force on 1 April 2006.
6. Article 3(1) varies the areas for which Greater Glasgow and Highland Health Boards are constituted to include the appropriate parts of the area of Argyll and Clyde Health Board. Articles 4, 5 and 6 make provision for the transfer of the employment contracts of employees from Argyll and Clyde Health Board to Greater Glasgow and Highland Health Boards respectively. Articles 7 and 8 make provision for the transfer of property and other rights and liabilities. Article 9 sets out requirements for the publication of schemes made under Articles 4 and 7. Articles 10 and 11 make provisions in relation to the dental, ophthalmic and pharmaceutical services lists of Argyll and Clyde Health Board. Article 12 makes provisions for the primary medical performers’ list of Argyll and Clyde Health Board.

Consultation

7. No consultation has been conducted on the “Dissolution Order”. Scottish Ministers consulted widely on the “Variation Order”. A comprehensive consultation exercise was carried out during August and November 2005 on options for varying the boundaries of the Greater Glasgow and Highland Health Boards. All stakeholders including Community Councils, Local Councils, Health Boards, voluntary organisations, elected representatives NHS staff and members of the public had the opportunity to contribute to the process. Following consideration of the responses the Minister for Health and Community Care announced to Parliament on 8 December his decision on the areas of Argyll and Clyde Health Board to be included in Greater Glasgow and Highland Health Boards respectively.
8. A draft of “Variation Order” providing for the changes was circulated in December 2005 inviting comments from interested organisations including Health Boards, Local Councils, Trade Unions, the Scottish Health Council, the Scottish Public Services Ombudsman and the Controller and Auditor General for Scotland.
9. Argyll and Clyde, Greater Glasgow and Highland Health Boards are consulting with staff and their representatives on issues relating to the transfer to Greater Glasgow and Highland Health Boards respectively of their employment contracts and other rights.

Financial Effects

10. The level of funding available for 2006/07 to the current Argyll and Clyde Health Board will be apportioned to Greater Glasgow and Highland according to the Arbuthnott Formula. There will be no effect on other Health Boards.
11. The write-off of the accumulated deficit of £80m will be funded from central funding. No planned health initiatives have been affected to make this happen.

HD Performance Management Division
January 2006