ARGYLL AND BUTE COUNCIL	POLICY DEVELOPMENT GROUP
Policy and Strategy	28 September 2005

Draft submission to the Executive consultation on "Redrawing NHS boundaries in Argyll & Clyde"

1. SUMMARY

The appended report is a draft submission drawing on previous discussions and data gathered about clinical peripherality, finance and opportunities for closer integration of services.

There are still gaps in the draft submission that will need to be clarified at this meeting and with additional information that is still being sought.

2. RECOMMENDATIONS

To consider and revise as appropriate the appended draft submission.

3. BACKGROUND

The previous PDG meeting considered significant information on population, deprivation, geography and rurality, with a conclusion that Argyll and Bute Health Board provided the 'best fit' and Argyll and Bute merged with Highland provided a 'good fit'.

Key questions still remained regarding:

- the best financial option of the two and this has been addressed with the best available information in the accompanying paper *Financial Impact of the Dissolution of Argyll and Clyde Health Board*.
- impacts in terms of governance for the different options may require further clarification, possibly by reflecting differences in local accountability
- opportunities for closer integration and consequent efficiency savings

4. COMMENTARY

The draft submission has been developed with contributions from NHS and Council managers using information available at the previous meetings and further analysis based on direction from the previous meeting. Additional information about clinical peripherality has also been summarised in the accompanying paper *Clinical Peripherality*. This has consequences for the discussion on governance.

There are still some gaps in the draft submission that are awaiting further information or the outcome of discussions at this meeting. Some of the additional

information, such as Citizens Panel views, may not be available in time for presentation to the Council on 12 October, but will be available in time for the Executive's deadline of 4 November.

5. CONCLUSIONS

The development of the submission in response to the Executive's consultation on the dissolution of Argyll and Clyde Health Board has made significant progress since the last meeting.

Additional input is required to direct the final drafting of the submission ready for presentation to Council on 12 October 2005.

6. IMPLICATIONS

Policy: Financial:	Potentially significant depending on the Health Minister's decision regarding future health board boundaries.
Personnel:	Potential integration of support services. This would be dependent on the Health Minister's decision and further detailed negotiations.
Equal Opportunities:	None.

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20 September 2005

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DRAFT SUBMISSION

Redrawing NHS Boundaries in Argyll & Clyde – response from Argyll and Bute

Foreword

XXXX defining moment

XXXX plan for Argyll and Bute in Argyll and Bute

XXXX signed by

Introduction

Health Minister, Andy Kerr, launched the three-month consultation on Argyll & Clyde Health Board boundaries in August 2005. He emphasised that communities will have a strong voice in deciding the eventual boundaries and the factor most important to him was the provision of safe, sustainable healthcare services.

The consultation document includes seven options for redefined boundaries. All seven options are open for comment, despite the Executive's indication of a preference for three of the options.

Consideration of the changes in Argyll and Bute has focused on all seven options, rather than discount some before detailed analysis or comment from local communities and partner organisations. Our analysis and discussion has focused on:

- looking for a 'best fit' for the communities of Argyll and Bute that recognises the complex and diverse nature of the area and the challenges this presents to service providers of all types
- comparisons of population profiles, deprivation data and urban-rural characteristics to identify the option that provides the best for Argyll and Bute and clearly avoids acknowledged weaknesses in the Argyll & Clyde Health Board related to highly mixed population, urban-rural geography and clinical peripherality
- options for effective governance of services in Argyll and Bute, including governance of common services by the Council and Health Board members
- options for more efficient delivery of public services through local integration of Council and NHS support services and more effective links with nationally provided services

This response has been produced by Argyll and Bute Council, with significant input from local NHS partners. Where possible we have also used information about community preferences gathered from a variety of sources including the community planning partnership's Citizens Panel and direct contact with all community councils in the area.

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Summary response

The initial analysis of population profiles, deprivation data and urban-rural characteristics quickly focused attention on two of the Executive's seven options:

- Argyll and Bute as a single health board with a coterminous Community Health Partnership as the 'best fit'
- Argyll and Bute merged with Highland with a coterminous Community Health Partnership as a 'good fit'

Additional analysis then focused on governance arrangements, possibilities for strategic integration with Argyll and Bute Council, clinical peripherality and an assessment of the financial impacts for the two short listed options.

XXXXX insert detail of how the later discussion arrived at the final choice of ZZZZZ

Current situation

The deficit faced by Argyll and Clyde Health Board is one that has had a significant impact on service provision as the Board has been obliged to cut funding in certain areas. The per capita funding allocation to Argyll and Clyde appears to have been adversely affected by the unique mix of different populations and geographies. This has not benefited the population of Argyll and Bute.

Consultation on the Argyll and Clyde Clinical Strategy in 2004 caused significant uncertainty for local communities. The Community Development Programme that followed the consultation has strengthened local relationships between different service providers. There is genuine dialogue between partners locally to identify effective means to deliver high quality health services to the population of an area with significant challenges for all service providers.

There are also very strong links through the Community Planning Partnership that have influenced service delivery and highlight the benefits of joint planning. These processes and the debate about the development of Argyll and Bute Community Health Partnership (CHP) illustrate the strong identity with the area.

The local commitment and focus of many different service providers, whether Council, not-for-profit sector or NHS services based in Argyll and Bute illustrates the strong identity for the area, the desire to meet common challenges and the open, honest debate that characterises work in the area. These strong local relationships often overcome problems arising from a more remote Health Board that is not focused on the unique needs of this area.

As the debate on the future of the Health Board has progressed and opinions have been formed, there has been growing support for the favoured option of an Argyll and Bute Health Board

Population and geography – looking for a best fit

The analysis of 'best fit' was based on an extensive assessment of factors affecting the geography of Argyll and Bute and the various options for revised

boundaries and the characteristics of the different population for each area. The five factors of geography, rurality, coterminosity, natural communities and regional planning used by the Scottish Executive were also considered as part of the analysis.

Full details of the supporting analysis can be accessed from the Argyll and Bute Council web site[1] or by contacting the Council's Policy and Strategy Manager[2].

The key points from this analysis are detailed below:

Area	Option	Key points
Argyll and Bute Health Board	5	• more homogeneous geography and population – largely very remote rural, remote rural and accessible rural with less variation in deprivation (factors which adversely affected Argyll & Clyde) • better placed to address issues of peripherality • precedent of other similar scale health boards for Dumfries and Galloway and Borders and smaller boards for the island authorities • coterminous with the Council and Community Health Partnership (CHP) boundaries and remains within one divisional boundary for the Scottish Ambulance Service • the natural community for Argyll and Bute is one where significant secondary care for the whole population is provided from Glasgow and this would not change whatever option was selected • Argyll and Bute is a complex area with 17.4% of the population on 25 inhabited islands alongside rural mainland areas. A Health Board dedicated to this area would ensure that service priorities are not overlooked by competing priorities in a larger health board

[1] The full analysis of geography and population can be accessed at http://www.argyll-bute.gov.uk/moderngov/Published/C00000307/M00002122/AI00023868/Healthboardsupportinginforma.pdf

[2] Brian Barker, Policy and Strategy Manager, Argyll and Bute Council: tel. 01546 604436: e-mail brian.barker@argyll-bute.gov.uk

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Area	Option	Key points
Argyll and Bute plus Highland	1	• the population profile is similar to that of Argyll and Bute • the physical size and remoteness of the area would present significant challenges • the mix of rural classifications is the same as Argyll and Bute • the Health Board would be coterminous with the Council area and CHP, but would cross Scottish Ambulance Service divisional boundaries • secondary care within Highland would be largely provided within the area, but secondary care in Argyll and Bute would not. The natural 'health' communities are therefore different. • effective representation of Argyll and Bute communities on the Health Board would be a concern because of the scale of the area and remoteness of the Argyll and Bute population to the strategic decision-making centre
Helensburgh and Lomond joins Glasgow and Clyde; remainder to Highland	2	• the profile of the Helensburgh and Lomond population is very different to the rest of Glasgow and Clyde. Significantly higher deprivation in other areas would raise concerns about resource allocation to Helensburgh and Lomond • 90% of Helensburgh and Lomond is classed as rural – a very different mix compared to the rest of the proposed area. This would be a more extreme example of the mix in Argyll & Clyde and would suffer the same difficulties • there is no coterminosity with the Council area or CHP
Oban, Lorn and the Isles (OLI) to Highland; remainder to Glasgow and Clyde	3	• OLI area would match well with Highlands but remainder of area would be similar to Argyll & Clyde, but with more extreme weighting towards urban areas • the Glasgow and Clyde area would contain all 8 classes of urban-rural classification – a problem that Argyll & Clyde was unable to address • there is no coterminosity with the Council area or CHP • OLI's natural community is with other parts of Argyll and Bute, rather than Highland • the arguments against Argyll & Clyde apply to this option
Maintain Argyll & Clyde	4	• there is a very wide range of deprivation across the area and little homogeneity across populations • the area contains all 8 classes of urban-rural classification • for funding, Arbuthnott classed the area as predominantly urban even though Argyll and Bute accounts for 92% of the land area

Area	Option	Key points
Argyll & Clyde merged with Glasgow	6	• retains all the features of Argyll & Clyde, but with Argyll and Bute marginalised further by the large increase in urban population
Argyll & Clyde merged with Highland	7	• retains all the features of Argyll & Clyde, with strategic decision making further from the main population centres and Highland gaining a significant urban area with much higher levels of deprivation

This analysis highlighted the only two credible options as 5 and 1 from the original seven presented by the Scottish Executive. The initial conclusions were:

- Option 5, the Argyll and Bute Health Board, is the best fit
- Option 1, Argyll and Bute plus Highland is a good fit

This analysis focused on the most desirable in terms of fit with the communities that any Health Board has to serve. The Council's Policy Development Group took the view that this is critical when considering what arrangements should be put in place to deliver health services.

Questions still remained in terms of governance arrangements, possible integration with Council services to realise efficiencies in service delivery and potential impact in terms of funding allocation. These are considered in more detail below in relation to the 'best fit' of the Argyll and Bute Health Board and the other option of Argyll and Bute merged with Highland.

Argyll and Bute Health Board

Argyll and Bute Council, Argyll and Bute CHP and an Argyll and Bute Health Board are all separate bodies created under statute. Whilst there may be future opportunities to merge them to create a single integrated public sector agency, this is not a proposal in this response, but a factor to be considered that could facilitate future changes of that type.

The creation of an Argyll and Bute Health Board following the dissolution of NHS Argyll & Clyde will not increase the number of Health Boards in Scotland.

Governance

Argyll and Bute focus

Argyll and Bute poses service challenges that are probably unique in Scotland, and the UK. The geography of the area is highly fragmented, with 25 inhabited islands – more than any other area of Scotland – and a sparsely spread population across that area.

Recent changes within public sector bodies have seen Argyll and Bute increasingly marginalised as rationalisation of public agency offices have seen strategic decisions about Argyll and Bute shift to organisations based in the Central Belt. The challenges of service delivery in this area are easily overlooked

if decisions are made in locations where access by many modes of transport is easy.

Our communities also feel this effect with a recent Citizens Panel survey indicating that more than 25% of respondents felt discriminated against because of where they lived.

Research by the Rural Action Team developed a measure of clinical peripherality that indicates much of Argyll and Bute is highly peripheral for health services. The only option proposed by the Executive that would reduce this peripherality is the creation of an Argyll and Bute Health Board.

These effects that leave Argyll and Bute on the margins of any decision making body will be significantly reduced with the creation of an Argyll and Bute Health Board that has direct links to the Health Minister, clear allocation of resources to Argyll and Bute, strong local representation on the Health Board and more transparent public accountability. Local communities, via an Argyll and Bute Health Board, will have more status, power and influence in discussions with the Health Minister and other Health Boards. The interests of Argyll and Bute would be represented at a national level.

Closer links between the strategic planning body for health, local communities and partner organisations can only build confidence in services locally. A remote body making decisions in Inverness or Glasgow will always be open to accusations of preferential treatment given to the much larger population closer to the corporate headquarters, increasing the feeling of isolation of local people from the bodies that make decisions about services that directly affect their quality of life.

In 2003/4 the percentage of different categories of secondary care provided in Argyll and Bute were:

- elective inpatients – 18% of cases
- emergency – 55% of cases
- day cases – 37% of cases
- new out patients – 55% of cases

All services outside Argyll and Bute were provided at Vale of Leven, Inverclyde, Paisley and Glasgow Hospitals. Any Health Board representing Argyll and Bute residents needs to understand the particular needs of communities that are so distant from service centres and effectively negotiate commissioning of services for those populations.

Strategic integration

Whilst there are clear operational benefits from the integration of Council and CHP services, e.g. through Joint Future and action in the Joint Health Improvement Plan (JHIP), these can only really be effectively delivered if there is strategic coordination by the Council, NHS and other partners.

Effective coordination and integration of strategic planning activities can only happen if organisations trust each other. This is more likely to occur with a coterminous Health Board and Council because there are common challenges in terms of geography, demographics and service delivery with fewer questions

about competing priorities – for example resource allocation to other areas within a larger Health Board area. This has been an issue with Argyll & Clyde as each of the five local authorities in the area want to be able to clearly see how NHS resources are allocated to their area and is likely to be an issue if Argyll and Bute is merged with Highland. Greater trust should lead to greater pooling of resources.

Secondary care commissioning gives a good example of the tensions that could exist with a Highland and Argyll and Bute Health Board. Secondary care services from Argyll and Bute are largely provided from outside the area and Glasgow in particular. Secondary care services in Highland are largely provided from Inverness. If budgets come under pressure, the Health Board will come under pressure to protect major facilities like Raigmore Hospital, which could result in fewer services commissioned from outside the Health Board area – with disproportionate impacts on the population of Argyll and Bute.

Effective scrutiny

Effective scrutiny of a health board is essential if the pubic are to have confidence in the services that the board provides.

The merger of Argyll and Bute with Highland provides immediate concerns about the effective scrutiny and influence by local communities and partners on an organisation based in a city that is not part of the natural community of Argyll and Bute. Health services for the population of Argyll and Bute are either provided in Argyll and Bute or the Glasgow conurbation – there are no natural links to Inverness.

Anyone trying to scrutinise a body needs to understand the organisation and have effective access to people and information. This is less likely to be the case with a merged Highland/Argyll and Bute health Board. The situation would be very different with an Argyll and Bute Health Board headquartered in Argyll and Bute. Access would be much easier, even for more remote communities as they can use arrangements already in place for the Council.

Joint audit arrangements could provide a stronger local audit presence that is perceived as more independent because representatives of the Council could be involved in audit of the NHS and vice versa.

There would also be a stronger voice for local communities with an Argyll and Bute Health Board. Representation from democratically elected members and non-executive board members, all drawn from Argyll and Bute would encourage greater accountability to the local population. This contrasts with the situation in Highland where the Argyll and Bute population and their representatives could easily be out-voted by interests focused on Inverness and the Highland area.

Concerns about representation and local accountability are far easier to address with an Argyll and Bute Health Board. Highland would be expected to make significant changes to their executive arrangements or devolve significant control to a very strong, highly devolved Argyll and Bute CHP if questions of governance for a merged Highland and Argyll and Bute Health Board were to be adequately addressed.

The Executive has already created the right climate for scrutiny of integrated NHS and Council services within Joint Future via the Joint Planning, Information and

Assessment Framework (JPIAF) and Children's Services. Further strategic integration could build on this to further scrutinise, audit and recommend improvements for:

- Sharing information
- Joint inspection
- Exchange of best practice
- Common standards
- Harmonising data collection requirements
- Planning
- Performance monitoring and management

SUMMARY – Governance of health services in Argyll and Bute is a significant concern. Argyll and Bute is an area that is often marginalised and any new structure must be able to demonstrate that the health needs of the local population are being effectively addressed. The complex and diverse nature of the area demands effective strategic coordination of services with agreement on common priorities across different service providers. Local communities must be able to see and contribute to effective scrutiny of service planning and delivery. These demands would most effectively be met by an Argyll and Bute Health Board based in Argyll and Bute.

Efficient government

National context

A Partnership for a Better Scotland set out the Executive's vision for public services of the highest possible quality and offering the greatest possible choice; to be achieved by matching investment with reform, increasing public sector productivity and designing services around the needs of individuals. The Efficient Government initiative, launched in June 2004 by Andy Kerr, the then Minister for Finance and Public Services, is a central part of that programme of investment, reform and modernisation.

Until now, our focus has been mainly directed at making individual organisations more efficient while working together within the Joint Future and Community Health Partnership (CHP) structures. This has been further reinforced in statute within the Community Care & Health (Scotland) Act 2002, which provided the financial framework for the NHS and councils to work in a significantly more integrated manner. In particular, the legislation allows greater flexibility for local authorities and the NHS to transfer funds to each other for the provision of operational and support services and allows the financial framework for the creation of joint projects.

The dissolution of Argyll & Clyde Health Board offers a rare opportunity to change organisational boundaries to facilitate closer, more integrated working, between two important public sector bodies. Argyll and Bute is unusual with the corporate and operational boundaries of many organisations failing to match. This complexity creates difficulties that a revised Health Board boundary could greatly

simplify and so open up opportunities for integration across all support services within the NHS and Argyll & Bute Council and so help to realise efficiencies through integration in areas such as purchasing, accommodation and support services.

Integrated working and improved efficiencies will enable the Health Board and Council to focus resources on the people and places that matter to improve the experience of users of public services. Every pound that is used inefficiently is a lost opportunity to provide better public services.

Argyll and Bute context

The Scottish Executive's focus on the five factors of geography, rurality, coterminosity, natural communities and regional planning also provide a useful framework to look at opportunities to deliver further efficiencies in the delivery of public services in Argyll and Bute. The areas that could deliver efficiencies are evident at corporate and operational levels and extend beyond health related services. Opportunities that are already being developed in partnership with the NHS include:

- Integration of service provision within the Joint Future Partnership
- Joint work within the Community Planning Framework

Further integration at corporate levels would be a logical extension of the work progressing through Community Planning and Joint Future as both clearly go beyond the simple alignment of operational services. They have developed into an agenda that involves the integration of services and the active involvement of support services in the development, planning and creation of protocols that support operational services. Procurement, Personnel, Finance, ICT, Asset and Facilities Management, Legal, Planning and Transport are all support services that offer potential for closer integration between Argyll and Bute Council and an Argyll and Bute Health Board.

Some steps have already been taken under Joint Future and Community Planning, but there is potential for much more. A coterminous health board offers greater opportunities to extend joint planning for the region to a wider range of support services – building on the progress made with operational activities to date where we have integrated teams, co-located, working with integrated e-care systems to agreed protocols. Common boundaries offer transparency in terms of governance and common understanding and focus between organisations about the challenges facing service delivery for local populations in Argyll and Bute's complex environment.

Closer coordination and integration between the NHS and Argyll and Bute Council takes scrutiny and efficiency significantly further than the Joint Future or CHP proposals. This crossing of organisational boundaries has the potential to transform support services to develop a single and integrated approach that is both efficient and cost effective.

Progress so far

The focus of Joint Future is improving service outcomes for clients and carers via an integrated and efficient working relationship between the NHS and the Council. This allows for improvement in both efficiency and quality.

Our work within Joint Future and development of the CHP has clearly highlighted the need for high-level governance arrangements between the Council and the NHS that focuses on more efficient and customer-focused processes for service delivery. Operational changes can only be effectively implemented if there is trust, openness and common goals at a strategic level between the partner organisations. So, whilst integration will largely be apparent in operational areas between the Council and CHP, there needs to be a clear Health Board commitment – which will be best facilitated by an Argyll and Bute Health Board free of the distractions of priorities from other areas outside Argyll and Bute.

Argyll and Bute Council and its community planning partners are committed to the closer integration of public services and are keen to enable steps that would facilitate the creation of a single public service authority for the area – if Scottish Executive research proves this to be an effective model for service delivery.

Areas for future consideration

The Council and NHS invest significant resources in the development of support services for the assistance of operational services. These provide fertile ground for joint working and opportunities to remove duplication or unnecessary effort so that time and resources can be redirected to service delivery and client-centred outcomes. Areas identified for further investigation include:

- Procurement
- Personnel management
- Asset and Facilities Management,
- Information and Communications Technology
- Finance/Salaries
- Planning
- Legal
- Transport

Some of these are already managed via collaborative arrangements, e.g. the NHS and the Council both link with regional or national purchasing arrangements and the NHS has national arrangements for legal and financial support. Any review would take account of these and look for opportunities to benefit both partners, either by tapping into national networks or using local support that could speed up processing of particular areas of work.

This also meets Scottish Executive expectations for Efficient Government where organisations will be expected to use Executive support services or share support services with other organisations.

1. Procurement

There are major gains to be made from better procurement practice by extending e-Procurement gains, using the best of existing collaborative arrangements with

other partners and integration in other areas to maximise purchasing power. Examples include the Council's Pecos system and the Authorities Buying Consortium.

2. Personnel management

Processes relating to recruitment and retention, workforce planning, absence management and job evaluation are central to the functions of personnel services and are an important area for collaboration. There are particular challenges in an area like Argyll and Bute where rural nature and fragmented geography make recruitment more difficult, especially if managed remotely to the area (as is the case with Argyll & Clyde).

Although the experience of the Joint Future agenda has highlighted many difficulties in retaining clear employment status for staff within the two partner organisations that must be retained there are areas of work that would benefit from an integrated approach. Greater strategic integration would alleviate some of these difficulties, especially if the strategic focus was solely on Argyll and Bute.

3. Asset and Facilities Management

Areas like Argyll and Bute with its low population density need a network of locations to deliver services. The number of locations far exceeds that which would be expected for the same population in an urban setting. This creates difficulties for all service providers and joint development and management of assets is one way to secure higher quality service delivery points with lower running costs. Services are also improved because many services can be accessed from one location.

Within the Joint Future Partnership, this is already being progressed on the basis of efficient use of buildings in support of the targeted outcomes of co-location of staff and integration of services e.g. joint day services for older people and redevelopment of the Mid-Argyll Hospital with co-location of hospital services, dentistry, GPs and local authority staff.

Argyll and Bute Council has embarked on a programme to review and rationalise assets and there is significant scope to develop this further with a local strategic partner. There would need to be close working and common priorities and a Health Board with an Argyll and Bute focus would help to achieve this aim with more effective long term planning for provision of assets and their day-to-day management.

After employee costs, the management of assets is typically the second highest cost on the revenue budgets of public sector bodies and efficient asset management can make a significant difference to revenue availability for service delivery.

4. Information and Communications Technology (ICT)

The integration of the ICT agenda within operational services across Health and the Council is a central component of Joint Future Agenda. The development of an integrated, electronic assessment process that serves social work, housing and nurse practitioners is one of the major priorities for the partnership and requires an integrated approach in terms of planning, finance and implementation.

The general integration of ICT support services can build on this work in terms of system development, procurement, training and maintenance arrangements that are presently duplicated across the NHS and the Council.

5. Finance/Salaries, Planning and Legal

Integration of personnel services also offers scope for development of joint arrangements for payment of salaries. There is also an opportunity to review our financial management and planning systems so that budget and service planning complement each other (taking account of the fact that the NHS is tied into national arrangements for financial management).

Joint Future is a significant building block to help develop this closer working. Personnel from both partner organisations work to common protocols for the management of budgets across integrated services. Further efficiencies and greater standardisation can be realised by developing this further with more efficient use of staff to develop financial planning and monitoring systems.

There may be some scope to reduce duplication of legal services or to take advantage of other external arrangements available to the NHS or the Council – for example from national services or particular partnership agreements.

6. Transport

There are possible benefits in two areas with regard to transport. They relate to fleet management and service coordination for the transport of goods and people. The significant distances in Argyll and Bute and the need to provide services to island communities suggest that there is significant scope to make savings from better coordination of these services.

SUMMARY – The redefinition of the health board boundaries offers an opportunity to progress the Executive's Efficient Government initiative. This moves beyond efficiencies within one organisation, or several organisations in one sector, to different organisations working in one geographic area – a possible prelude to the development of single public service authorities. There has been some integration at an operational level with Joint Future, but more extensive integration is only possible with close strategic alignment and coordination. For these reasons, Argyll and Bute would be best served by its own health board to enhance transparency, build greater trust and benefit from fewer competing priorities and so further integrate service delivery.

Financial impact

An assessment of the likely financial impact of the different options for Argyll and Bute has been difficult and the calculation of a per capita allocation for each option based on current allocation mechanisms has not been possible. The principal difficulties relate to the limited availability of data and weightings for health board or local authority boundaries, so any option that divided the Argyll and Bute area could not be assessed.

A partial assessment was possible for the options for Argyll and Bute Health Board and Argyll and Bute merged with Highland, but only in terms of the likely direction of change of any funding allocation rather than a quantified result. Two factors affected this analysis; first the lack of a remoteness weighting factor for

Argyll and Bute to include in the Arbuthnott formula for calculating per capita allocations; and second insufficient detail about the final calculation in the Arbuthnott formula to produce the overall weighting for budget allocation.

The cooperation of the Scottish Executive Health Department is acknowledged in terms of the amount of information shared on this topic as the analysis could not have been completed without that contribution.

Our analysis, based on factors used in the current Arbuthnott formula for allocating funds, suggests that:

- Argyll and Bute is likely to receive a higher overall per capita funding allocation than under Argyll and Clyde, largely because of the age/sex profile of the population and higher remoteness weighting (the deprivation factor would probably reduce)
- the three main factors for the Arbuthnott formula are likely to be similar for Argyll and Bute and Highland, so Argyll and Bute would not be advantaged or disadvantaged if in a dedicated Health Board or merged with Highland

In terms of overheads, there should be little difference between the two options under discussion. All but one health board have 15.6-18.1% of their staff classed as Admin, Clerical and Senior Management (Highland 18.0% and Argyll and Clyde 16.7%). There is nothing to indicate that an Argyll and Bute Health Board would be outside this range.

Also, costs associated with primary care or care commissioned outside the area are unlikely to change as a result of redefined health board boundaries. Costs of access to nationally provided support will remain the same, whatever prevails for regional arrangements.

SUMMARY – The significant similarities between Argyll and Bute and Highland suggest that there would be no significant difference in terms of per capita funding allocation overheads/care costs between an Argyll and Bute Health Board and a merged Argyll and Bute and Highland Health Board. Basic comparisons between different health boards suggest that overheads are unlikely to stray from current norms as all health boards, bar one, follow a similar pattern.

Community voice

NHS professionals

XXXX Council, NHS, health care professionals, local people?

Council staff

XXXX

Local communities

XXXX information we’re looking for from the next Citizens Panel survey – plus check previous surveys

XXXX other information from the population