

Assessment of compliance with the Code of Practice for Official Statistics

Statistics on Health Service Costs in Scotland

*(produced by the Information Services Division, NHS
National Services Scotland)*

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About the UK Statistics Authority

The UK Statistics Authority is an independent body operating at arm's length from government as a non-ministerial department, directly accountable to Parliament. It was established on 1 April 2008 by the *Statistics and Registration Service Act 2007*.

The Authority's overall objective is to promote and safeguard the production and publication of official statistics that serve the public good. It is also required to promote and safeguard the quality and comprehensiveness of official statistics, and good practice in relation to official statistics.

The Statistics Authority has two main functions:

1. oversight of the Office for National Statistics (ONS) – the executive office of the Authority;
2. independent scrutiny (monitoring and assessment) of all official statistics produced in the UK.

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ASSESSMENT AND DESIGNATION

The *Statistics and Registration Service Act 2007* gives the UK Statistics Authority a statutory power to assess sets of statistics against the *Code of Practice for Official Statistics*.

Assessment will determine whether it is appropriate for the statistics to be designated as National Statistics.

Designation as National Statistics means that the statistics comply with the *Code of Practice*. The *Code* is wide-ranging. Designation can be interpreted to mean that the statistics: meet identified user needs; are produced, managed and disseminated to high standards; and are explained well.

Designation as National Statistics should not be interpreted to mean that the statistics are always correct. For example, whilst the *Code* requires statistics to be produced to a level of accuracy that meets users' needs, it also recognises that errors can occur – in which case it requires them to be corrected and publicised.

Assessment reports will not normally comment further on a set of statistics, for example on their validity as social or economic measures. However, reports may point to such questions if the Authority believes that further research would be desirable.

Assessment reports typically provide an overview of any noteworthy features of the methods used to produce the statistics, and will highlight substantial concerns about quality. Assessment reports also describe aspects of the ways in which the producer addresses the 'sound methods and assured quality' principle of the *Code*, but do not themselves constitute a review of the methods used to produce the statistics. However the *Code* requires producers to "seek to achieve continuous improvement in statistical processes by, for example, undertaking regular reviews".

The Authority may grant designation on condition that the producer body takes steps, within a stated timeframe, to fully meet the *Code's* requirements. This is to avoid public confusion and does not reduce the obligation to comply with the *Code*.

The Authority grants designation on the basis of three main sources of information:

- i. factual evidence and assurances by senior statisticians in the producer body;
- ii. the views of users who we contact, or who contact us, and;
- iii. our own review activity.

Should further information come to light subsequently which changes the Authority's analysis, it may withdraw the Assessment report and revise it as necessary.

It is a statutory requirement on the producer body to ensure that it continues to produce the set of statistics designated as National Statistics in compliance with the *Code of Practice*.

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1 Summary of findings

1.1 Introduction

- 1.1.1 This is one of a series of reports¹ prepared under the provisions of the *Statistics and Registration Service Act 2007*². The Act requires all statistics currently designated as National Statistics to be assessed against the *Code of Practice for Official Statistics*³. The report covers the set of statistics reported in *Scottish Health Service Costs*⁴, produced by the Information Services Division of NHS National Services Scotland (ISD).
- 1.1.2 This assessment was partly conducted by self assessment. This means that the ISD's Head of Profession for statistics has investigated the statistics covered by this report and has confirmed that they comply with those parts of the *Code of Practice* that are listed in annex 3 as having been self assessed, except where noted otherwise in this report. Compliance with the remaining practices has been assessed by the Assessment team.
- 1.1.3 Section 3 of this report adopts an 'exception reporting' approach – it includes text only to support the Requirements made to strengthen compliance with the *Code* and Suggestions made to improve confidence in the production, management and dissemination of these statistics. This abbreviated style of report reflects the Head of Assessment's consideration of aspects of risk and materiality⁵. The Assessment team nonetheless assessed compliance with those practices in the *Code* shown as outside the scope of self assessment in annex 3, and has commented on all those in respect of which some remedial action is recommended.
- 1.1.4 This report was prepared by the Authority's Assessment team, and approved by the Board of the Statistics Authority on the advice of the Head of Assessment.

1.2 Decision concerning designation as National Statistics

- 1.2.1 The Statistics Authority judges that the statistics covered by this report are readily accessible, produced according to sound methods and managed impartially and objectively in the public interest, subject to any points for action in this report. The Statistics Authority confirms that the statistics published in *Scottish Health Service Costs* are designated as National Statistics, subject to ISD implementing the enhancements listed in section 1.5 and reporting them to the Authority by October 2012.

¹ <http://www.statisticsauthority.gov.uk/assessment/assessment-reports/index.html>

² http://www.opsi.gov.uk/Acts/acts2007/pdf/ukpga_20070018_en.pdf

³ <http://www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html>

⁴ <http://www.isdscotland.org/Health-Topics/Finance/Costs/>

⁵ <http://www.statisticsauthority.gov.uk/assessment/assessment/guidance-about-assessment/criteria-for-deciding-upon-the-format-of-an-assessment-report.pdf>

1.2.2 ISD has informed the Assessment team that it has started to implement the Requirements listed in section 1.5. The Statistics Authority welcomes this.

1.3 Summary of strengths and weaknesses

1.3.1 ISD engages users and data suppliers in each of the NHS boards through a user group that meets regularly through the year. It also engages regularly with the key sponsor of the statistics in the Scottish Government Health Department. It maintains a contact database of users making ad hoc requests for costs statistics.

1.3.2 ISD provides a wide range of health service costs statistics on its website to support use by expert users. It also has developed a statistical release (with accompanying summary tables) that highlights findings of particular interest to non-expert users. However, the release does not provide an overview of the main costs in each sector or describe the changes in costs over time.

1.3.3 ISD provides summary background information in the statistical release with links to the detailed financial and accounting documentation. The release does not provide sufficient information about the issues affecting the quality of the statistics.

1.4 Detailed recommendations

1.4.1 The Assessment team identified some areas where it felt that ISD could strengthen its compliance with the *Code*. Those which the Assessment team considers essential to enable designation as National Statistics are listed in section 1.5. Other suggestions, which would improve the statistics and the service provided to users but which are not formally required for their designation, are listed at annex 1.

1.5 Requirements for designation as National Statistics

Requirement 1	Publish information about the methods used to produce, and the quality of, the health service costs statistics (para 3.3).
Requirement 2	Improve the commentary in the releases so that it aids user interpretation of the statistics (para 3.4).

2 Subject of the assessment

- 2.1 ISD holds a range of data relating to health finance in Scotland. This includes information about: NHS costs, the Resource Allocation Formula⁶, the Scottish National Tariff⁷, and the National Benchmarking Project⁸. ISD publishes summary costs information about NHS Scotland (NHSS) in *Scottish Health Service Costs (Costs Book)* which is supplemented by around 70 detailed tables⁹ on its website. The health service statistics provide annual costs information in relation to the services funded by NHSS in the previous financial year. The release has been published online since 2000; before this *Costs Book* was a paper report.
- 2.2 The statistics are derived by ISD from financial and statistical data compiled annually by NHS boards. Data collection is through a series of financial returns on template spreadsheets for each sector. *Cost Book* analyses 94 per cent of the NHSS net operating costs, presenting statistics on each of the 14 health board areas and at two special boards: the State Hospital¹⁰ and Golden Jubilee National Hospital¹¹; health boards provide hospital and community care directly to patients. The remaining six per cent covers the costs of the special boards which do not provide direct patient care such as NHS Education¹² and NHS Health Scotland¹³.
- 2.3 The range of services covered in each sector includes:
- hospital services – ranging from complex surgery by consultants at large city hospitals to outpatient clinics at rural community hospitals;
 - community services – home visits by district nurses, for example, or prevention services such as breast screening and health promotion; and
 - family health services – provided by the family doctor (GP) service and the ‘High Street’ dentists, opticians and pharmacists.
- 2.4 The health service costs statistics are used by Scottish Government’s Health Department and healthcare providers, to support benchmarking of local NHSS healthcare services. They are also used by Audit Scotland to support their reports on the efficiency of different aspects of healthcare such as cardiology¹⁴ and orthopaedic services¹⁵, health researchers¹⁶, the voluntary sector, such as the Meningitis Scotland Association¹⁷ and the media.
- 2.5 The staff resource used to produce the health service costs statistics is 2.0 full time equivalent staff. This covers the data capture, system development and

⁶ <http://www.isdscotland.org/Health-Topics/Finance/Resource-Allocation-Formula/>

⁷ <http://www.isdscotland.org/Health-Topics/Finance/Scottish-National-Tariff/>

⁸ <http://www.isdscotland.org/Health-Topics/Finance/National-Benchmarking-Project/>

⁹ <http://www.isdscotland.org/Health-Topics/Finance/Costs/Detailed-Tables/index.asp>

¹⁰ <http://www.tsh.scot.nhs.uk/>

¹¹ <http://www.nhsgoldenjubilee.co.uk/home/>

¹² <http://www.nes.scot.nhs.uk/>

¹³ <http://www.healthscotland.com/>

¹⁴ <http://www.audit-scotland.gov.uk/media/article.php?id=193>

¹⁵ <http://www.audit-scotland.gov.uk/media/article.php?id=128>

¹⁶ http://jech.bmj.com/content/64/Suppl_1/A25.2.abstract

¹⁷ <http://www.menscot.org/research.php>

maintenance, user support activities, such as answering ad hoc queries, and the preparation of the statistics and statistical release.

3 Assessment findings

- 3.1 ISD actively engages with data suppliers and users in the NHS boards and the Scottish Government's Health Department through a user group that meets three times a year. The group reports to the health service finance steering group. The user group provides feedback to ISD on the likely impact resulting from proposed changes to the NHS organisation and data collection arrangements. It recently involved NHS boards in testing a new data collection web tool to be used for the next round of returns. ISD told us that it used to receive many queries for additional costs statistics and as a result has broadened the range of statistics that it makes available online. It maintains a customer contact database and has used this to contact users to seek their views, for example about their views of the new web presentation of the costs statistics. ISD told us that much of the user interest in further statistics about the costs of specific treatments and procedures cannot be met using existing data. ISD told us that it plans to extend the information on its website about the types of use and user needs. We suggest that in preparing this note ISD refer to the types of use put forward in the Statistics Authority's Monitoring Brief, *The Use Made of Official Statistics*¹⁸ when documenting use, and highlight use by users outside of the NHS, such as the voluntary and commercial sectors.
- 3.2 ISD presents a summary of costs statistics for Scotland and by NHS board in Table R100¹⁹, which provides a comparison of the latest figures with the previous year and incorporates changes to local cost statistics. However, ISD does not indicate the nature or scale of the revisions at the time that these changes are made. It has published a new policy on revisions to statistics²⁰ since the last release of *Costs Book*. It told us that it will apply its new policy in future editions of the statistical releases and that it will give an indication of the nature and extent of the revisions.
- 3.3 ISD provides summary information on data quality issues and the classifications associated with the cost information in an annex to the statistical release. This provides links to detailed costs information which tend to be technical documents (such as the Costing Guidance Manual²¹) for the recording or accounting of financial information. ISD does not provide sufficient information about the completeness, quality assurance (including issues around the auditing of the financial information), comparability and coherence of the statistics in *Costs Book*. It highlights in Table R100T²² that the statistics may be affected by missing data and organisational changes but does not explain the likely impact on the statistics. It notes in the release that it does not adjust the statistics to take account of the effect of inflation but does not explain why. ISD is introducing an improved data collection system for use by the NHS boards that it expects to lead to improved completeness and quality of the statistics. As part of the designation as National Statistics, ISD should publish

¹⁸ <http://www.statisticsauthority.gov.uk/assessment/monitoring/monitoring-briefs/index.html>

¹⁹ <http://www.isdscotland.org/Health-Topics/Finance/Costs/File-Listings-2011.asp>

²⁰ <http://www.isdscotland.org/About-ISD/About-Our-Statistics/>

²¹ <http://www.isdscotland.org/Health-Topics/Finance/Costs/Reference-Information.asp>

²² See footnote 19

information about the methods used to produce, and the quality of, the health service costs statistics²³ (Requirement 1).

- 3.4 ISD provides a wide range of statistics in detailed tables on its website which are intended for technical or expert users, accompanied by a statistical release intended for a more general audience. It has focused its commentary to give examples of specific findings but does not provide a sufficiently complete presentation of the overall costs in each sector. For example, ISD gives some examples of different types of hospital services expenditure which only amount to £0.5 billion of the total £5.5 billion for the sector. The commentary tends to focus on the most recent year and does not present comparisons of the costs over time. Trends are presented in the online Table R100T but the key findings are not described. As part of the designation as National Statistics, ISD should improve the commentary in the releases so that it aids user interpretation of the statistics²⁴ (Requirement 2). We suggest that in meeting this requirement ISD should consider the points detailed in annex 2.

²³ In relation to Principle 4, Practice 2 and Principle 8, Practice 1 of the *Code of Practice*

²⁴ In relation to Principle 8, Practice 2 of the *Code of Practice*

Annex 1: Suggestions for improvement

A1.1 This annex includes some suggestions for improvement to ISD's health services costs statistics, in the interest of the public good. These are not formally required for designation, but the Assessment team considers that their implementation will improve public confidence in the production, management and dissemination of official statistics.

Suggestion 1

Refer to the types of use put forward in the Statistics Authority's Monitoring Brief, *The Use Made of Official Statistics* when documenting use, and highlight use by users outside of the NHS (para 3.1).

Suggestion 2

Consider the points detailed in annex 2, in seeking to improve the statistical releases (para 3.2).

Annex 2: Compliance with Standards for Statistical Releases

A2.1 In October 2010, the Statistics Authority issued a statement on *Standards for Statistical Releases*²⁵. While this is not part of the *Code of Practice for Official Statistics*, the Authority regards it as advice that will promote both understanding and compliance with the *Code*. In relation to the statistical releases associated with ISD's health service costs statistics, this annex comments on compliance with the statement on standards.

A2.2 In implementing any Requirements of this report (at paragraph 1.5) which relate to the content of statistical releases, we encourage the producer body to apply the standards as fully as possible.

Appropriate identification of the statistics being released

A2.3 The release title gives the coverage and reference period. The introduction sets out what is provided in the release and the metadata annex gives the frequency of publication. It makes clear which statistics are new. The name of the originating department is given, and the release uses the appropriate logos and gives the name and contact details for the responsible statistician.

Include commentary that is helpful to the non-expert and presents the main messages in plain English

A2.4 The commentary is straightforward in describing the patterns of costs to NHS Scotland but many of the specific findings are examples of spending that might be of general interest rather than being key findings that summarise the main types of spend. The first bulleted key point doesn't state the total NHS board operating costs or make clear how much of the spend is covered. Later in the release this is described as being 94 per cent of the costs without sufficiently explaining why 6 per cent is excluded.

A2.5 The description of the statistics is supported by several charts (but these aren't clear when printed in B&W; the tables also have a mix of decimal places). The text is fairly brief, focusing on the statistics for the most recent year and giving just a few comparisons with the previous year. It highlights the main areas of expenditure in the different health services. No description is given of the longer term patterns, by area in Scotland or with other parts of the UK which would help user interpretation. The difference between running costs and operating costs is not explained.

Use language that is impartial, objective and professionally sound

A2.6 The statistics are presented in an impartial way and the commentary is professionally sound and consistent with the statistics. It is noted in the release that the results are not adjusted for inflation; however, no explanation is given for this choice. Also the selected statistics do not make clear the overall spending in each category, for example total Hospital Expenditure of £5.5 billion is illustrated with examples that amount to £0.5 billion with no explanation for the remaining £5 billion. The relatively high costs incurred by

²⁵ <http://www.statisticsauthority.gov.uk/news/standards-for-statistical-releases.html>

the Golden Jubilee special board in relation to surgical procedures are not explained. It also isn't clear why the other special board (State Hospital) isn't shown in the chart.

Include information about the context and likely uses

- A2.7 ISD presents little information about the use of the statistics. A general description of the use in supporting comparisons on health services is given in the introduction and in the metadata annex. The website refers to use by Scottish Government Health Department and NHS boards. No information is given about use by the voluntary sector, public health researchers or organisations such as pharmaceutical companies.
- A2.8 The metadata indicates that the data are complete and accurate but a footnote to the additional online table, Table R100T, refers to variations across the years due to factors such as missing data and organisation change. The release also refers to the data being 'unaudited' but does not clearly explain what is meant by the term or reflect that in fact the underlying financial information is audited.

Include, or link to, appropriate metadata

- A2.9 The release has a metadata annex mainly providing links to other documents such as the Costing Guidance Manual²⁶ and other published guidelines on ISD's website. These tend to be technical documents for the recording / accounting of financial information. There is no summary guidance that brings together the main points for non-expert users. The template spreadsheets for each Scottish Finance Return are also available on the resource web page.

²⁶ <http://www.isdscotland.org/Health-Topics/Finance/Costs/Reference-Information.asp>

Annex 3: Summary of assessment process and users' views

A3.1 This assessment was conducted from March to June 2012.

A3.2 The Assessment team – Penny Babb and Iain Russell – agreed the scope of and timetable for this assessment with representatives of ISD in January. The Head of Profession for statistics for ISD then assessed the statistics against the practices indicated in the table below, and has confirmed that to the best of her knowledge, ISD complies with those practices. The Assessment team complemented this with its own independent research into compliance against the *Code*.

	Practices that have been self assessed by ISD	Practices assessed by the Authority's Assessment team
Principle 1: Meeting User needs	1, 3, 4, 5	2
Principle 2: Impartiality and objectivity	1, 3 - 9	2
Principle 3: Integrity	1 - 7	-
Principle 4: Sound methods and assured quality	1 - 5, 7	6
Principle 5: Confidentiality	1 - 6	-
Principle 6: Proportionate burden	1 - 5	-
Principle 7: Resources	1 - 7	-
Principle 8: Frankness and accessibility	3, 4, 6, 7	1, 2, 5
Protocol 1: User Engagement	1 - 6	7
Protocol 2: Release Practices	1 - 9	-
Protocol 3: Use of administrative sources for statistical purposes	1 - 4, 5a, b, c, d, f	5e

A3.3 ISD provided its compliance statement in May. The Assessment team held discussions with the ISD producer team during May, to review compliance with the *Code of Practice*, taking account of the written material provided and other relevant sources of evidence. ISD told us that it had sought the views of users through its annual customer surveys and ongoing engagement activities with key users and hence current user feedback about the statistics was available. We accepted its suggestion not to contact users independently in respect of this assessment.

Key documents/links provided

Statement of Compliance document

