relationships. Matters cannot have been made easier by the three relocations which NHSU has had to make since its inception.

4.5 Until recently, NHSU has been light on senior staff with significant senior NHS management experience. This may have contributed to the difficulties the NHS considers it has had in engaging with NHSU. Recent appointments of senior NHS managers to its regional structure should help overcome this.

GOVERNANCE AND DH OVERSIGHT

4.6 Arrangements for managing the relationship between NHSU as a Special Health Authority and DH follow established arrangements for oversight of ALBs.

4.7 At a senior level, the sponsorship of NHSU by DH has moved from the Strategy Unit (in 2001) to the HR directorate and now to the Director of Health and Social Care Delivery. This had made consistency of strategic directions setting by DH and oversight of follow through by DH harder to achieve and, overtime, has added to the uncertainties over NHSU purpose and fit.

4.8 Mechanisms to achieve strategic oversight and ownership jointly by the NHS and the Department and DH were under-developed in the period prior to the setting up of NHSU as an SHA. NHSU has now set up a new Joint Strategy Committee to provide such oversight. It has met once (July 2004) and it is too early to comment on its effectiveness.

4.9 The governance arrangements for NHSU are standard for an SHA. The non-executive Directors have indicated that they are comfortable with their role and supportive of NHSU direction of travel, albeit that the Board has only been constituted for some 6-7 months.