

Borders NHS Board



BOARD FINANCIAL OUTLOOK - ACTION PLAN UPDATE

Aim

This paper is to provide the Board with details of the work progressed over the last 4 weeks since the financial plan update report was presented to the Board at its meeting on the 28th June 2018.

Background

The Board received a Financial Plan Update at the June Board meeting. This outlined the current predicted financial position for 2018/19 and highlighted that the Board does not have a recurring balanced financial plan.

The Board was informed of the following opportunities to address this situation:

- Demand based benchmarking.
- Cost based benchmarking.
- Identification of expenditure on external service provision.
- Efficiency of Services.

The Board was asked to note:

- The opportunities identified were being taken forward by Better Borders at pace.
- The need for further work to finalise how the Board will return to financial balance.
- The need to develop staff and public engagement plans.
- The ongoing discussion with Scottish Government about the need for brokerage.

The Board was asked to agree to request an external review of the Boards finances.

This paper provides an update on the work progressed during July.

Actions since Board Meeting on 28th June 2018

In the time since the June Board financial plan update, the following actions have been undertaken linked to the opportunities identified to address the financial challenge the Board is facing:

- **The Better Borders Programme infrastructure has been refreshed**
 - Programme governance structure has been revised and training on roles and responsibilities given to Programme and Project Boards.
 - Programme and Project Documentation has been revised in line with recommendations of 2017 NSS Programme Audit.

- Dedicated Programme Manager and data analyst support for the Prescribing project has been provided by NSS.
- Detailed resource and benefits realisation plans have been developed for the Phase 2 projects.
- A full Programme Plan has been completed and signed off by Programme Board.

- **Conclusion of Phase 1 of the Better Borders Programme**

The following have been progressed:

- MSK Physiotherapy triage of orthopaedic referrals anticipated to reduce consultant referrals by 30% leading to the release of 4 consultant sessions.
- COPD self-management redesign project estimated to reduce acute hospital admissions by 1400 bed days (equivalent to 4 beds per annum). No resources currently released but bed days will be released as part of Phase 2 Long Term Conditions project.
- Development of a new nurse lead and optometrist led model. This model has not yet been implemented due to a full review of the service being required as a result of recruitment issues.
- The Discharge to Assess (Craw Wood) project is approaching completion. The service model has delivered a reduction of 1,530 bed days but has currently released no cash savings.

It is anticipated that once the benefits of the above Phase 1 Projects (apart from Discharge to Assess) are fully realised, they will bring services into line with upper quartile performance. This will be monitored through Discovery database.

- **Phase 2 Projects**

The following areas were identified within the demand and cost based benchmarking exercise are areas of potential efficiency as detailed in the financial update as at the June 2018. Detailed below is an update on the projects relating to these areas.

Orthopaedics

- The development of a First Point of Contact MSK Physio service in primary care will commence **implementation** in August.
- A project to ensure procedures of low clinical value are only undertaken when agreed criteria are met **commences in August**.

Medical/Acute Paediatrics

- A project to redesign pathways to reduce admissions and outpatient attendances is in **Project Initiation** phase.

General/Acute Medicine

- The following three projects which it is anticipated will deliver a reduction in admissions and occupied beddays across acute and geriatric medicine:
 - Long-term conditions management redesign to develop self-management support for people with long-term conditions and provide easy access to specialist advice. This project is in **start-up** stage.

- Community Hospital redesign. This project will implement the recommendations of the Anne Hendry report. This project is in **start-up** phase.
- Elderly Care Redesign incorporating:
 - Hospital to Home Project which is at **implementation stage**.
 - DME length of Stay Project to address pathway delays and reduce length of stay which is at **start-up phase**.

Radiology

- Work to reduce unnecessary diagnostic tests will be taken forward as part of the Realistic Medicine project. This project is in **initiation phase** and will be approved at the August Programme Board.

Mental Health

- All areas of inpatient and community general psychiatry services are being reviewed in order to establish the future model of care.
- Projects are currently at the **initiation Phase and** an Option Appraisal process is underway concluding in September.

Prescribing

- A programme of work is being **implemented** with an estimated impact of £2m over the next 2 years under the Realistic Prescribing title including:
 - Rapid roll-out of appropriate cost effective prescribing.
 - Action plan for areas of spend which benchmark high for spend.
 - Where appropriate moving hospital and home-service supplied drug dispensing to community pharmacists.
 - Developing a new pharmacist-led community prescribing service, as part of the new GMS contract.

The potential released resource related to the projects detailed above in Phase 2 has been costed and is anticipated to deliver £9.9m of **gross** savings over the next 5 years. It should be noted that these costings are estimated and are at a very high level and do not include any potential reinvestment in service to achieve this saving. Detailed cost analysis and timescales will be finalised with each project sponsor as part of the project initiation process. This will then be tracked by programme and individual project through the benefits tracker. Based on an estimate of the level of reinvestment required the resource release identified to date are in line with the June financial plan update.

• **Areas for Further Potential Transformational Change**

There were a number of other areas identified to the Board in June as having potential for savings. These projects are either being taken forward or have been closed due to lack of opportunity and are detailed below. Those projects still being taken forward are as yet not developed sufficiently to have potential efficiency gains assigned.

Obstetrics/Gynaecology

- Work to establish if there are opportunities in the service detailed below will be completed by December.

ITU

- Further analysis has uncovered a data issue with the recording of activity, and therefore current service is comparable to Dumfries and Galloway. However, potential has been identified to review provision of High Dependency Care.

Staffing Skill-Mix

- Reviewing the workforce to ensure most appropriate models of care in terms of staffing numbers and skill mix.

Commissioned Services

- Analysis of Lothian Consultant-to-consultant referrals of Borders patients. Initial scoping has commenced and detailed analysis will be complete by October.
- Review of high-cost Mental Health Extra Contractual Referrals (ECRs) to scope potential for alternative service provision.

Efficiency of Services (Business As Usual)

- The June update paper noted that NHS Borders should be able to sustain the delivery of a 1% efficiency target at service level over a 5 year period.
- All business units have received a letter advising of a requirement to deliver a minimum of 1% efficiency savings for the next 4 years. Detailed delivery plans for 2019/20 and indicative plans for the remaining 3 years have been requested for the end October.
- £2.13m non-recurring ring-fenced allocation has been issued to the IJB on condition that this should deliver reduced delayed discharge occupied beds days and cash releasing savings for NHS Borders. To date there has been no confirmation of the detail of these savings.

External Review

A Director of Finance for another NHS Scotland Board has been asked by the Chief Executive (CE) on behalf of NHS Borders Board to apply external scrutiny to its financial plan. This high level review will consider the work undertaken to date to address the financial shortfall with a view to identifying further obvious opportunities to return the organisation to financial balance. The level of input has been capped at three days.

A report on the findings will be presented to the Board at a future meeting. The CE will share the outcome of the review with the Director of Finance of NHS Scotland.

The Board has made contact with a Director of Improvement who is currently working with NHS Tayside and is able to support NHS Borders in the following areas:

- Work with the Executive Directors and across the organisation to increase the pace and delivery of the transformation programme which underpins our clinical strategy, commissioning brief from the IJB and our financial plan. This will include:
 - Bringing pace, energy and external scrutiny to the programme.
 - Considering the governance arrangements in place.

- Promoting and extending clinical engagement.
- Identifying untapped areas for cash releasing change.
- Fast tracking areas for change and leading and shaping existing projects to maximise release of cash/benefit.
- Considering if there are opportunities to increase the pace of delivery, including investment.

Identifying any further opportunities to support NHS Borders to return to recurring balance.

Procurement and contractual arrangements are currently being discussed linked to this appointment.

- **Communications and Engagement**

Public Engagement

The scale of challenge and change that NHS Borders faces over the next 5 years makes it essential that the Board engages in an honest and open dialogue with the Borders population to share the information on our financial challenges and on the measures necessary to resolve it. The service transformation within the Better Borders and IJB programmes are likely to represent major service change.

Since June, Better Borders has sourced advice from the Scottish Health Council (SHC) on:

- The appropriate mechanisms to ensure public involvement with the transformation programme.
- The steps required in relation to service change, including the differences in approach to engagement on service change between the NHS and the Health and Social Care Partnership.
- The SHC has also offered to support the Board to work with Dumfries and Galloway who are currently going through similar service changes.

A full programme of public engagement has been developed and will be taken forward from August. The details of the programme have been reviewed with the Public Reference Group.

Staff Engagement

As noted in the June paper, it is essential that all staff are fully informed of the challenges facing the Board and are able to engage in the transformation process:

- Messages around the financial challenge, the need to identify efficiencies and the transformation programme have been integrated into a single communications and engagement plan.
- Global staff communications around the financial challenge and the work of Better Borders have been issued.
- The Partnership Chairs have been fully briefed and are involved in all Transformation Projects and at Programme level to ensure we support and engage staff through this process.
- A staff engagement programme, taking these messages out to staff in all areas has been planned and will commence in August.

- **Next Steps**

The current plans for addressing the financial challenge are not sufficient to close the gap or achieve a recurring balance. Discussions with Scottish Government on the requirement for brokerage are ongoing. NHS Borders is anticipating a formal letter from Scottish Government linked to the request for brokerage.

Early discussions have commenced regarding further and potentially more challenging areas of service transformation as the next level of opportunities to achieve financial balance. A session was held on 10th July with the Executive Team, senior managers and clinicians to explore a future vision for hospital care in the Borders and areas for further work. A follow up session has been arranged for the 31st July 2018. Further discussion with the Board will take place through a Board Development Session.

In line with the actions detailed in this paper an update will be presented to the Board at the meeting on the 6th September 2018.

Summary

The Better Borders Programme has been refreshed and the Programme Plan updated to reflect the opportunities that have been identified with expected timelines for project implementation. A Benefits Realisation Tracker has been established to identify when benefits will be realised.

A comprehensive engagement programme is being developed and will be commencing in August.

However, it is recognised that this will be insufficient to achieve financial balance. The process for identifying the further efficiencies and service change that will be required to fully deliver financial balance is underway. This will be informed by the external reviews about to be undertaken and the emerging discussions around further options for remodelling services.

An update will be presented to the Board in September.

Recommendation

The Board is asked to **note** this update report.

Policy/Strategy Implications	In line with NHS Borders financial and clinical strategies.
Consultation	Widespread stakeholder engagement on Transformation Programme and Financial Plan, including Area Partnership Forum and Clinical Executive Strategy Group. Any specific service changes through the life of the programme will require to engage, involve and consult in line with national guidance.

Consultation with Professional Committees	As above.
Risk Assessment	Included in paper.
Compliance with Board Policy requirements on Equality and Diversity	Health Inequalities Impact Assessment will be carried out on Transformation Programmes over next 3 months and all individual projects at initiation stage.
Resource/Staffing Implications	Included in the paper.

Approved by

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