

Borders NHS Board



Meeting Date: 7 March 2019

Approved by:	June Smyth, Director of Strategic Change & Performance
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FINANCIAL TURNAROUND PROGRAMME UPDATE	
Purpose of Report:	
The purpose of this report is to update the Board on progress to date and planned work in relation to NHS Borders Financial Turnaround Programme.	
Recommendations:	
The Board is asked to note progress to date and next steps.	
Approval Pathways:	
This report has been prepared by the Turnaround Programme Management Office.	
Executive Summary:	
<p>On the 7th February 2019 the Strategy & Performance Committee approved the approach to the development and delivery of NHS Borders Financial Turnaround Programme. This included a revised Programme Governance Structure, the establishment of a Programme Management Office (PMO) and recognition that there were three key elements to building and delivering a sustainable Financial Turnaround Programme – effective financial and operational management, transformation and organisational strategy.</p> <p>Since the 7th February accelerated pace has been applied to a number of areas including discussing and implementing areas of the revised Programme Governance, enhancing and populating the PMO office and developing project proposals to contribute to the financial plan.</p>	
Impact of item/issues on:	
Strategic Context	Implementation of the arrangements and progress against these highlighted within this paper is required in order to support the development of a balanced financial plan and the implementation of a financial recovery plan programme.
Patient Safety/Clinical Impact	The Turnaround Programme includes significant clinical engagement to ensure proposals have been impact assessed within the context of providing safe, high quality and affordable services.
Staffing/Workforce	Any impact will be assessed as part of the project proposal and project plans.

Finance/Resources	Any impact will be assessed as part of the project proposal and project plans.
Risk Implications	Any implications will be assessed as part of the project proposal and project plans.
Equality and Diversity	Any impact will be assessed as part of the project proposal and project plans.
Consultation	NA
Glossary	PMO - Project Management Office CRES – Cash Releasing Efficiency Savings

NHS BORDERS – FINANCIAL TURNAROUND PROGRAMME UPDATE

Purpose

The purpose of this paper is to update members on progress since the Strategy and Performance Committee approved the governance structure and Programme Management Office (PMO) arrangements in relation to the Financial Turnaround Programme and planned work in the next few weeks.

Background

On the 7th February 2019 the Strategy & Performance Committee approved the approach to the development and delivery of NHS Borders Financial Turnaround Programme. This included a revised Programme Governance Structure and the establishment of a PMO. In addition, three key elements were recognised in terms of building and delivering a sustainable Financial Turnaround Programme, with the initial focus on the first two phases i.e. effective financial management (grip and control) and transformation (service improvement and shifting the balance of care). This is outlined in **appendix 1**.

Progress

Since the discussion in February accelerated pace has been applied to a number of areas including discussing and implementing areas of the revised Programme Governance, enhancing and populating the PMO office and developing project proposals to contribute to the financial plan. The table below outlines progress since the 7th February 2019 across a number of key areas and highlights planned work over the coming weeks.

Area	Progress to date	Planned work
Programme Board	<ul style="list-style-type: none"> Programme Board meeting weekly Terms of reference developed and approved Process developed and agreed in order to generate ideas and manage projects across the Programme (see appendix 2) Interrogation of previous Better Borders projects to determine which are fit for purpose to 	<ul style="list-style-type: none"> Full membership in place by the end of March Consideration of a number of emerging project proposals over the coming weeks Agree key messaging and weekly communications – starting week commencing 25th February

	<p>convert into the Financial Turnaround Programme</p> <ul style="list-style-type: none"> The Programme Board has considered 7 project proposals over 3 meetings, resulting in 5 being approved through gateway 1 to be developed into detailed project plans and 2 that were not accepted as they require more work before they can be considered for the next stage 	
Clinical Alliance	<ul style="list-style-type: none"> Initial discussions have taken place with senior clinicians around the make-up of this and how it could operate. A discussion with the NHS Tayside clinical lead for their Alliance is diarized. 	<ul style="list-style-type: none"> Develop and agree model including terms of reference to ensure it provides authoritative clinical scrutiny and challenge
Clinical Advisory Team	<ul style="list-style-type: none"> Successful recruitment has taken place and 2 posts have been appointed to date (Clinical Lead for Primary & Community Services, Clinical Lead for Acute) 	<ul style="list-style-type: none"> Further recruitment for Mental Health and Learning Disability is planned. Put in place processes for Clinical Leads to support the PMO planning and delivery
PMO	<ul style="list-style-type: none"> Identified leads for each function within the PMO Identification of resource gaps required Developed with project leads proposals for Programme Board to consider Identified, assessed and categorised over 100 ideas Developed documentation for project proposals Supported Executive sponsors to identify and categorise new ideas, develop project proposals and plan further proposals to come 	<ul style="list-style-type: none"> Work to address capacity and expertise gaps as identified Work with project leads on project proposals Development of reporting to improve visibility of the Programme and enhance accountability for delivery Develop documentation for detailed project plans for gateway 2 approval

	forward	
Communications & Engagement	<ul style="list-style-type: none"> • Drafting a delivery plan for communications and engagement to support the Turnaround Programme • Detailed internal stakeholder mapping, by directorate, in order to assist staff engagement session planning • Creating communications and engagement checklist to assist PMO • Setting up Turnaround pages on intranet and external NHSB website • Introductory meetings between NHSB Communications Manager, the external communications and engagement support secured from NHS24 and key NHSB personnel • Resource planning 	<ul style="list-style-type: none"> • Phased communications and engagement plan to support Turnaround • Agreement of key messages • Launch of regular newsletter 'Talking Turnaround' (suggested frequency fortnightly) • Communications and engagement toolkits to support Turnaround Programme and individual projects • Monthly NHSB wide staff 'e-magazine' to replace BGH Weekly to highlight good news stories etc • All staff letter from new Chief Executive (tbc)
Review of Organisational priorities	<ul style="list-style-type: none"> • In addition to putting the longer term strategic planning on hold for 6 months it has also been agreed to reprioritise workload in order to focus capacity on Turnaround activities 	<ul style="list-style-type: none"> • Executive Directors and their Heads of Service are currently reviewing their commitments to national and regional meetings and workstreams • Reviewing work plans and prioritising what activities could be put on hold or deferred

Grip & Control

In line with our Financial Turnaround Programme NHS Borders has established a Financial Grip & Control Steering Group which will report to the Programme Board and is chaired by the Director of Nursing & Acute Services. The first meeting of the group was 14th February, and it has and will continue to meet on a weekly basis. Membership is comprised of senior staff from a number of support service functions, and is looking to

involve other senior clinical and operational staff in decision-making processes. Partnership representatives are included in the membership.

The Group has been tasked with reviewing current policies and controls in relation to key areas of operational expenditure. This will include ensuring policies are consistent with the current financial position of the organisation, and that expectations of management teams in relation to behaviours associated with discretionary spend, and financial control are clearly stated. The Group will also ensure that appropriate reporting mechanisms are in place, or developed to allow the robust tracking of discretionary spend. Where there is evidence that this is not happening the group will look to support management teams to ensure issues are resolved and corrective action is taken.

The Grip & Control Steering Group have developed an initial outline work programme of area they will look to review over the next 10 weeks, these will include a review of policy and controls in relation to:

Workforce

- Attendance Management, policies and performance (14th Feb).
- Pay Protection and Redeployment (Considered 20th Feb)
- Supplementary staffing including the use and payment of overtime (27th Feb).

Non Pay Expenditure

- Scheme of Delegation and expenditure limits.
- Discretionary spend policy, authorisation and compliance (focusing on Equipment, Transport, Admin and Training).
- Purchase order systems and expenditure outside of this system.
- Procurement – Product rationalisation & price comparison/review
- Stock control and management

Establishment & Vacancy Controls

- Control of Bank & Agency
- Review areas operating outside of agreed funded establishment
- Vacancy management, review & control.
- Roster management and control.

Budgetary Control & Financial Management

- Budget setting, approval and sign off
- Budgetary Monitoring & Control
- Financial Skill Assessment & Training

This will be subject to ongoing review and development as the Financial Grip and Control Steering Group establishes itself.

Turnaround Director/Team

A Turnaround Director and Team has now been appointed to work with NHS Borders and will commence week beginning 4th March and onsite from 11th March.

This is being funded by Scottish Government, procured on their behalf by National Services Scotland.

The overall purpose of the Turnaround Director and their team is to provide additional leadership and advisory services to drive the cost savings and financial grip for the Turnaround Programme. The overall objective is for the Turnaround Director and their team to work with NHS Borders management to deliver a Turnaround Programme to deliver sustainable financial balance.

There are a number of specific tasks that will be undertaken, these include:

- Assess and advise on the current framework for delivering the cost savings and financial improvement by demonstrating grip and control within the Board
- Deploy the NHS Improvement grip and control priorities
- Identify, oversee and co-ordinate the development of the new Cash Release Efficiency Savings ideas supported with clear implementation plans
- Advise and oversee the establishment of appropriate governance arrangements in terms of objectives and targets, structure, membership and method of operation
- Assess the current list of potential projects, consolidate them, prioritise them, and direct, oversee and co-ordinate the drafting of implementation plans and the initial stages of delivery
- Work with senior management on a communication plan around Cash Releasing Efficiency Savings and the Turnaround Programme
- Ensure knowledge and skills transfer of Turnaround and change management to the core management and finance team

This will be done in 3 main stages:

1. Readiness assessment (diagnostic) resulting in definition of priorities for 30 and 90 day plan
2. 30 day plan – an initial period of intense activity to establish management focus on the financial challenge
3. 90 day plan aimed and built around a sustained and relentless pursuit of improvement

Should any amendments to process, infrastructure or governance be proposed as a result of the initial assessment, this will be considered by the Programme Board and the Health Board as required.

Project Proposals contributing to the Financial Plan

The financial plan which was submitted to Scottish Government early in December 2018 included a list of projects (formally known as Better Borders) which were presented as part of the draft recovery plan. At this time high level saving estimates were included against

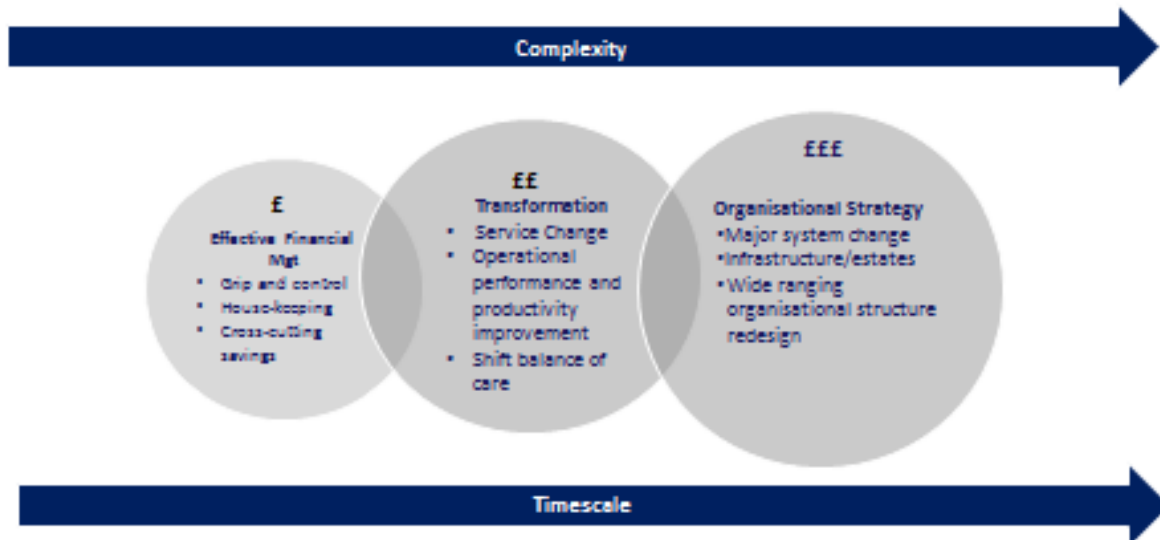
these projects for 2019/20. As part of the Financial Turnaround Programme work has been on-going to develop these projects and confirm the level of savings which will be delivered. . The table below provides an update as at 28th February 2019. It should be noted this is work in progress and is updated after each weekly programme board.

Exec Lead	Area/Project	As at November 2018 Total £m	As at February 2019 Total £m	Comment
Carol Gillie	Business as usual	1.90	1.90	Final schemes due to be submitted the first week in March
Cliff Sharp	Drugs & Prescribing	0.60	0.60	A detailed plan is in place
John Cowie	Workforce	0.40		Being picked up by Grip and Control
Nick Berry	Elderly care	0.50	0.3	Phase 1 of this project confirmed
Rob McCulloch-Graham	Community Services	0.25		To be assessed by Programme Board, date TBC
Nicky Berry	Realistic Diagnostics	0.26		To be assessed by Programme Board, date TBC
Nicky Berry	Theatres Productivity	0.66	0.3	Phase 1 of this project confirmed
Nicky Berry	Medical Paediatrics	0.10		Will be reviewed by the Programme Board on the 5 th March
Carol Gillie	Home Laundering of staff uniforms		0.07	Implementation plan has been developed
	Total	4.67	3.17	

The ideas pathway process set up as part of the PMO is currently assessing and quantifying the potential financial impact in 2019/20 of approximately 16 projects. The approval process and gateway stages can be found in **appendix 2**.

The improvement journey

Three to five year time horizon



Appendix 2 – Current Gateway Process

