Borders NHS Board

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NHS BORDERS FINANCIAL TURNAROUND PROGRAMME – REVISED PROGRAMME GOVERNANCE ARRANGEMENTS

Purpose of Report:
The purpose of this report is for the Board to ratify the Finance & Resources Committee approval of the new governance arrangements for the Financial Turnaround Programme, as laid out in the attached paper.

Recommendations:
The Board is asked for formally **ratify** the Finance and Resources Committee's approval of new governance arrangements for the Financial Turnaround Programme, as set out in the attachments.

Approval Pathways:
Following a review of existing programme governance arrangements by the external Turnaround Team, a number of refinements and clarification of detail have been proposed to ensure the supporting infrastructure remains fit for purpose. The proposed arrangements were presented in two separate governance proposals which are attached. These were reviewed and approved by the Finance & Resources Committee at the June meeting, subject to formal Board ratification.

Executive Summary:
Following a review of existing programme governance arrangements by the external Turnaround Team, a number of refinements and clarification of detail have been proposed to ensure the supporting infrastructure remains fit for purpose.

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 proposals and project plans within the turnaround programme.
Finance/Resources	Any impact will be assessed as part of the project proposals and project plans within the turnaround programme.
Risk Implications	Any impact will be assessed as part of the project proposals and project plans within the turnaround programme.
Equality and Diversity	Any impact will be assessed as part of the project proposals and project plans within the turnaround programme.
Consultation	Any impact will be assessed as part of the project proposals and project plans within the turnaround programme.
Glossary	PMO – Programme Management Office

Finance & Resources Committee

NHS Borders

NHS BORDERS – FINANCIAL TURNAROUND PROGRAMME

Purpose

The purpose of this report is to outline the proposed governance arrangements for the Financial Turnaround Programme following a review by the external Turnaround Team who have been sourced and funded by Scottish Government and secure Finance & Resources Committee approval, subject to formal Board ratification.

Background

In March 2019 the NHS Borders Board approved governance arrangements for the Financial Turnaround Programme which had been designed following advice and guidance from the Head of Board Recovery Unit at Scottish Government. This was approved subject to a requirement to ensure the IJB were referenced in the governance chart and with a recognition that the overall governance arrangements were subject to further refinement following a review by the external Turnaround Team.

That review has now been held and following a number of discussions with the Board Executive Team some changes have been proposed by the Turnaround Team to ensure greater clarity around the key roles within the Turnaround Programme and that the key programme infrastructure is in place to support successfully delivery.

The two key governance documents brought forward to the Committee for approval are:

- Financial Turnaround Programme Governance 2019/20 *attached as appendix 1*
- Grip & Control Governance Processes 2019/20 *attached as appendix 2*

It is recognised that further discussion is required with regards to the need for closer links and the requirement for the IJB to be involved in delivering change and financial improvement within NHS Borders.

In addition, NHS Borders remains committed to appropriate engagement from our staff and clinical community, patients and carers, the public and wider stakeholders and partners. A robust and detailed communications and engagement plan is in development and which will be continually refined as the programme progresses.

In progressing these two issues it it not anticipated that any further changes to the programme governance would be required. As a result, Financial Turnaround Programme Board has requested Board approval (via the Finance & Resources Committee) to the current proposed arrangements so as to signal the new working requirements to the wider organisation.

Summary

Following a review of existing programme governance arrangements by the external Turnaround Team, a number of refinements and clarification of detail have been proposed to ensure the supporting infrastructure remains fit for purpose.

These proposed arrangements are presented in two separate governance proposals which are attached as appendix 1 and 2 of this paper.

Recommendation

The Finance & Resources Committee is asked to review and **approve** the proposed governance arrangements as set out in appendix 1 and 2 to this paper, subject to formal Board ratification.

Financial Turnaround Programme

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NHS Borders

Programme Governance 2019/20

Governance & Financial Management

Contents

Governance Introduction

This governance document is for the Executive Directors, Clinical leads, General Managers, Finance staff, PMO staff assigned Project Leads and supporting staff to assist them in completing the required FIP paperwork and improving assurance on programme delivery. **It is important that all staff involved familiarise themselves with the governance, processes and paperwork.**

NHS Borders Financial Turnaround Programme

Financial Improvement Programme Objectives

The Financial Turnaround Programme has a number of key components for successful delivery, a Financial Improvement Programme [FIP] will be a key building block as part of a wider Financial Turnaround Programme.
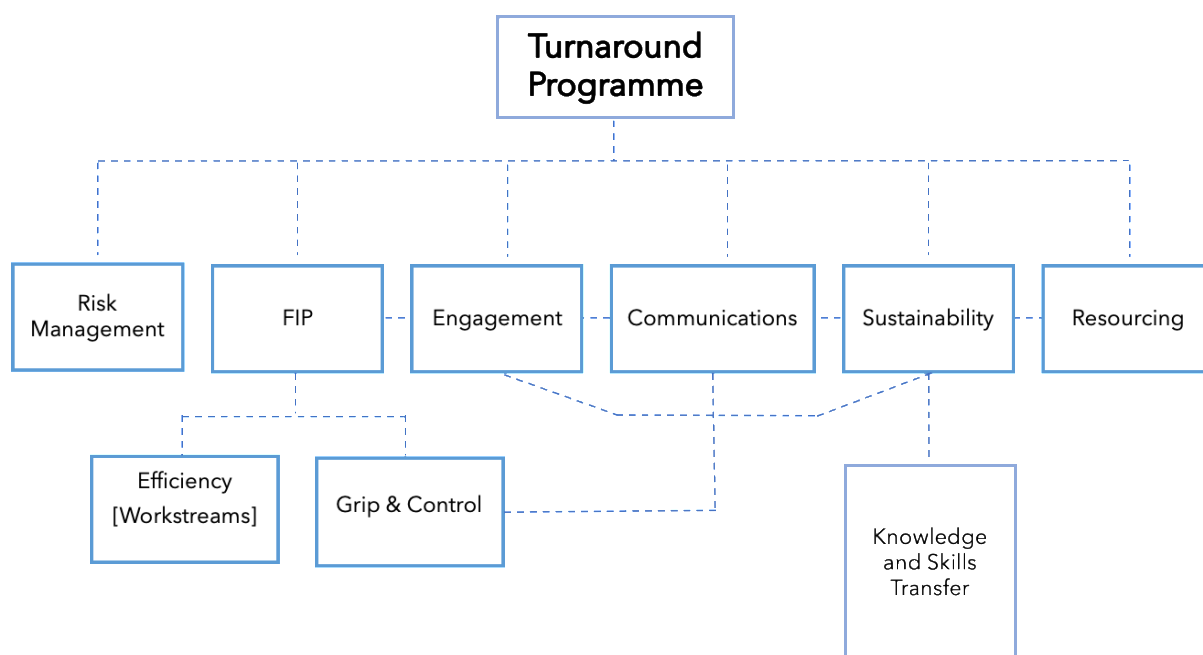
The objectives of the Financial Turnaround Programme and FIP process and procedures are as follows:-

1. To increase the clarity and transparency of the **Financial Turnaround Programme** process so there is detailed understanding and knowledge of the status and progress of the programme and the individual workstream and projects that contribute to its delivery.
2. To standardise the process across all business groups, directorates and corporate departments of the organisation so the overall measurement and tracking can be consolidated easily.

3. To increase the probability of delivery against each project, workstream and the programme as a whole
4. To ensure the benefits delivered are sustainable and recurrent.
5. To facilitate the governance of the whole Financial Turnaround process including the management of centrally delivered workstreams and business unit schemes.
6. To support the Financial Turnaround / Financial Improvement Programme (FIP) initiatives and ensure that they flow as smoothly as possible against the plan and ensure any declared benefits are actually delivered including: -
   a. Systematic and effective validation of benefits on a project level and a macro level across the organisation. This means that there is a top down and bottom up perspective on the Financial Turnaround programme.
   b. A clear process flow for decision making with associated documentation providing an audit trail for benefit planning and calculation together with the identification of where the improvements will be targeted from a financial perspective.
7. To improve the capture and accuracy in appraising the overall project and programme benefits. This includes accurately reporting progress and achievements to date including open and continuing projects
8. To monitor financial improvement progress against plan on an on-going basis; to correct potential shortfalls from plan and provide an early warning system if required, to be able to pinpoint the weakness or shortfall in the process and then correct them.
9. To measure the Financial Turnaround/FIP process compliance relative to the overall organisation and each respective business unit and to evaluate the risk against delivery.
10. To clearly and tightly scope projects so they can be planned and measured accurately in order **to reduce the risk of "double counting" on separate projects.** As there is more than one approach to delivery, there is an objective to ensure the benefits are clearly delineated.
11. To detail the ideas generated in the organisation and maximise the uptake and development of ideas into mature projects. The process has been developed to ensure effort is not wasted developing paperwork and projects that will not be approved or implemented.

Recognition of Financial Improvement Initiatives

A FIP scheme may be taken under any of the following conditions:-
1. **Where there is favourable financial movement as result of operational, clinical and financial actions** that improve upon the current years financial plan including: -
   a. Planned increases in contribution from the forecast adjusted outturn (against plan). Likely to be a result of "cost out" only for NHS Borders.
   b. Net cost and expenditure savings.
   c. Increases in income and activity from cross border recharges or any improvement in non NHS activity.
2. Non-recurrent benefits and cost containment measures will be captured as a separate measure and will not be counted against the full year target or towards the recurrent deficit.
3. **Where a discreet project is implemented and overall savings can be demonstrated as a result of that project.** This can be taken as a FIP even though there may be other cost

pressures elsewhere. For instance, a saving on a particular drug as a result of purchasing efficiencies (cheaper price) may be taken as a FIP even though there may be overspends on other drugs or an increase in usage due to demand. Overspends and cost pressures need to be dealt with separately.

4. The net contribution benefit of **commercial developments or expansion**. This is allowable for private patient work or commercial expansion where the tariff has been renegotiated with its customers.

5. Additional income generated through **increased SLA income** with no additional costs.

6. Additional income for activity provided to other Health Boards including coding improvements and additional recording of activity.

7. **Non-recurrent savings**, these will be recorded in the current year but not treated as meeting target. Non-recurrent savings would need to be made up in the following year and should be discouraged.

8. A shift from revenue expenditure to capital is allowable as a FIP in terms of the net annual benefit.

9. **Repatriation of Income** from other organisations.

10. Cost avoidance is **not** allowable as a FIP. A valid FIP must result in a budget retraction with the cost centre and subjective code identified. This budget retraction will form the new baseline for the budget in the following year.

11. Cost containment schemes for costs that were not budgeted but were in the run rate will be recorded as part of the programme but will not be included as part the recurrent delivery.

12. The Grip and Control body will require its own governance processes, these may produce a financial improvement and a budget retraction.

Grip and Control.

Grip and control is a key component in moving to financial balance and a part of FIP. This should enable budget retraction in some cases and there is workstream to cover this as part of the programme. **There will be further governance issued to cover the broader agenda that includes cost pressure and cost containment management in due course.**

Programme Roles supporting Financial Turnaround/FIP

Overview
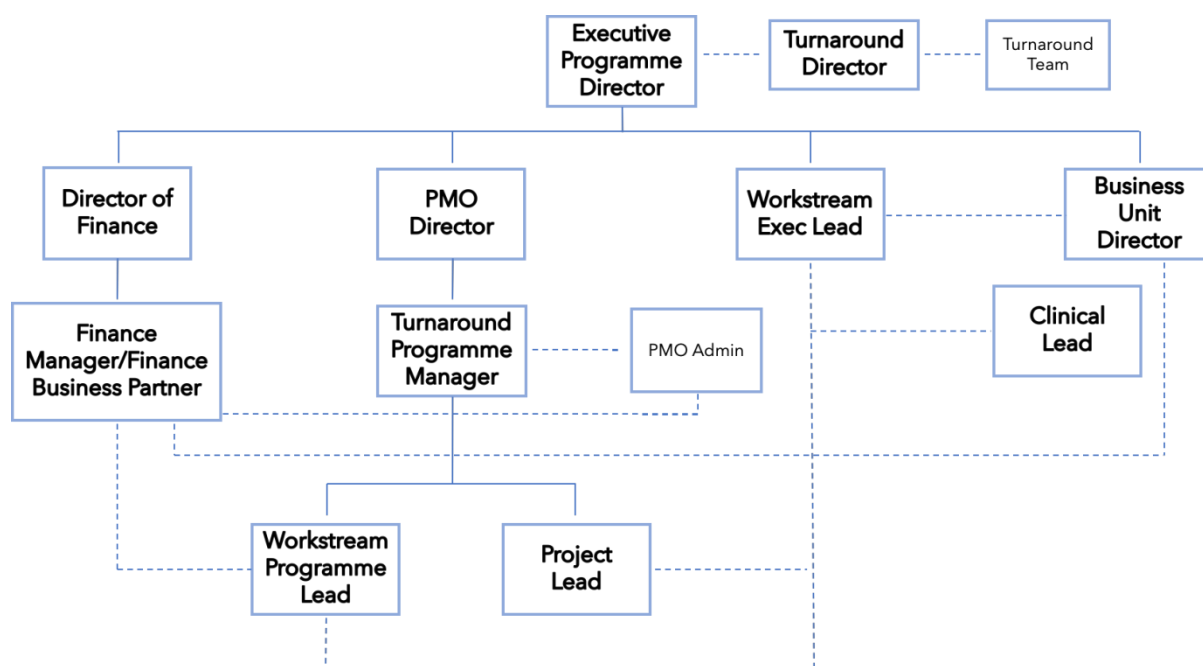
The Executive Programme Director (CEO or nominated)

The Programme Director is responsible for: -

1. Holding the Executive Directors and Directors to account with the support of the Financial Turnaround Director.
2. Making the final call on sensitive strategic decisions that may result from financial changes.
3. Handling the internal environment with the Board.
4. Handling the external political environment within the Health economy.

Director of Finance

The Finance Director is responsible for as part of the FIP: -

1. Compliance with the FIP governance framework.
2. Setting the overall financial FIP.
3. Setting the FIP targets against the wider background and financial targets including an annual bridge between the previous year.
4. Setting and communication of the required targets by business unit, directorate and workstream.
5. The overall financial validation of the programme and programme requirements in line with financial expectations from NSS.

6. Directing and managing the FIP programme within the wider financial context and the broader health economy dynamics.
7. Ensuring the Finance team adequately and effectively validate the programme and individual schemes in line with programme governance.
8. Ensuring the cost pressures are effectively managed and controlled within the financial envelope. Ensuring the budgetary control is in place with a realistic baseline.

PMO Director

The PMO Director is a Board member and is responsible for: -

1. The overall delivery and management of the programme.
2. Compliance with the programme governance particularly from the PMO.
3. Ensuring the Programme is adequately resourced.
4. Directing the overall programme and ensuring the financial agenda is given adequate priority.
5. Managing the programme against the Boards strategic framework.
6. Ensuring the programme meets all of its objectives.
7. Ensuring the targets are met and that the programme manager, programme leads/project leads are held accountable for meeting their targets and adhering to the governance process.
8. Ensures that there is the appropriate clinical leadership represented on workstreams and projects
9. Works with the HR Director to ensure that any workforce changes are communicated and integrated across the programme.

Financial Turnaround Programme Manager

1. Manages the PMO team. Assigns project support staff to the workstreams and business units.
2. Programme reporting through the PMO (Programme Management Office).
3. Ensuring that all Project and Programme paperwork is adequate and correctly completed.
4. Advises the Board and Financial Turnaround Director of delivery risks and issues.
5. Overall executive management related to issues and risks in supporting the Financial Turnaround Programme and FIP delivery.
6. Management and mitigation of the programme risks including delivery and operational risk with the support of Executive Directors.
7. Compliance with the risk assessment process

Workstream Executive Lead

The Workstream Executive Lead's responsibilities with support include:-

1. Agreeing their overall workstream target.
2. Scope out the opportunities into substreams in detail.
3. Identify the savings and benefits allocation by business unit, directorate and substream.
4. Map out overarching project plans by substream OR ensure each business unit or directorate has a plan in place for delivery.
5. Ensure completion of the risk assessment for all schemes within their workstream provide mitigations where possible.
6. Ensure overarching supporting Business unit implementation plans are in place.
7. Unblock any issues within the Organisation and Business Units connected with their allocated workstream.
8. Responsibility for delivering the overall allocated workstream target.
9. To chair workstream meetings allocated on a weekly or fortnightly basis.
10. To communicate with other stakeholders including Executives.

Workstream Programme Lead

The Programme Lead is responsible for:-

1. Scoping and detailing the initial unassessed projects and complete the appropriate Project Mandate details as specified.
2. Working with the designated Financial Manager to complete the financial assessment.
3. Capturing and detailing the operational risks associated with each programme and ensuring the Workstream Executive Lead is made aware of the risks.
4. The programme manager also completes a business case where appropriate with financial support from the allocated Financial Manager.
5. Ensuring the programme has the required supporting KPI s and data analysis
6. Responsible for delivering the programme on schedule and meeting the agreed targeted benefits for each programme.

Business Unit Director

The Business Unit Director is responsible for: -

1. Delivery of the business unit FIP target
2. Ensure all required programme documentation is completed relevant for their schemes.
3. Link in with the relevant workstream leads and ensure their schemes are communicated with the workstreams.

4. Ensure they are familiar with the scoping of the cross cutting workstreams and support within the business unit and directorate to ensure they are transacted.
5. Pick up any ideas through the ideas bank that are relevant for their area.
6. Ensure their projects are adequately resourced to meet the defined milestones.
7. Ensure attendance of any relevant Financial Turnaround FIP meeting by staff in their area.
8. Schedule and organise meetings as specified in the governance for the business unit and directorate.

Project Lead

The Project Lead is responsible for: -

1. Scoping and detailing the initial unassessed projects and complete the appropriate Project Mandate details as specified.
2. Working with the designated Financial Manager to complete the financial assessment.
3. Capturing and detailing the operational risks associated with each project.
4. The project manager also completes a business case where appropriate with financial support from the Business unit Financial Manager.
5. Ensuring the project has the required supporting KPI s and data analysis
6. Responsible for delivering the project on schedule and meeting the agreed targeted benefits for each project.
7. The Project Manager will detail and request the manpower and resources required to deliver each project.

The Project Lead for each project is likely to be the Associate Manager, Clinical Director or Senior Manager where the value is over £50k. Where the value of projects exceeds £150k, it is suggested that a Director takes responsibility for oversight. Where the value of the project exceeds £150k, the Project Lead should be supported by an Executive Director.

Finance Programme Lead [workstreams] / Finance Project Lead [business unit]

The Finance Programme/Project Lead will ensure:

1. The financial paperwork is completed for all projects including the financial summary and financial calculation sheets on the basis of the scoping provided by the project lead.
2. Ensure the financial aspects of the project are modelled, accurate and validated (Validated means tested and assured in terms of the value and assumptions).
3. They should ensure that the benefits are recorded accurately in planning and closing the projects in a timely fashion.
4. Provide financial support to the project managers including business cases.

5. The Business unit finance managers are responsible for reconciling their tracker and ledger on a monthly basis.
6. The finance programme/project lead will question and seek assurance from the project manager as to how the savings will be evidenced particularly the final actions to complete and consolidate the benefits. If there is any doubt over the validity they will be rejected or referred to the programme office.
7. Updating and validating the financial tracker and ensuring this is consistent with the workbooks/ mandates.
8. Running Business unit reports if requested outside the standard reporting provision.
9. Retracting the benefits from the budgets once the scheme has delivered.

Programme Management Office (PMO)

1. The PMO is responsible for overall governance and programme supervision and the central point of contact for the Financial Turnaround Programme.
2. Responsible for ensuring the integrity of the whole process.
3. The Programme Office has the responsibility for developing and management of the overall organisation programme tracker and providing central reports
4. Providing the required updated status to the Financial Turnaround Steering group.
5. Keeping account and record of programme actions and accountability and follow up.
6. The office is accountable for ensuring there is a robust Financial Turnaround process that is adhered to.
7. Support will also be provided where appropriate for the development of ideas and the delivery of projects.
8. Managing the idea and delivery pipeline. Post-boxing the ideas with the relevant workstream/project director and presenting to the Financial Turnaround Steering Group.
9. Providing standard weekly and monthly reports to all programme stakeholders
10. Updating the Financial Turnaround programme risk register as required.
11. Workstream co-ordination and validation of schemes including managing any interdependencies and ensuring that double counting is avoided.

Financial Turnaround Director and Financial Turnaround Team

The responsibilities of the Financial Turnaround team include:-

1. Advise the Board on the remedial and corrective action to improve financial balance.
2. Assess and advise on the current framework for delivering the cost savings and programme within NHS Borders.
3. To provide support in making the required programme changes to encourage and assure delivery of financial improvements.
4. To challenge the organisation in making the decisions to improve financial performance whilst sustaining performance and quality standards

5. Works with the organisation to ensure there is the appropriate engagement across the entire organisation.
6. Ensure the programme is compliant with the Financial Turnaround methodology.

Clinical Lead

The role of the clinical lead is important on workstreams and projects and includes:-

1. The identification and mitigation of clinical risk related to quality of care and patient safety
2. To ensure there is adequate engagement and communication with colleagues.
3. To advise on clinical issues and optimal pathways whilst operating in an affordable financial envelope.
4. To assist with idea generation and project development.

Programme Management Meetings
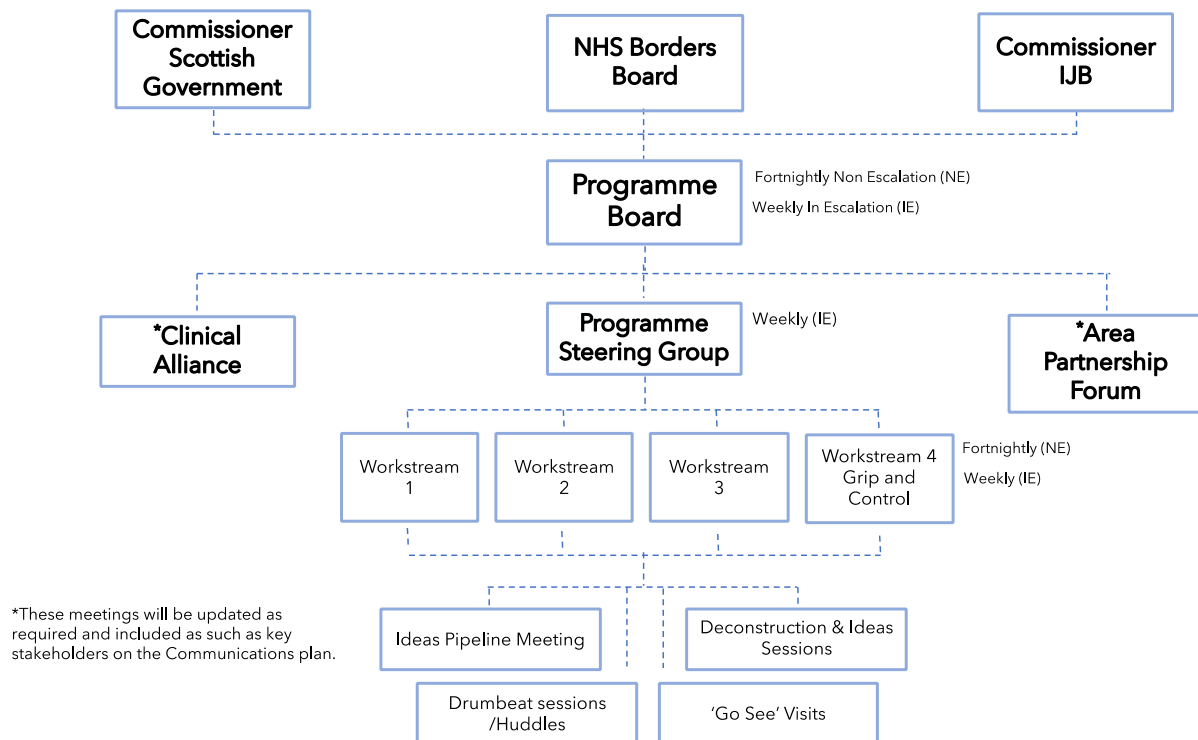
There is a comprehensive schedule of meetings detailed below, here is an overview of those meetings.

1) Financial Turnaround Programme Board (CEO, TD, PMO Director, and DoF as required)

Objective:- To direct the programme as required and remove any strategic blockages to delivery.

Frequency: monthly (fortnightly in escalation)

- Review of Programme risks and handling of mitigations
- Management of Executive issues
- Programme direction and co-ordination

2) Financial Turnaround Programme Steering Group (Managing the delivery of the programme)

Frequency: fortnightly (weekly in escalation status)

- Review of programme action log and risk register.
- Programme update of Business Units, directorates and workstreams.
- Review of tracker & reports.
- Programme management for delivery.
- Business unit reviews including progress on schemes.
- Workstream reviews including progress on schemes.
- Identify areas that require focus and corrective action.
- Actions follow up and log update.

2) Workstream Delivery Groups (Managing delivery through the workstreams) – Led by Executives

Frequency: meets fortnightly (weekly in escalation status).
Objective: To deliver the required workstream annual target and ensure the workstream is on track to meet the timing of these targets.

- Identification of substreams (clearly scoped Organisation wide initiative).
- Management and progress against overarching plans.
- Communicating and managing business unit implementation.
- Financial management of targets and delivery.
- Development of further ideas.
- Updating the steering group and PMO (providing assurance of delivery)

3) Business Unit Delivery Groups (managing delivery in the Business Units)

Frequency: meets fortnightly (weekly in escalation status).
Objective: To deliver and progress recurrently the business unit annual target.

- Review of action register.
- Detailed review of existing tracker schemes relevant to the BU.
- Review of provisional projects.
- Review and development of ideas.

4) Ideas Pipeline Meeting

Frequency: meets weekly in the lead up to programme maturity
Objective: To encourage, filter and act as gatekeeper for ideas through the pipeline.

- Review the idea bank and ensure the ideas are transformed into worked up projects.
- Approve ideas to be worked up to gateway 1.
- Support the workstreams and Business Units in developing ideas.
- Track the ideas generated across the organisation.
- Report on the ideas status.

Programme Escalation

There are certain conditions where the programme is in escalation:-

1. From January 1st, for the year preceding delivery:-

Less than 75% of Programme Target at gateway 1 for the upcoming year (recurrent savings only)

2. From 1st April – September 30th Current Year

Less than 85% of Programme target at gateway 2 for the current year and RAG rated blue, amber or green.

3. After September 30th Current year

Less than 100% of programme target at gateway 2 and on GREEN or BLUE

The Finance and Performance committee should have oversight that the above conditions are met and that escalation is adhered to.

Financial Turnaround Programme Delivery Pipeline/Process

Management of the Workstreams

- This section outlines the process for taking ideas all the way through the life cycle to successful delivery and close down.
- The Board / Financial Turnaround team will identify a number of central workstreams that will represent key cross cutting themes for efficiencies across the Organisation. These workstreams will be used as an enabling framework for delivery of a proportion of the business unit targets.
- The workstreams should provide overarching plans and calculated savings with timelines for delivery. The workstreams will be supported by substreams with key projects/programmes for delivery.

  - o Clarity on Executive lead responsibilities for managing workstreams.
  - o Accountability for meeting the defined targets at organisation level.
  - o Provide a delivery framework.
  - o The actions required to support delivery e.g. job planning, capping PAs needing a fully worked up plan with the associated financial opportunity.
  - o Communication of the framework to the Business Units and stakeholders.
  - o Holding the business units to account on the delivery framework with timings.
  - o Enablement of programme delivery through the Executive leads.
  - o Support on critical and difficult decisions.

- The Workstream Executive lead with PMO support should complete the project mandate that provides sufficient detail for each business unit to execute the supporting plans and deliver the identified benefits.
- The assigned Financial Manager[FM] should validate the savings from the substreams and scoping provided. The FM should also provide a monthly reconciliation between each substream and the business unit delivery. The PMO will support the tracking of workstream delivery through the standard reports.
- Workstreams themselves are not added to the tracker in total but are added through the project mandates once the Business Units have specific plans. The workstream reporting by business unit (including procurement) will summarise those schemes under £3k individually on the tracker by business unit and RAG.
- The Financial Turnaround Programme Board will agree both the workstream targets and the likely business unit targets that will be in part a product of the allocation from the workstreams.

Integrated Programme Framework

The integrated Programme Framework provides a structure to connect the workstreams with the business unit delivery. It provides an overarching structure with targets for all areas of the organisation. This framework is used to set the allocation of the programme in terms of ownership and the planned financial dimensions of the programme. The PMO owns and manages the document with the support of the Programme Board and Financial Improvement Executive.

Financial Turnaround Programme Tracker

The Financial Turnaround Programme tracker provides the following:

1. The tracker picks up the targets from the Integrated Plan (Goal Tree) and then compares the actual delivery against the plan.
2. Provides a centralised database of all schemes and projects contained within the Organisations programmes.
3. Monitors workstreams, Business Units and directorates actual performance against target.
4. The tracker consolidates the programme and is used to provide a suite of management reports.
5. The tracker is used to summarise and analyse performance across the Organisation.
6. The tracker summarises programme risk in various forms.

Valid Schemes on the tracker

Before a project is launched and implemented, the project must have:-

1. An Executive Lead (with a Project Benefit over £150k (see notes above))
2. A Project Lead assigned and active.
3. A Finance Manager (Project Financial Manager)
4. A clear scoping description of the Project – What is covered and what is not within the project.
5. Valid Projects are financially Pre-assessed – with a clear understanding of where the projected benefits will be evidenced by cost centre and subjectively. These need to be determined in detail particularly where waste is being removed.
6. Risk Assessed in terms of probability of delivery, timing and value.
7. Contains a project plan with project milestones that are realistically time framed

8. Clear Deliverables (Financial & Non Financial)
9. A valid and complete Risk Assessment (otherwise RED rated)
10. KPI documents are required for standard or complex projects where delivery is contingent on an associated improvement in performance to support the savings. It is important to show the connection between the improvement and actions and the financial benefit taken.

JDIs do not require a completion of all fields on full project mandate, summarised details are sufficient.

Ideas Bank

An ideas bank will be maintained by the organisation centrally (consolidated) and also in each Business unit for the particular ideas relevant to their area. These will be fed by ideas from a variety of sources including the Business Units, centrally and any other sources throughout the organisation. Ideas can be adopted and converted to projects, or adapted and converted to projects, put on hold or discounted. There is also an idea form (attached) for collecting ideas across the organisation and ensuring some thought is given to the practicalities of implementation.

The idea bank is the feeder process for the business unit, workstream and directorate projects and programmes. However, projects and programmes can only be recognised as such once they have been worked up using a project mandate. The mandate is the basis for managing all financial improvement projects.

Ideas will be filtered and worked up into provisional projects with outline plans, an assessment of the feasibility and a basic financial assessment. The PMO will manage the ideas bank and will ensure that new ideas are directed to the appropriate workstream for development.

Provisional Projects

Ideas will be transferred to the provisional projects list once they have been evaluated by the delivering business unit or approved by the weekly Financial Turnaround steering group for Organisation wide schemes. These will be developed and reviewed further where approved and transferred to the tracker.
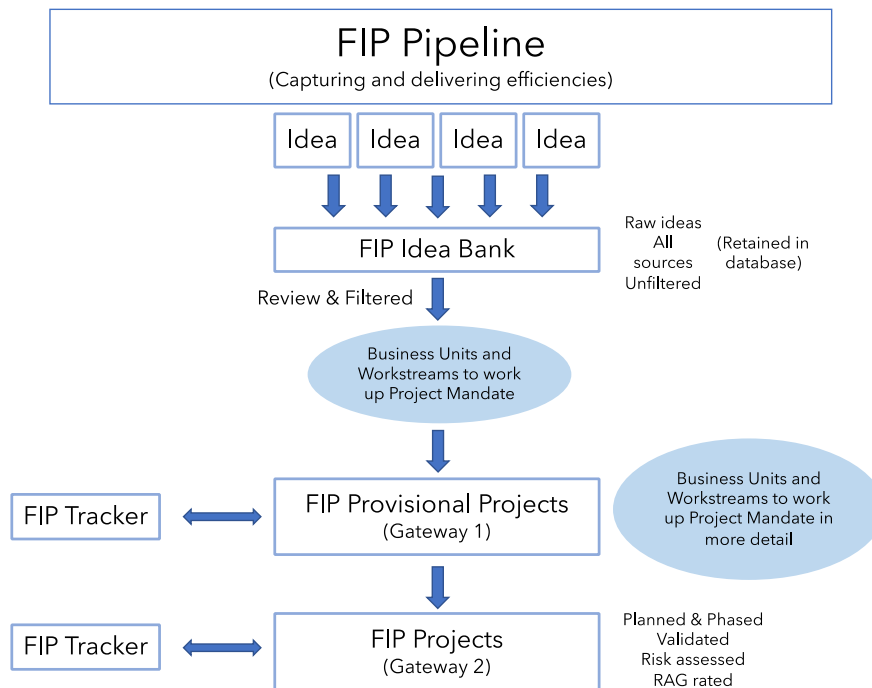
Programme Gateways

The programme will operate with a set of gateways for projects to pass through. Each project will have to meet the gateway requirements as detailed below:-

Efficiency Gateways following Idea process
Gateway 1 & 2
Requirements to Pass

To be entered in the project mandate

Gateway 1

- Personnel allocated
- Define the financial change to be made
- Outline scope
- Benefits Outline (including calculations)
- Deliverables outlined
- Outline Risk Assessment
- Outline plan (milestones)
- KPIs identified (to sustain if required)

Gateway 2 (Standard and Complex Projects)

- Detailed accountabilities in place
- Detailed benefits with full supporting calculations with phasing
- Detailed costs & investments with phasing
- Full Risk Assessment (signed off by Medical/Nursing Directors)
- Granular project plan with milestones and responsibilities
- Risks & issue logs completed
- Full KPIs to sustain and translate benefits (where required)
- For quality based mandates – full project plan template complete and signed off

For projects to be placed on the Financial Turnaround Programme tracker they must have passed gateway 1 before they are recognised as projects. Projects that have passed gateway 1 must swiftly be processed to gateway 2, where they are fully developed and then managed through to completion. The project mandate is used for processing projects through both gateway 1 and gateway 2.

Pipeline Reporting

The Organisation will report the state of affairs on the total pipeline, in terms the movements between ideas, provisional projects (gateway 1) and fully developed FIP schemes (gateway 2).

Project Types and Criteria

There are three types of initiative to deliver the Financial Turnaround programme financial improvement which can be described as projects, the characteristics of each are shown below:-

Just Do It (JDI) – Simple projects that require little planning or management. Typically projects that are worth less than £50k and will be completed within 30 working days or less. JDIs only require a project validation sheet completing.

Standard Improvement Projects (SIP) – Projects that are relatively straightforward but require planning and management. Typically SIP projects are worth up to £250k and take up to one full year. These require the set of paperwork completing below.

Complex Projects (XIP) – Projects that require significant planning and management. Typically projects that are worth more than £150k and run over one full year. These require the documentation completing below plus business case paperwork completing too where there is supporting investment required.

Some typical characteristics for each type of project appear below:-

Project Type	Just Do It (JDI)	Standard	Complex
Size	<£50k	<£150k	>£150k
Project Duration to implementation	<30 working days	31 days <6 months	>6 months
Organisation Impact	Directorate/Business unit	Cross business unit/ Organisation Wide	Cross business unit/ Organisation Wide
Risk	No Significant Risks	Potential Risks	Potential Risks

Enabling projects do not have any direct benefit but contribute to delivery on other projects.

Schemes less than £3k should be consolidated under a collective work programme i.e. Procurement.

It is likely that the programme may need some sub trackers for both medicines management and procurement to consolidate the schemes under £100k value.

Workstreams

Individual initiatives should be tracked by workstream, theme and specialty (if applicable). These will be categorised on the revised tracker with a suite of supporting reports including a dashboard covering the ideas and provisional projects monitoring the evolution of the pipeline. For instance, DNAs would be part of an outpatients workstream and be under a theme of waste reduction.

Project Documentation

The 3 project types require the following documentation:-

Project Type	Just Do It (JDI)	Standard	Complex
Project Mandate & Mandate Checklist	Y	Y	Y
Project Validation (Financial Manager)	Y	Y	Y
Full Appraisal (Financial Manager)	N	Y/N	Y
Risk Assessment (Project Lead)	Y/N	Y	Y
Project Plan (Project Lead)	N	Y	Y
Business Case (Project Lead)	N	Y/N	Y
KPIs (as required)	N	N	Y
Closure & review	**Programme Steering Group**	**Business unit Approval/Programme Steering Group**	**Programme Steering Group against Milestones**

The project lead will ensure that the scoping, planning, QIA and supporting KPIs where appropriate are raised and included within the paperwork It will be the finance manager's responsibility to ensure that the financial paperwork is completed for each and every project.

The Project Mandates

The project mandate is a key document that is used to capture the scope, financial benefits, any associated risks and project plans for a particular schemes and project. It can be used as a structuring document between finance and operations when taking an idea and transforming it into a project. Below is an extract from the project mandate template illustrating the high-level detail from the front worksheet.

The extract below illustrates the project mandate summary required for gateway 1 submissions. Full completion of the project mandate is required for gateway 2.

BOLD REVOLUTIONS

Project Reference	

FIP Project Mandate NHS BORDERS

ACCOUNTABILITY

		Business Group	£000s	WTE	COST CENTRE SUBJECTIVE	£000s
Workstream						
Business Group						
Executive Lead						
Responsible Officer (Project Lead)						
Project Support (PMO)						
Finance Manager						
Clinical Lead						
Workforce Lead						

Date Updated	
Updated By	

			Capital £k	Revenue £k
Proposed Start date (Implementation)		Investment Required (if any)		
Proposed Completion date		Steering Group Approval		

SCHEME DETAIL

Scheme Title

Project Narrative
Project Details
Project Scope
Any Connecting Departments
What will change?

Project Benefits
How will the benefits be realised
Where will benefits be realised
Financial & Non Financial

Final Steps to Consolidate Benefits and deliver financial improvements

| 1 |
| 2 |
| 3 |

Risk Assessment

	Required? Y/N	If No provide reason
Completed		
Fully Authorised	Max Risk	0

Any other Potential Risks / Impacts
Using Risk Assessment Template

KEY PROJECT STAGES (shade)

	A	M	J	J	A	S	O	N	D	J	F	M	A
Project Initiation & Planning													
Project Development													
Project Implementation													
Project Control													
Project Closure													

FORECAST BENEFITS

		A	M	J	J	A	S	O	N	D	J	F	M	Total
000s	2019-20													0
000s	2020-21													0
		A	M	J	J	A	S	O	N	D	J	F	M	Ave.Total
WTEs	2019-20													0.00
WTEs	2020-21													0.00

Benefit £K	%		Pay Analysis £	%	Non Pay Analysis £	%
Pay						
Non Pay						
Income						

PROJECT MANDATE APPROVAL

APPROVED BY FINANCE MANAGER:	DATE:
APPROVED BY EXECUTIVE DIRECTOR:	DATE:
APPROVED BY PMO MANAGER:	DATE:

Risk Assessment (Clinical & Operational Risk)

A risk assessment should be undertaken and attached for all FIP schemes with the exception where there are no operational or clinical changes made as part of the scheme. All schemes should be signed off by the Medical Director and/or Chief Nurse where there is potential clinical risk.

Project References

Each scheme should have a unique project reference. This consists of workstream number /Business unit and first year prefix then a unique 3 digit number. E.g. 01BGH19005 (WSBUYYNNN).

Benefits Attribution

The Finance Project Managers will validate benefits prior to the launch of the projects and also validating existing benefits after the projects have been completed pre-closure. There should always be clarity of where the benefits will be made, a change in the current financial state to the future financial state should be mapped subjectively and by cost centre

Financial Delivery Risk - Assessment of Projects

The financial assessment of risk in terms of scheme delivery is as follows:-

Blue Rated Projects – Budget adjusted in the ledger, scheme completed and fully delivered.

Green Rated Projects – On time and in full and they have **all 5 of the following criteria met:-**

1. Fully scoped and detailed with timings with the completed project mandate forms.
2. The project personnel have been allocated and are on top and in control of all issues connected to the project.
   a. The project lead should be actively managing planning and then delivery once the project has been launched and is up to date with all actions.
3. Have been fully assessed by finance and also risk assessed with a risk assessment where there is operational or clinical change resulting from implementation of the scheme.
   a. Once assessed these projects are monitored and are projected to deliver the assessed tangible benefits on time.
   b. The final nature and tangible form of the savings has also been identified.
   c. All benefits should be phased with an appropriate implementation date.

4. Have a project plan where required and are deemed to be on schedule against the designated project milestones.
5. No significant blockages, gaps or risks around delivery.

Amber Rated Projects

Amber projects have at least 4 out of 5 of the green criteria in place or greater than 70% probability of delivery.

Red Rated Projects

Only 3 or more of the criteria are in place or less than 70% probability of delivery.

If 2 or less criteria have been met, the "project" should not be on the tracker but held in the idea pipeline until sufficient detail has been worked up.

The measurement of best, likely and worst case delivery will be undertaken on an ongoing basis using the RAG ratings above.

Project Status

There are two types of status for projects where the project has been scoped and assessed:-

Planned Status - The project has been scoped and planned but not implemented.
Implemented Status – The project has been scoped and implemented

Use of Key Performance Indicators

The key performance indicators [KPIs] should be utilised where the benefit is contingent on the change of a number of behaviours and there are interdependencies between key variables that influence the benefit. For example bed closures; clinic & theatre utilisation should be supported with a number KPIs. The KPIs should be profiled so as to include changes in activity and cost behaviour.

The indicators selected should be:-
Meaningful & Relevant – relate to the change being made.
Evidential – provide evidence that the savings are deliverable and sustainable.
Holistic – the indicators selected cover the whole of the problem.
Real – the indicators used are based on data that can be evidenced as real world behaviour.

There may be factors that work in conflict to the efficiency motive these should be included as well as those moving favourably. The Project Lead should work with the allocated Financial Project Manager to establish the most relevant and useful indicators selected.

The KPIs should be baselined and planned through time.

Annual Financial Turnaround Programme Timetable

A document will follow detailing the annual timetable and planning cycle for the Financial Turnaround programme.

It is clear the planning cycle for Financial Turnaround schemes should start no later than the beginning of September in the prior year with an outline programme with completed project mandates in place by the end of December. Any changes relating to contracting need to be finalised by the end of August of the prior year.

Financial Timetable (to be agreed)

The process for validating the financial savings is outlined below with the following timetable using (management accounts days):-

- FIP Budget Removal (BLUE expenditure) –   Day 5
- FIP Reconciliation (Tracker to Budgets)   –   Day 7
- Accounts Finalised   –   Day 9

Validation of FIP projects within 8 working days of completion of the project.

Use of the Financial Ledger (Finance)

The Financial Ledger is used to record the performance of the Financial Turnaround Programme. Subjectively, the budgets will be removed once each scheme or workstream has been delivered. The Business unit Financial Managers will ensure delivery is matched with the performance on the tracker. Delivery means all plans have been completed and evidence of delivery has been validated.

Finance should reconcile **the actioned value of the projects on the tracker** with the value posted through the ledger as delivered. Any differences should be resolved within the month-end process and the totals always agree.

Income increasing schemes will be provided through an increase to budget and then retained year on year as an increase.

FIP Budget (account xxxx) this is profiled across the year and remains static once the budget is set.
FIP Achieved (account xxxx) entries are made once the delivery of the projects are validated.

Whole Time Equivalent Reporting

The total tracking of whole time equivalents [WTE] will be done at an organisational level. The overall movement of WTEs by business unit, directorate and cost centre will also be tracked through the Programme Tracker. The PMO Director should control and have sight of the workforce movement and work with Workforce team to co-ordinate this. The project mandate includes fields to record the reduction in WTEs.

… end.

Grip and Control (G&C) – NHS Borders

Governance Processes 2019/20

Governance & Financial Management of Grip & Control

Contents

1. Governance Introduction

This governance document is for the Executive Directors, Clinical leads, General Managers, Finance staff, PMO staff **It is important that all staff involved familiarise themselves with the governance, processes and paperwork.** Grip and control covers all measures that reduce and eliminate overspends around the budgeted cost base. It also covers improvements in control that result in an underlying reduction in the budgeted cost base, these can be treated as direct FIP schemes.

2. NHS Borders Grip & Control

2.1 Financial Improvement Programme Objectives

The Grip and Control processes are a key component for delivery as part of a wider Turnaround Programme.
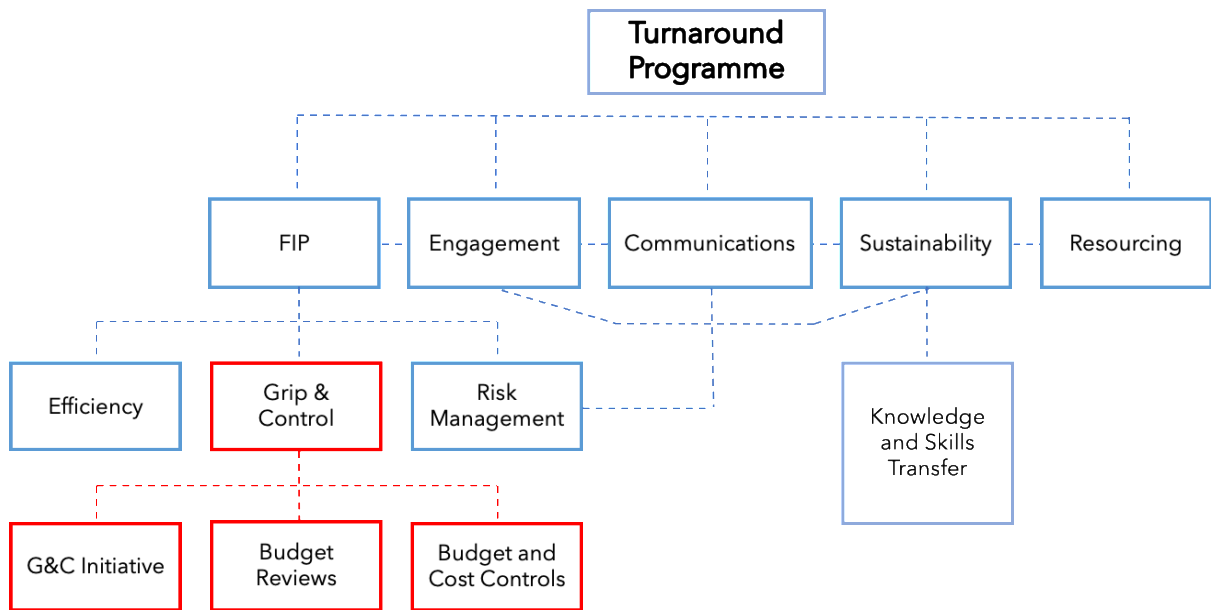
The scope & objectives of the Grip & Control process and procedures are as follows:-

1. To support and enhance the **Financial Improvement Programme** through improved cost control both against budgertary spend and actual expenditure.
2. To get clarity and focus on managing the following:-
   a. In Year external cost pressures
   b. Budget overspends and poor financial discipline.
   c. Areas where the the policy and controls are inadequate to meet the needs of the organisation

3. To standardise the controls and financial scrutiny across all business groups, directorates and corporate departments of the organisation so the overall measurement and tracking can be consolidated easily.
4. To ensure the G&C measures delivered are sustainable and recurrent.
5. The scope of Grip & Control includes all areas of expenditure however focus should be given to:-
    a. Workforce Vacancy Control
    b. Workforce Redesign (alongside FIP)
    c. Pay – Other payments variable inc Overtime, Shift Premium and others
    d. Agency & Bank Spend (all groups)
    e. Procurement Controls inc non PO and POs over £5k
    f. Non Pay Discretionary (All) (to be defined)
    g. Solid and Robust financial business cases.
    h. Other grip and control issues as defined with G&C Steering Group [see Grip and Control Framework].
6. Ensure solid and robust budget management is in place including compliance with SFIs.

2.2 Integrated Programme Framework

The integrated Programme Framework provides a structure to connect the workstreams with the FIP business unit delivery. This can also include cost containment and cost management initiatives as part of the grip and control framework.

2.3 The use of Grip and Control with FIP Tracker

The FIP tracker provides the following:

1. Provides a centralised database of all schemes and projects contained within the Organisation's programme.
2. Separate reports are available for cost cost containment and non recurrent initiatives as part of the tracker.

2.4 The Project Mandates

The project mandate is a key document that is used to capture the scope, financial benefits, any associated risks and project plans for a particular schemes and project. It can be used as a structuring document between finance and operations when taking an idea and transforming it into a project. The project mandate can be used as a document for delivering and managing FIP but also for manageing cost containment where a project plan

is required. It should be determined by the G&C steering group whether a mandate is required for each cost containment scheme.

3. Recognition of Grip & Control

1. Cost containment schemes for costs that were not budgeted but were in the run rate will be recorded as part of the programme but will not be included as part the recurrent FIP delivery.
2. The Grip and Control measures that result in a budget retraction will be recognised as part of FIP. The team should liaise with the supporting workstreams to communicate the controls and measures being put in place.

3.1 Grip and Control.

Grip and control is a key component in moving to financial balance and a part of FIP. This should enable budget retraction in some cases and there is workstream to cover this as part of the programme. **Grip and Control Framework is issued to cover the broader agenda that includes cost pressure and cost containment management areas.**

4. Roles supporting Grip and Control

4.1 Overview

```
┌──────────┐        ┌──────────┐        ┌──────────┐      ┌──────────┐
│  PMO     │- - - - │ Director │- - - - │Turnaround│- - - │Turnaround│
│ Director │        │of Finance│        │ Director │      │   Team   │
└────┬─────┘        └────┬─────┘        └──────────┘      └──────────┘
     │                   │
┌────┴─────┐        ┌────┴─────┐
│Workstream│        │Supporting│
│Exec Lead │        │Directors │
└──────────┘        │  [G&C]   │
                    └────┬─────┘
        ┌──────────┐     │
        │Finance and│    │
        │ Business  │    │
        │ Partners  │    │
        └────┬──────┘    │
             │      ┌─────┴──────┬──────────┐
             └ - - -│Cost Centre │  Budget  │
                    │ Managers   │ Holders  │
                    └────────────┴──────────┘
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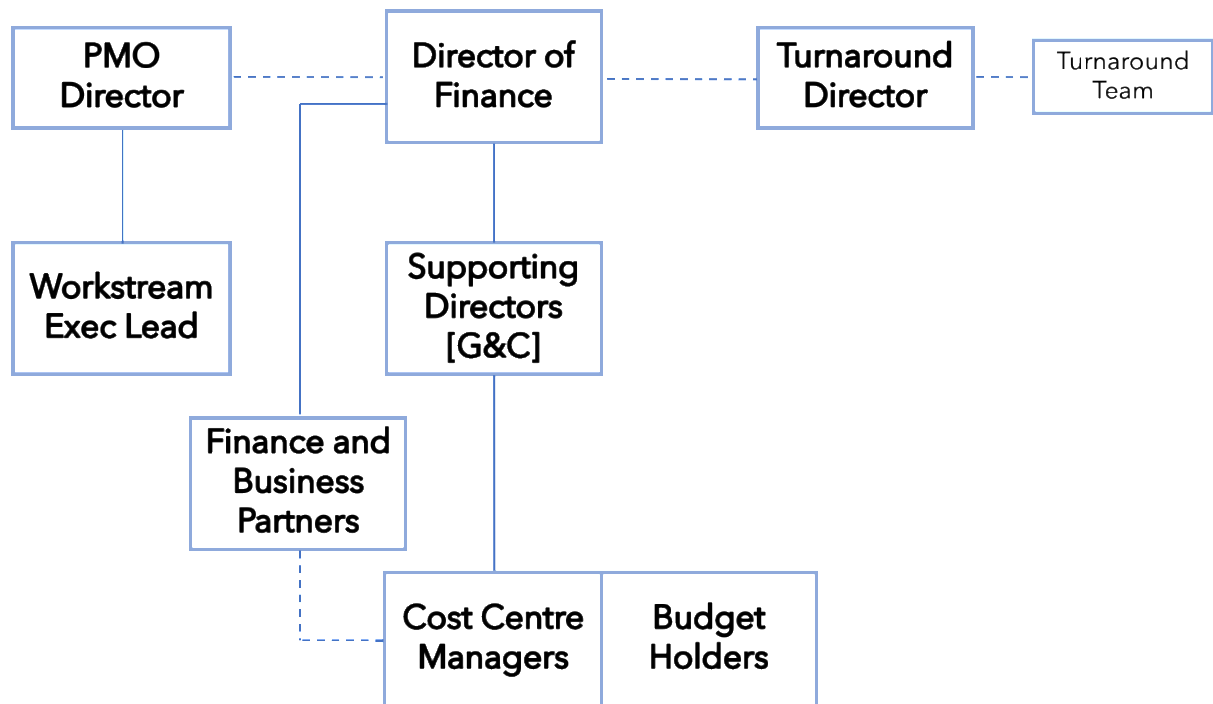
4.2 Director of Finance (Chair)

The Director of Finance is responsible for directing and managing Grip and Control. This may be delegated to an Associate Director

1. Compliance with the FIP and G&C governance framework.
2. Setting the overall objectives for G&C.
3. Setting the priorities and areas of focus together with suggested measures to improve financial Grip and Control.
4. Setting and communication of the required changes in control by business unit, directorate and workstream.
5. The overall financial validation of the programme and programme requirements in line with financial expectations from NSS.
6. Communicating and getting buy in from colleague directors in support of the G&C programme.
7. Highlighting risks to the Board where there is insufficient evidence in terms of grip from areas of the organisation or individual Directors.

4.3 Grip & Control Supporting Directors

The supporting directors include:-

1. Director of Operations and Nursing
2. Medical Director
3. Director of Workforce

4. Chief Officer of IJB

Each Director is responsible for: -

1. The overall management for G&C for their areas.
2. Supporting the organisation in improving and maintaining grip & control as directed by the Director of Finance.
3. Compliance with the G&C governance.
4. Support and compliance for any G&C measures related to their areas.

4.4 Grip and Control Project/Workstream Lead

The G&C Project/Workstream Lead is responsible for: -

1. Scoping and detailing the G&C initiative
2. Working with the designated Financial Manager to work up a financial assessment.
3. Gathering and developing the required data and information.
4. The project manager also completes a business case where appropriate with financial support from the Business unit Financial Manager.
5. Support the development of dashboards, implement and change policy.

The G&C Project Lead for each project is likely to be the Associate Manager, Clinical Director or Senior Manager.

4.5 Turnaround Programme Management Office (PMO) in support of Grip and Control

1. The PMO is responsible for supporting C&G around overlapping themes with FIP.
2. Responsible for ensuring the completion of paperwork where a FIP/G&C scheme is allowed.
3. The Programme Office has the responsibility for developing and management of the overall organisation FIP tracker and providing central reports to include cost containment.
4. Keeping account and record of programme actions and accountability and follow up.
5. Support will also be provided where appropriate for the development of ideas and the delivery of projects.
6. Finance Business Partners will be allocated to individual projects as required for validation purposes.

4.6 Turnaround Director and Turnaround Team

The responsibilities of the turnaround team include:-

1. Advise the Board on the remedial and corrective action to improve financial balance.
2. Assess and advise on the current framework for delivering the cost management and cost containment within NHS Borders.
3. To provide support in making the required programme changes to encourage and assure delivery of financial improvements.
4. To challenge the organisation in making the decisions to improve financial performance whilst sustaining performance and quality standards

5. Management Meetings

5.1 Grip and Control Steering Group

Frequency: meets weekly.

There should be a G&C central meeting every week with a formal agenda and a set of action points:-
1. Statement of current issues and priorities with a review of the current financial position as required.
2. Feedback and review of dashboards for each individual cost management delivery group.
3. Agree actions and changes to control costs for each cost management delivery group.

5.2 Cost Management Delivery Groups

Frequency: meets fortnightly (weekly in escalation status).
Objective: To deliver and progress recurrently financial controls and cost management issues.

- Review of action register.
- Detailed review of the dashboards and supplementary data.
- Review of provisional projects.
- Review and management of exisiting initiatives.

Further actions to be transacted or undertaken to improve control.

6. Budget statement reviews and controls

It is the responsibility of the finance team to ensure that all budget holders are adequately trained in financial management and that they are provided with monthly budget statements in a timely manner.

The Finance Department should hold the control and monitoring document covering all cost centres tracking the review status and financial position in terms of financial position by cost centre. This should be updated on a monthly basis to provide an audit trail of what has been reviewed and its current financial status.

During each budget statement review with the cost centre management a record should be kept of the agreed actions for the cost centre manager and business partner to undertake. These actions should be recorded on a standard template and consolidated on a central database being cross referenced with any other central cost management work undertaken by the workstreams or G&C workgroups.

The database should be reviewed frequently at the G&C steering group by theme and financial urgency.

The model below demonstrates the foundations and outputs required to ensure grip and control is in place. The reports that are reviewed at G&C should be standard and cover the whole agenda with agreed corrective actions.

Grip and Control Model – Key areas

Policy	Is the Policy fit for Purpose? Does it fit the current financial Envelope? Is it relevant & appropriate within a Turnaround Context
Procedure/Process	Are the controls sufficient in the process? Are they being followed across the board?
Report	Is a report in place and is it reliable? Does it highlight areas which require Grip & Control?
Corrective Action (Grip)	Is it clear what corrective actions are required? Is the level of grip sufficient?

Grip & Control Meeting

… end.