

Borders NHS Board



Meeting Date: 2 July 2020

Approved by:	June Smyth, Director of Strategic Change & Performance
Author:	Donna Burt, PMO Manager
NHS BORDERS FINANCIAL TURNAROUND PROGRAMME – PROGRESS REPORT	
Purpose of Report:	
The purpose of this report is to provide a formal statement on the Financial Turnaround Programme as at July 2020.	
Recommendations:	
The Board is asked to note the report.	
Approval Pathways:	
This report was prepared by the PMO Manager in conjunction with other PMO staff including Finance Business Partners. The paper was reviewed and approved by the Director of Strategic Change & Performance and the Director of Finance.	
Executive Summary:	
<p><u>2019/20 Savings</u></p> <p>£7.1m of recurring savings was identified to Scottish Government for delivery in 2019/20. At the 31st March 2020 NHS Borders had identified £7.061m as recurring savings being delivered in 2019/20. As previously reported the level of recurring savings delivered is double that which has been delivered in previous years.</p> <p><u>2020/21 Savings</u></p> <p>The Financial Turnaround Programme was paused in early March 2020 to enable resourcing to be redirected to focus on our response to the COVID-19 pandemic.</p> <p>The Annual Operational Plan for 2020/21 identified 74 schemes that would deliver part year savings of £3.1M and full year savings of £4.5M for 2020/21.</p> <ul style="list-style-type: none"> - 18 schemes were within BGH - 7 schemes were within P&CS - 9 schemes were within MH & LD - 21 were within Corporate Services, and - 19 schemes sat as programmes or work/workstreams across more than one area. <p>The identified schemes were short of the savings target for 2020/21 and a number of areas of focus were agreed on to investigate and identify further opportunities.</p>	

The areas of focus included:

- Service reviews
- DGH reliant services
- Administration reviews
- Management / skill mix opportunities
- Deconstruction sessions
- Assessment of Corporate Support services
- Review of current 2020/21 schemes to bring in timelines
- Review contributions to turnaround to date
- Fresh review of idea in the pipeline

Further information on the areas of focus can be found in Appendix 1. Exploration of some, including service and administration reviews, were due to be completed by now however work has not commenced to explore any of these areas of focus.

Revised 2020/21 Savings

An initial assessment was undertaken in late April 2020 to assess the slippage resulting from the pause. The assessment involved PMO staff and Finance Business Partners and was based on several assumptions:

- There will be a 6 month delay before any services are starting to operate normally (April – Sept)
- Services will need a further 3 months to the identify how schemes can be progressed (Oct – Dec)
- Most schemes are now only likely to deliver 4th quarter savings (Jan – Mar).

The assessment did not include input from service leads or the business units due to the required prioritisation of these staff on responding to COVID-19. The output has since been shared with the leadership teams in each of the business units for information. A further assessment will be required in coming months in light of requirements for new ways of working which are emerging as we progress recovery plans.

Having undertaken the assessment as outlined above the following should be noted:

- There are also schemes totalling FYE £94K which are no longer considered to be valid schemes due to ways that services are now required to operate.
- There are schemes totalling FYE £770K that will no longer be deliverable in 2020/21 and should be moved to delivery in 2021/22 as a direct result of responding to COVID-19.
- Based on current assumptions the remaining schemes for 2020/21 are expected to deliver part year savings of £2.7M and full year savings of £3.6M however this will be assessed if any assumptions change as a result of the continued impact of COVID-19.

It should be noted that the impact of Covid-19 on delivery of in year saving schemes has been subject of discussion with Regional/National Directors of Finance; a number of

boards have highlighted that they are forecasting a major disruption to savings delivery for the entirety of 2020/21.

Bold Revolutions– End of Engagement Report

Bold's contract came to an end in December 2019 and as part of their agreement with NHS Borders they produced an End of Engagement report.

The report identified a number of areas where improvement could be made and an action plan was produced in response. The action plan was presented to the Finance and Resources Committee in January 2020 and agreed subject to some minor edits. A reporting schedule was also agreed. We were due to report in April on addressing the actions for progress to the end of March and then quarterly thereafter.

The PMO Manager commenced in post in January 2020 and was tasked with progressing the recommendations contained in the report. Due to resourcing being directed away from Turnaround activities at the start of March little progress has been made to address the recommendations contained in the report.

Internal Audit

An internal audit was undertaken in May 2020. The scope of the audit was to consider how well the savings plans and governance arrangements identified by Bold had been embedded in NHS Borders following their departure. There were three recommendations resulting from the audit. Actions have been agreed to address the recommendations. They are due for completion later in 2020.

The Audit Committee agreed it would be beneficial for a further audit to be undertaken in 12 months to retain focus on the programme of Turnaround, recognising that the scope of the audit will need to be reviewed following clarification of any governance changes and/or lessons learned from the Covid-19 pandemic.

PMO Resourcing

The PMO is currently resourced with, 1x PMO Manager, 4x Project Managers, 2x Project Support Officers and 1x coordinator.

All PMO resourcing was redirected in early March to our COVID-19 response, focusing primarily on the establishment of new functions such as the COVID-19 Assessment Hub, Testing and Tracing Services and the Deanfield enhanced residential care home. Resource has now moved to supporting business units with recovery planning activities. This can only be for a temporary period as we assess the longer term status of the projects contained within the Financial Turnaround Programme.

Further Assessment

Recovery plans are still being agreed, therefore at this time it is not possible to ascertain if the assumptions listed above are accurate or if there would be further slippage.

A further assessment will be undertaken on the position in August 2020. This update will be incorporated within the board's Quarter One Review forecast. A more detailed update to this paper will be provided to the September Finance and Performance Committee

which will outline the implications to the turnaround programme from COVID-19.	
Impact of item/issues on:	
Strategic Context	A robust turnaround programme and governance arrangements are fundamental to support the development and implementation of a balanced financial plan. The programme and governance arrangements will need to be adapted as recovery plans are agreed.
Patient Safety/Clinical Impact	All projects have 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 impact will be assessed as part of the project proposal and project plans. A programme risk register is in place for the turnaround programme.
Equality and Diversity	Any impact will be assessed as part of the project proposal and project plans.
Consultation	NA
Glossary	PMO - Project Management Office BGH – FYE – DGH – P&CS MH&LD -

Appendix 1 – Areas of Focus

Area of Focus	Further Information
Review of budgets	<ul style="list-style-type: none"> Review under spending budgets in 2019/20 for recurring savings
Service reviews	<ul style="list-style-type: none"> Each service will undertake a service review A schedule will be pulled together which will ensure every service will complete a review between April 2020 and March 2023 A plan for this will be developed by the end of June 2020-03-09 A standard approach and format will be agreed to ensure consistency, including benchmarking, demand and capacity Will include reference to digital innovation opportunities, prescribing, consider out of area activity which could be repatriated and sustainability of services
Sustainability of key BGH services	<ul style="list-style-type: none"> Further investigate opportunities re – configure/design services exploring regional options and solutions by end of December 2020 Focus on sustainability of essential BGH services
Admin reviews	<ul style="list-style-type: none"> Consistent approach agreed and information/opportunities passed to business units to assess and inform their plans - by end of April
Management/ skill mix opportunities	<ul style="list-style-type: none"> For discussion at programme board by end of May 2020 to identify further opportunities to realign or reduce
Deconstruction sessions	<ul style="list-style-type: none"> All services to revisit deconstruction outputs on an annual basis - initial review to be carried out by end of September 2020
Assessment of Corporate Support Services	<ul style="list-style-type: none"> Explore affordable models and opportunities for shared services by the end of November 2020
Review of current schemes for 2020/21 to bring in timeliness	<ul style="list-style-type: none"> All to be at Gateway 2 (GW2) by end of June
Review contribution to turnaround to date	<ul style="list-style-type: none"> Assessment of areas that have not contributed to date to deliver savings schemes by Business Unit/workstream. The outcome of this will be presented to each business unit for them to agree next steps by the end of April 2020
Fresh review of ideas pipeline	<ul style="list-style-type: none"> Review and re-asses ideas submitted through the pipeline to ensure a full assessment has been undertaken to identify opportunities by the end of March 2020