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Paul Gray  
Director General Health and Social Care  
Chief Executive of NHSScotland

29 September 2017

Dear Paul

## **NHS TAYSIDE ASSURANCE AND ADVISORY GROUP: FIRST PROGRESS REPORT**

I write, as requested, to provide an initial assessment of progress, following publication of the NHS Tayside Assurance and Advisory Group Report, on 27 June 2017<sup>1</sup>.

On 25 March 2017, you established the NHS Tayside Assurance and Advisory Group (AAG), and invited me to chair it. The AAG received a remit to examine the financial position of NHS Tayside and their plans put forward to support sustainable recovery. The resulting report contained 14 recommendations; ten to be actioned by NHS Tayside and the remaining four for the consideration of the Scottish Government (See Annex A).

In response to the Report (Recommendation 11), you established a Transformation Support Team (TST), led by Caroline Lamb, Chief Executive of NHS Education for Scotland (NES), to work alongside the NHS Tayside Board and Senior Executive Team to assist them to deliver their ten recommendations. In order to expedite matters, two members of the AAG: Alan Gray, Director of Finance from NHS Grampian and Alex McMahon, Executive Director of Nursing from NHS Lothian were invited and moved over to join Caroline Lamb on the TST. The membership of the Transformation Support Team was augmented with the addition of Barbara Anne Nelson, currently Director of Workforce in NHS Fife.

You also asked me to work with the remaining AAG members Paul Hawkins, Chief Executive of NHS Fife and Stephen Logan, Chairman of NHS Grampian to provide you with an initial progress report at the end of September 2017 and a subsequent report examining progress by the end of December 2017. On behalf of the Tayside NHS Assurance and Advisory Group, this letter sets-out the first of these progress reports.

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<sup>1</sup> <http://www.gov.scot/Publications/2017/06/8615>

We deal firstly with the recommendations for NHS Tayside. We note that NHS Tayside has, from the outset, been open and welcoming of the support offered by the Transformation Support Team. We have also received assurance from the Chairman and Chief Executive of NHS Tayside that they are content with the level and quality of support received from the members of the TST, which has enabled the NHS Tayside Executive Review Group to progress the ten recommendations. The remit of the TST encompasses the provision of guidance, professional support, sign-posting and constructive challenge. It in no way impinges upon or replaces the authority of NHS Tayside Board's Senior Executive Team or governance structures. The delivery of the AAG recommendations remains the responsibility of the Board of NHS Tayside.

## **Assessment Process**

To inform our assessment, we requested that the Transformation Support Team, provide us with a report setting out a summary of the work undertaken to date by NHS Tayside and their assessment of what that represents in terms of progress towards delivery of the recommendations. The report that we received is set out in full and is enclosed with this letter.

As can be seen from the TST's report, NHS Tayside has responded pro-actively to the AAG report by producing their own Action Tracker to capture the extensive list of actions being undertaken to deliver our recommendations – each with their own timescales and Responsible Officers. That Tracker has been updated and reported to the TST on a weekly basis. The Tracker has been complemented by the development of an agreed Outcomes Framework - intended to make a clear statement about what the Board expects to be different when the planned programme of action is complete.

As you will note from the attached report, the TST requested that NHS Tayside carried out a self-assessment of what progress has been made following publication of the AAG report. In response, NHS Tayside has provided a detailed report, with a Black, Red, Amber, or Green (BRAG) rating assigned to each of the recommendations and with substantial underpinning documentation to evidence their progress. Their full report, with links to each of the attachments, will be available on NHS Tayside Board's website on Friday 29 September, alongside the papers of their Transformation Programme Board.

The Transformation Support Team's report captures a summary of NHS Tayside's self-assessment and assigns its own 'BRAG' rating along with the Team's conclusions regarding progress to date - based on the evidence provided along with that gathered and observed at first hand by TST members during their work with NHS Tayside.

In addition to receiving the TST's written report and NHS Tayside's self-assessment documentation, we also met with members of the TST to probe elements of their findings and assessment of the evidence base, in order to come to our own view of the current situation.

## **Assessment for July-September**

We welcome the achievement of a common view between NHS Tayside and the TST on the current 'BRAG' status of the recommendations. We are also encouraged by the explicit reference to the outcomes NHS Tayside expect to see as each recommendation proceeds to delivery.

With regards to demonstrable progress against the ten recommendations, we are conscious that NHS Tayside has had less than three calendar months operational time to report early progress. The main focus during this first phase of work has been on crucial preparatory work; to revise structures and processes, pull together data, develop plans and promote a shift to working with partners and stakeholders in a manner which is more open and collaborative. As a consequence, there are no recommendations currently assessed as green. Three of the key recommendations have been assessed as red; those relating to this year's (2017-18) projected financial outturn, medicines management and workforce planning. The red rating reflects the fact that while much preparatory work has been undertaken, assurance of future delivery of improved outcomes is not yet available. The assessment of the remaining seven recommendations as amber, indicates that while there is, as yet, limited evidence of impact, there is evidence that the actions to date are moving the Board towards the agreed goal.

One of the critical outputs from the work undertaken to date includes a comprehensive review of the NHS Tayside's planned efficiency savings for this financial year and an agreed programme of actions to reduce the projected shortfall. The development and delivery of this significant piece of work will be supported going forward by direct input from Alan Gray, who has recently stood down from membership of the TST to take on a regional finance role for the North of Scotland.

Some of the key areas of preparatory work to support future delivery include reviewing and developing a systematic and inclusive process to prepare revised budgets for the next financial year. NHS Tayside has also put in place a work-plan for the creation of an Integrated Clinical Strategy (Recommendation 3) and is working more closely with the Chief Officers of the local Health and Social Care Partnerships to set out in detail how the various strands of work, on-going and planned, will come together to provide a strategic framework for the development of more sustainable service models in key clinical services.

NHS Tayside has also made positive steps to increase transparency by publishing Transformation Programme Board papers and establishing a specific space on their website dedicated to transformational change, to complement the regular updates to staff via their 'Vital Signs' newsletters and the weekly 'Transforming Tayside' updates.

## **Summary of Progress – NHS Tayside**

In summary, at this time, the Assurance and Advisory Group is content that NHS Tayside is making adequate progress towards delivery of the recommendations set out in our Staging Report of 27 June 2017. However, as evidenced by the observations of the Transformation Support Team, much of the activity to date has taken the form of information gathering and preparatory work to establish the circumstances and mechanisms to support transformation. The greatest challenge, still to come, will be for NHS Tayside to move from developing plans, to successfully implementing them.

## Recommendations for Scottish Government

To complete the picture of progress to date, we separately asked the Scottish Government project sponsor, Christine McLaughlin, Director of Finance to provide an update on progress to realise the four recommendations addressed to the Scottish Government. This is attached at Annex B and provides assurance that the Scottish Government's Health and Social Care Directorates has accepted and acted to implement all four of the relevant recommendations.

### Next three months

Since early July, NHS Tayside has understandably focussed on laying the groundwork to deliver our recommendations. However, such groundwork must be translated into tangible outcomes. In particular, there are three key areas – financial projections, workforce planning and medicines management - where measurable improvements will require to be seen. In order to secure success, challenging decisions will require to be made, necessitating close and effective partnership working with the three Health and Social Care Partnerships, Local Authorities and staff partnership colleagues, as recommended by our Report

NHS Tayside must also swiftly find a resolution to fill the skills gap in strategic planning. At this time we believe that encouraging progress has been made in establishing the framework for developing the Integrated Clinical Strategy. However, the next stage is fundamental to the effective re-design of services, in order to shape on-going and future excellence in care for the people of Tayside and for those who provide that care. We believe that this ambition would be facilitated by the availability of specific expertise in this field.

The next key milestone for NHS Tayside comes at the end of this calendar year. A further report is scheduled to be provided by the Assurance and Advisory Group on the progress achieved by the end of December 2017. As described above, this next phase of work will be crucial for NHS Tayside to provide tangible results of progress. With your agreement, we propose to submit to you a further report of progress by NHS Tayside in January 2018.

On behalf of the NHS Tayside Assurance and Advisory Group, I would be pleased to discuss any aspect of this report if that would be helpful.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Lewis D Ritchie', with a horizontal line underneath.

Lewis D Ritchie  
Chairman NHS Tayside Assurance and Advisory Group

Enc Transformation Support Team's Report

## Assurance and Advisory Group's Recommendations

Actions for the NHS Tayside Senior Executive Team

1. We recommend that NHS Tayside should take urgent and robust action in order to Maximise the likelihood of achieving the planned in-year savings and delivery of NHS Tayside's projected financial outturn for 2017/18.

Detailed action plans must have support from key stakeholders and include anticipated financial impact, identified timetables and milestones. There should be clear trigger points for escalation to ensure swift action when delivery is found to be at risk.

2. Over the next three months, NHS Tayside should subject its financial planning framework to rigorous and comprehensive review. This should help to ensure that projections and targets for future years are based on a thorough service by service understanding of cost drivers, risks and opportunities.

3. Over the next six months, NHS Tayside should continue to work with its partners to agree the content and a realistic timeline for completion of the Integrated Clinical Strategy, already in progress. We would expect that the completed Integrated Clinical Strategy would set out a comprehensive and evidence based case for transformational change. This would build upon the HSCPs' strategic plans for social care, primary healthcare and unscheduled hospital care, taking account of public health imperatives. It should provide a clear strategic direction for acute and community healthcare in Tayside, including the development of Regional Plans.

The Integrated Clinical Strategy should take full account of present and future challenges, including those set out in the National Clinical Strategy, Realistic Medicine and the Health and Social Care Delivery Plan. It should provide concrete and detailed options for long term strategic positioning of NHS Tayside's role within a local and regional setting. We would encourage NHS Tayside to accelerate its work together with HSCPs, Local Authorities, the Third Sector, Universities and other partners.

4. NHS Tayside should undertake an early and comprehensive review of staffing levels across all services and sites, including those delegated to or utilised by HSCPs. This review should aim to clarify key drivers of NHS Tayside's workforce levels compared to peer Boards and to identify safe options for bringing redesigned services and sites within available resources.

5. In relation to service development, the clear focus on optimal drug prescribing and wastage minimisation should continue unabated.

6. Further and appropriate delegation of decision-making to managers and staff at operational level is required in order to ensure that executive director level capacity is released for strategic development and transformation of services.

## Actions for the NHS Tayside Board

7. In order to continue to ensure safe and effective services for the people of Tayside in a challenging and changing environment, the Board must ensure early, meaningful and sustained engagement in partnership with its staff, its stakeholders and moreover the public and political representatives.

8. The Board should build on current restructuring of the senior executive team and recruitment of non-executive members, addressing skill-mix gaps, particularly for effective strategic planning and oversight. It should maximise opportunities for induction and development of non-executive members to ensure robust and effective governance and scrutiny of the executive function of the Board.

9. The Board should ensure that the actions (Actions 1-6) recommended for the senior executive team are rigorously scrutinised and governed to ensure effective and timely delivery. Restructuring of its financial framework control systems must ensure that budgetary control is assured for all its functions (see Action 2 above). In particular, leadership and continuous scrutiny of a very high order will be required for all aspects of strategic planning to deliver sustainable transformation over the next five years.

10. The Board must continue to foster and enable leadership development at all levels. As NHS Tayside moves forward, strong clinical leadership will be essential to realise the ambitions of the Chief Medical Officer's Report on Realistic Medicine and the National Clinical Strategy.

## Actions for Scottish Government

11. The Scottish Government should ensure that necessary skills, expertise and support are swiftly made available for NHS Tayside in order to address its significant and longstanding challenges. While assisting the delivery of planned short term in-year savings and projected financial outturn for 2017/18, this support should primarily focus on delivering effective transformational change, including an in-depth comprehensive review of existing plans to return NHS Tayside to sustainable financial balance.

12. Implementation of the recommendations in this report should be closely monitored, in order to realise timely and sustainable transformational change in Tayside.

13. In light of our findings, the Scottish Government should consider the potential impact on NHS Tayside of being required to repay the £33.2m of accumulated financial support which is still outstanding and note the potential need to provide further financial support in future years.

14. Learning opportunities arising from the experience of NHS Tayside should be assimilated for the wider benefit of NHS Scotland. This includes the role and contribution of national services support, on the basis of a 'Once for Scotland' approach - as outlined in the recent Health and Social Care Delivery Plan.

## Scottish Government Response to AAG Recommendations 11-14

### Recommendation 11

“The Scottish Government should ensure that necessary skills, expertise and support are swiftly made available for NHS Tayside in order to address its significant and longstanding challenges. While assisting the delivery of planned short term in-year savings and projected financial outturn for 2017/18, this support should primarily focus on delivering effective transformational change, including an in-depth comprehensive review of existing plans to return NHS Tayside to sustainable financial balance.”

### Scottish Government comment (Rating = Green)

In response to this recommendation, the Director General Health and Social Care immediately appointed a team with the necessary seniority, skills and experience to ensure rapid engagement with NHS Tayside. The Transformation Support Team (TST) is led by Caroline Lamb, Chief Executive of NHS Education for Scotland, and includes Barbara Anne Nelson, Interim Director of Workforce at NHS Fife and Alex McMahon, Executive Director, Nursing, Midwifery and Allied Healthcare Professionals at NHS Lothian.

The TST made it a priority to scope and assess the extent of the additional capacity requirements and ensure the required support could be focused on key issues. Specifically on finance, Alan Gray, Director of Finance at NHS Grampian was appointed to the TST to assist NHS Tayside develop a robust projected financial outturn for 2017/18 (recommendation 1). Recognising the need to achieve both short and long term financial balance, Alan also provides support to NHS Tayside as they focus on making changes to the overall financial planning process (recommendation 2).

Following NHS Tayside’s Mid-Year Review, Alan Gray stepped down from the TST to take on the role of a regional Strategic Director of Finance, initially covering NHS Tayside and Grampian. Going forward he will work closely with NHS Tayside to facilitate collaborative working and the pooling of financial expertise and skills between NHS Grampian and NHS Tayside.

One remaining focus of attention relates to the continued lack of dedicated Strategic Planning resources within the Board, a key element in the successful realisation of transformational change in Tayside. An initial recruitment exercise was not successful and all parties are giving this matter priority consideration to identify alternative options to secure appropriate resources.

## Recommendation 12

“Implementation of the recommendations in this report should be closely monitored, in order to realise timely and sustainable transformational change in Tayside.”

### Scottish Government comment (Rating = Green)

The Scottish Government immediately established a set of oversight, reporting and escalation arrangements led by the SG Sponsor Director. This has included a series of reports and meetings, including weekly meetings with the Chair of the TST, to ensure the necessary progress is being achieved against the deadlines set. The TST is, in turn, receiving weekly updates of NHS Tayside’s Action Tracker which summarises the progress to date, and which the TST uses to inform and shape its support for the specific pieces of work being done to implement the recommendations and to monitor the impact of these initiatives.

## Recommendation 13

“In light of our findings, the Scottish Government should consider the potential impact on NHS Tayside of being required to repay the £33.2m of accumulated financial support which is still outstanding and note the potential need to provide further financial support in future years.”

### Scottish Government comment (Rating = Green)

In response to this recommendation, Paul Gray, in his letter of 27 June to the Convenor of the Public Audit and Post-legislative Committee (PAPLS), advised that he has suspended the requirement for NHS Tayside to repay outstanding brokerage, to avoid the prospect of adverse impacts on patient safety, quality and delivery. On receipt of the final AAG report, in January 2018, Paul Gray would expect to provide PAPLS further detail on the timescales for brokerage repayment.

## Recommendation 14

“Learning opportunities arising from the experience of NHS Tayside should be assimilated for the wider benefit of NHS Scotland. This includes the role and contribution of national services support, on the basis of a ‘Once for Scotland’ approach - as outlined in the recent Health and Social Care Delivery Plan.”

### Scottish Government comment (Rating = Amber)

NHS National Services Scotland have compiled a report on lessons learned from the tailored support they have provided to NHS Tayside and are currently in discussion with other Health Boards to assess the need for further data analytics, to support improvement in performance.