

# **NHS Tayside Transformation Support Team**

**Second Report on NHS Tayside's progress  
to implement the recommendations in  
the Assurance and Advisory Group's  
Staging Report**

**30 January 2018**



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## Introduction

This is the second report by the Transformation Support Team (TST) on the progress NHS Tayside has made to implement the Assurance and Advisory Group's (AAG) recommendations as contained in their Staging Report.<sup>1</sup>

The purpose of this report is to inform the AAG, who have been asked by Paul Gray, Director General Health and Social Care, and Chief Executive of NHS Scotland, to provide a second report on NHS Tayside's progress, as at the end of December 2017. This report sets out the methodology we have adopted, our overall assessment of the NHS Tayside's progress to date and identifies some key themes which may have wider resonance for NHS Scotland. The main body of the document follows broadly the same format as our first progress report;<sup>2</sup> it is broken down into the 10 recommendations from the Staging Report which apply to NHS Tayside and sets out NHS Tayside's self-assessment of the progress that they have made against each recommendation. This is followed by the TST's analysis of the progress which we assess as having been made by NHS Tayside against each recommendation.

I would like to take this opportunity to thank the Board Members and staff from across NHS Tayside who have recognised the significant challenges they face, and who have co-operated wholeheartedly with the TST to address these challenges. It is their efforts that have produced the progress outlined in the following report.

Finally, I would like to extend my gratitude to the members of the TST: Barbara Anne Nelson, Director of Workforce, NHS Fife and Professor Alex McMahon, Executive Director, Nursing, Midwifery and Allied Healthcare Professionals, NHS Lothian. My thanks are also extended to Alan Gray, Director of Finance, NHS Grampian (a member of the TST until early September); also Alpana Mair and Simon Hurding from the Effective Prescribing and Therapeutics Branch in the Scottish Government. All these colleagues provided invaluable expertise and support to NHS Tayside.



Caroline Lamb  
Chief Executive, NHS Education for Scotland  
Chair, NHS Tayside Transformation Support Team

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<sup>1</sup> NHS Tayside Assurance and Advisory Group Staging Report of Findings and Recommendations, 27 June 2017, <http://www.gov.scot/Publications/2017/06/8615>

<sup>2</sup> NHS Tayside Transformation Support Team Report on NHS Tayside's progress to implement the recommendations in the Assurance Advisory Group's Staging Report, 29 September 2017  
<http://www.gov.scot/Publications/2017/09/2396>

## Methodology and Assessment

### Methodology

The TST has undertaken its assessment on the basis of:

- (a) the evidence submitted by NHS Tayside concerning new arrangements, processes and structures put in place, set alongside our own observations and discussions with NHS Tayside staff;
- (b) where possible evidence of demonstrable results and impact delivered;
- (c) our own observations of relationships, behaviours and partnership working set alongside those from members of the AAG who attended a series of meetings in the period April – June, and revisited the same meetings in November- December 2017.

Information from each of these sources, including consideration of the strength of the evidence base provided to support NHS Tayside's self-assessment, has been triangulated to produce our overall assessment. It is worth noting that NHS Tayside's assessment, which we reproduce in this report, was based on the situation at 31 December 2017. There is activity that they refer to in their 'next steps' sections that is due to be completed in January 2018, but which is out-with the scope of our assessment and also coincides with writing this report.

As in September 2017, we have assigned a Black, Red, Amber or Green (BRAG) rating to each recommendation, based on the definitions below:

- Black – there is no confidence that plans will deliver the anticipated outcomes, or there is a complete lack of a plan for a recommendation.
- Red – significant activity is still required to develop realistic plans that will give confidence that the outcomes will be realised timeously, or substantial activity may have already begun but there is a high level of risk that anticipated results will not be realised.
- Amber – realistic and credible plans are in place to deliver the outcomes but they have not yet been implemented, or have been partially implemented, and results are still to be seen.
- Green – plans are robust with activity already leading to results in line with the anticipated outcomes.

In our September report we identified that the recommendations of the AAG were designed to deliver an immediate improvement in the in-year financial position (recommendation 1) and also to address issues of longer term sustainability through significant transformational service change (recommendation 3).

Delivery of recommendations 2, 4 and 5 were recognised as being fundamental to being able to model and have in place processes that would deliver that transformational change and ensure sustainable quality services.

The remaining recommendations, 6 to 10, are important enablers of the work that will be needed in the Board to deliver short and longer term changes. Full implementation of this group of recommendations will create the conditions in relation to delegation, engagement, ways of working, effective skill mix, scrutiny and leadership that are required to transform and to continue to evolve services to meet changing demands.

The following table summarises the BRAG ratings we assigned to each recommendation as at the end of September, and then again at the end of December.

<b>Recommendation</b>	<b>BRAG rating as at end-September</b>	<b>BRAG rating as at end-December (this report)</b>
1	Red	Amber
2	Amber	Green
3	Amber	Green
4	Red	Amber
5	Red	Amber
6	Amber	Amber
7	Amber	Amber
8	Amber	Amber
9	Amber	Amber
10	Amber	Amber

### **Summary Assessment**

The table above notes an improvement in the BRAG rating across recommendations 1 to 5. These are the areas where it has been possible for us to assess not only the systems and processes that NHS Tayside has put in place since July 2017 but also to identify that these processes are starting to achieve the results that the recommendations were designed to achieve. As noted above, recommendations 6 to 10 will create the conditions that enable the Board to implement transformational change. It is the nature of this sort of improvement work that it will take longer for results to be clearly evidenced. The ratings against these recommendations therefore reflect the fact that, whilst work has been done to put in place revised systems and processes, it will take longer for the results of this work to be evident. It will be important for the Board to continue to assess whether the measures they have put in place are achieving the desired impact.

NHS Tayside has worked hard to implement the recommendations of the AAG report. There is still significant work to be done, particularly to further develop, approve and implement the Integrated Clinical Strategy in partnership with the Integrated Joint Boards and Local Authorities. This is fundamental to providing the authorising environment within which the transformational change that is required to provide sustainable high quality and safe services can take place. As the Integrated Clinical Strategy is developed the Board will need to continue to focus on the requirement to deliver significant in-year savings.

We note the progress made using data, identifying areas where NHS Tayside is at variance from benchmarks and top quartile performance in NHS Scotland, being used as part of the new Business Planning Process and the Board will need to ensure that improvements and efficiencies result. At the same time the Board must continue to work on the improvements to delegation, engagement, ways of working, effective skill mix, scrutiny and leadership that will support change and continual evolution of services.

The Board has taken important steps to improve their capacity and capability in key areas, particularly through embedding the role of Alan Gray as Regional Finance Lead (North of Scotland) and through the more recent appointment of interim support in the area of strategic planning and performance. The Board should take advantage of the opportunities for further collaboration with colleagues across the North region to draw on additional capability and insight and also to share areas of best practice. These measures, together with the support provided in areas such as team development and public engagement should help NHS Tayside to continue to make progress towards sustainable high quality services.

We recognise that NHS Tayside has been subject to considerable scrutiny over the last year, and we appreciate the additional burden that this can place on staff. We therefore consider that the Board needs to be allowed some time to demonstrate that work that they have delivered so far, and the learning that they have taken from this process can deliver tangible results.

## **Key Themes**

In this report we have built on the inter-dependencies of the recommendations (see attached Appendix) and our assessment as at the end of December 2017 to identify some key points and recurring themes. These are set in the context of our work at NHS Tayside but may also be useful for other organisations looking to learn from this process. The latter also maps to recommendation 14 of the AAG Staging Report, which encouraged Scottish Government to embrace learning opportunities arising from the experience of NHS Tayside.

### **Short-term Financial Position vs Sustainable Long Term Services**

This second report identifies that progress has been made in reducing the level of deficit now being forecast for the current financial year; but also highlights that continuing effort is required to sustain or improve the final outturn for 2017/18 and that equivalent or greater efforts will be required in 2018/19. The return of NHS Tayside to sustainable financial balance, which is not reliant on short term measures or non-recurring efficiencies, will only be achieved through transformational change which addresses the structural issues identified in the AAG Staging Report. Major service transformation will need to be driven by the Integrated Clinical Strategy (ICS), but the Board also needs to be assured that opportunities for improvements and efficiencies identified by benchmarking are being examined and implemented locally wherever possible as part of business as usual operations.

There are tensions inherent in balancing the need to focus on the short term position against the strategic thinking, engagement and commitment required to deliver longer term sustainable services. It is essential that the Board ensures that its leaders have the capability and capacity to manage this.

### **Data and information to inform short and longer term decision making**

It will not be possible to properly model, or to effectively implement, new arrangements which will enable NHS Tayside to provide quality services within its means, without also having in place comprehensive financial and workforce reporting and planning arrangements, and being able to manage prescribing costs. We are encouraged by the work that has been done to deliver new reporting arrangements, enabling a better understanding of the current position, alongside new arrangements for business planning. We believe that this work has set the foundations that will support the Board to understand the impact of new approaches that must be considered under the ICS, and to deliver the benefits of implementing these.

We have also noted the importance of having appropriate rigour around the timetables for the production of reports, particularly where these are provided to support decision making by Non-Executive Members. It is essential that information is provided in a way that allows sufficient time for it to be read, understood and thereby effectively challenged. Linked to this, NHS Tayside needs to ensure that Non-Executive Members and staff side representatives get appropriate support and training to understand the papers and proposals that are presented to them.

## **Capacity and Capability**

There is still much work to be done to mature all the new systems and processes that have been put in place and it will be essential for NHS Tayside to have the capacity and capability to ensure that the benefits anticipated from the new arrangements are fully delivered. We have supported NHS Tayside in its efforts to secure senior support in the area of strategic planning which was recognised as being a deficit in the AAG report. We welcome the appointment of an interim Strategic Planning Director who will be critical in ensuring that the strands of financial and workforce planning are aligned in support of delivery of the Integrated Clinical Strategy. NHS Tayside will need to consider how this requirement can be fulfilled in the longer term; and to ensure that it takes a self-critical approach to continually assessing whether it has the correct skill mix to successfully address new challenges.

## **Team Working and Learning from elsewhere**

We have seen evidence of the willingness of the Executive Team to work together on their own development, individually and as a team. Strong team working is essential to delivering high performing systems and during our engagement with the Executive Team we have seen evidence of improved team working. This progress needs to be maintained. We have also observed the impact which has resulted from a fresh approach, such as the closer involvement of Alan Gray, who was appointed as Regional Finance Lead for the North of Scotland. As the arrangements for working collaboratively across regions develop there will be further opportunities for NHS Tayside to benefit from enhanced capability and capacity across the region, and to consider what this means for existing structures within the Board. We would encourage NHS Tayside to be outward focussed, to look to learn from other systems, to be self-critical about their own ways of working, and to bring new insight and experience into the team where possible.

## **An Outcomes Focus**

Throughout the period of our engagement with NHS Tayside, we have been aware of the significant level of activity and effort which has been dedicated to implementing the range of activities associated with the AAG recommendations. We recognise that, in such a time pressured situation, it can be difficult to find the space to take an overview. However, it is critical that NHS Tayside puts in place a process to ensure it maintains a consistent focus on the wider picture and an understanding of how, and what each of these tasks and activities contributes to delivery of the intended outcomes.



## **An Open and Transparent approach**

Since our first involvement with NHS Tayside in July 2017 the Board has moved to a position where less business is taken in closed session and there is a more open and proactive approach to sharing information about issues and potential solutions. This has contributed to the signs of improved partnership working which we refer to in our report. Maintaining an open and transparent approach will be extremely important as NHS Tayside seeks to approve and implement the transformational change which will secure sustainable quality services.

## **Culture and Leadership**

It will be important for the Board, the Chief Executive and the Executive Team of NHS Tayside to continue to focus on the full implementation of the recommendations in the AAG report, and particularly on ensuring that the measures that have been put in place do deliver the intended outcomes. Leadership is not the preserve of the senior team of any organisation and the Board also needs to be mindful that demonstrating appropriate leadership behaviours, and developing leadership across its staff needs to be part of on-going every day business, which is embedded as part of the organisation's culture.

## **AAG Recommendation 1 – Financial Outturn**

“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.”

### **NHS Tayside’s assessment**

“Since June 2017 the Board has initiated a rigorous and continuous review of the financial position for the current year. A detailed review of the financial forecast outturn for 2017/18 was undertaken during July and August and actions were agreed by the Directors’ Group<sup>3</sup> and endorsed by the Finance and Resources Committee in October 2017. Based on the revised plan and actions, the current forecast outturn is projected to be a £6.6m deficit; an improved position from the forecast projected at June 2017 of £13.3m. The Finance and Resources Committee has reiterated its commitment to achieving a financial position by 31 March 2018 in line with the Local Delivery Plan. Work is underway to identify further actions required in order to deliver this position.

The delivery of the year-end forecast position is supported by a detailed and risk assessed action plan recognising NHS Tayside’s commitment to delivering safe, effective and person-centred care with the Directors individually and collectively responsible for the delivery of agreed targets and outcomes. The scrutiny and challenge of the financial position by the Board, Transformation Programme Board and Finance and Resources Committee has enabled decisions to be taken and improvements to be accelerated, where clinically safe to do so.

All actions have been risk assessed and a series of weekly key performance indicators are reported to the Executive Review Team<sup>4</sup>. The Scottish Government Health and Social Care Directorate – Director of Finance has been provided with monthly reports on the financial position and delivery of the savings plans. A monthly summary of the financial position has also been provided to the TST.

Rigorous review and monitoring of the financial position, emerging cost pressures and achievement of financial savings is now firmly established across NHS Tayside and within the three Integration Joint Boards. Involvement of staff partnership representation in review meetings and in support of operational areas has been welcome and supported an organisation wide approach to the ownership of actions and identification of further opportunities to achieve savings.

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<sup>3</sup> The Directors Group comprises of Chief Executive, Chief Officers, NHS Tayside Directors and Communications

<sup>4</sup> The Executive Review Team comprises the Chief Executive, Chief Officers, NHS Tayside Directors Executive Directors, Staff-side representatives and Communications

## Next Steps

The Board and Directors' Group remain committed to identifying the further savings required. The Finance and Resources Committee will continue to meet monthly during 2017/18 and regular reporting on financial performance will be reported to the Board and Scottish Government's Director of Health Finance. We have now reviewed the figures for the end of Month 8 which resulted in a forecast year-end overspend of £6.6m. A range of options will be presented for consideration by the Committee on the 18 of January to bring the financial position back in line with the forecast trajectory. A further review meeting has been scheduled with the Scottish Government on 18 January 2018."

## **TST comment**

NHS Tayside has made sound progress to date in implementing all elements of this recommendation.

In NHS Tayside's Local Delivery Plan for 2017/18, submitted to Scottish Government on 31 March, the Board forecasted a £4m deficit at the end of the financial year. As part of the Assurance and Advisory Group's review of NHS Tayside's financial position, EY consultancy undertook a comprehensive analysis<sup>5</sup> of the financial plans and concluded that the figure of £4m was understated as it would require all identified savings, regardless of risk, to be fully realised. They considered a more likely figure to be a shortfall of £14-19m.

In response to the AAG findings, NHS Tayside has acted with real focus and urgency to assess their financial position on a realistic basis, and to identify and implement actions to improve the position.

At the end of the first quarter the Board identified that their likely outturn would be a deficit of £13.3m. Since then the Board has evidenced a more robust grip of the financial situation on a day to day basis, with the senior Finance Team working closely with Alan Gray as Regional Finance Lead for the North of Scotland, both to share knowledge and ensure the embedding of best practice.

We have seen evidence of the results of these changes in the papers taken to the Board and its committees, including particularly to the Transformation Programme Board, and the Finance and Resources Committee. These papers have provided clear evidence of: actions being undertaken to improve the financial situation; explanations of where delivery of savings has diverged from the expected milestones; and options to correct or compensate for such movements. We have also seen additional meetings being called where required to agree further actions.

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<sup>5</sup> EY Report to the Assurance and Advisory Group, June 2017, [www.gov.scot/Publications/2017/06/8615/downloads](http://www.gov.scot/Publications/2017/06/8615/downloads)

The most recent figures, as at November 2017, indicate a projected out-turn of a £6.6m overspend, (or 0.8% of RRL<sup>6</sup>). NHS Tayside Board continues to reinforce its commitment to reducing this further, with additional proposals being considered in January 2018. This is a significant achievement and we commend the hard-work of all the staff in NHS Tayside involved in delivering this improved position.

We have also observed the positive involvement of clinical and staff side representatives on the groups taking forward the saving initiatives and have viewed this as an indicator of the broad-based support for the various streams of work.

Our rating is based on NHS Tayside's assessment that they will deliver an outturn forecast of £6.6m or better. The critical indicator of success in relation to this recommendation will ultimately be the out-turn delivered at the end of March 2018. It should also be recognised that a significant proportion of the efficiency programmes being delivered this year will result in non-recurring savings, meaning that a similar level of effort will be required to maintain or improve the outturn in future years.

TST rating in September 2017 = Red

TST rating in January 2018 = Amber

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<sup>6</sup> The Revenue Resource Limit (RRL) is determined by the NHS Scotland Resource Allocation Committee formula and is allocated to Health Boards through their opening revenue budget.

## **AAG Recommendation 2 – Financial Planning Process**

“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.”

### **NHS Tayside’s assessment**

“The Board has reviewed its financial planning framework in the context of financial, clinical and care governance to ensure that projections and targets for future years are based on a service-by-service understanding of cost drivers, risks and opportunities. In conjunction with NHS National Services Scotland we have developed a new Business Planning and Budgeting Programme (BPB) over the past nine months to work towards achieving a recurring sustainable financial balance position through 2018/19, incorporating service, workforce and financial planning.

A NHS Tayside Board development event in September 2017 on BPB worked with Board Members to understand their appetite for risk and service change. Under the BPB, services will submit group service plans, associated budgets and efficiency measures for budget review scrutiny by Directors and Non-Executive Members. The first of a series of three review meetings took place in December, with further follow-up reviews meetings in January and February 2018. Considerable support has been made available to individual groups and service teams to ensure that the new process delivers plans for achieving financial targets.

The BPB will cover all service areas directly managed by NHS Tayside (Medicine Directorate, General Surgery, Orthopaedics & Trauma and Critical Care Directorate, Access Directorate, Operations Directorate, Specialist Services Directorate and Public Health), secondary care medicines, corporate and regional services.

The IJBs [Integrated Joint Boards] are integral to the budget review process and participate fully at each stage. The Director of Finance works closely with the Chief Financial Officers of the IJBs to ensure that there is a consistency on the financial planning assumptions and on the resource delegated to each Health and Social Care Partnership from NHS Tayside. NHS Tayside’s budget planning timetable is aligned with that of the IJBs to ensure that a whole system approach is taken, while recognising their respective governance processes.

Whilst service and workforce plans over the three year period will respond to recommendation 3 (Integrated Clinical Strategy), we would highlight the two key strategic plans which will contribute towards the future shape of clinical services and overall financial position in 2018/19:

- Shaping Surgical Services – NHS Tayside’s Board approved the Shaping Surgical Services preferred clinical model in October 2016 subject to a three month public consultation and development of a full business case. Following the process of public consultation the full business case, including the case for change, and the clinical, economic and financial implications, will be considered by the Board on 16 January 2018.

- Mental Health and Learning Disability Service – The Transformation Programme developed 17 options for future configuration of inpatient services. Through option modelling and appraisal processes, based upon CEL 4 principles<sup>7</sup>, a preferred option was identified in partnership with staff and service users after rigorous evaluation for clinical safety, deliverability, sustainability and affordability. The preferred option was subject to public consultation between June and October 2017. Seven boards and committees across the IJBs and NHS Tayside will scrutinise the final report, supporting evidence and recommendations arising from the public consultation and offer any additional comments to Perth and Kinross IJB, who will consider final approval of the preferred option at their meeting on 26 January 2018.

In support of the delegation of financial accountability, changes have been introduced to the regular financial statements. The changes are aimed at ensuring that budgets are understood and owned by budget holders, with responsibility for operating within available resources devolved to an appropriate level.

### Next Steps

The service plans will be further developed by early January, including identification and risk assessment of the actions required to achieve financial balance during 2018/19. These draft plans will be subject to review and scrutiny by the senior review panel in January 2018. The outcome of these review and scrutiny meetings will be a detailed financial plan for 2018/19 which will be presented to the Finance and Resources Committee and discussed with the Scottish Government Health and Social Care Directorate – Director of Finance on 18 January 2018. The financial plan for 2018-19 will thereafter be presented for consideration by the NHS Tayside Board at the end of February 2018.”

### **TST comment**

The actions set out above in the Board’s self-assessment, are considered by the TST to meet the requirements of recommendation 2. The implementation of the Board’s newly developed Business Planning and Budgeting (BPB) process, highlighted in our September Progress Report is now underway. It is due to be completed by the end of January, in time to inform the preparation of the Board’s forward plans for the financial year 2018/19 and beyond.

A wide range of information has been provided to support the service level work which has been collated to provide the Board level plans, this includes using benchmarking to identify areas for constructive challenge. The draft outputs from the process, which have been shared with the TST, provide assurance that these will provide a sound foundation for this wider planning process.

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<sup>7</sup> ‘CEL 4 (2010)’ is short-hand for ‘Chief Executive Letter’ and ‘4 (2010)’ denotes it is the 4<sup>th</sup> letter issued in 2010. This is a letter from the Chief Executive of NHS Scotland to NHS Boards giving guidance on Informing, Engaging and Consulting people when developing health and community care services. The letter can be found at [http://www.sehd.scot.nhs.uk/mels/CEL2010\\_04.pdf](http://www.sehd.scot.nhs.uk/mels/CEL2010_04.pdf) .

As with the previous recommendation, it is not yet possible to see the completed picture or assess the effectiveness of the BPB programme as the robustness of the projections it produces will not be visible until well into the next financial year. We also acknowledge that the effectiveness of this process will be dependent on: services being able to think innovatively about new delivery mechanisms; supportive challenge from Finance and HR; and collaborative working with partnership colleagues. This is not likely to be in place consistently across all services for the first year of this approach.

Looking forward, NHS Tayside must also ensure that the financial planning process clearly links into and informs the development of the Integrated Clinical Strategy (recommendation 3) and the management of key resource areas such as workforce (recommendation 4) and medicines management (recommendation 5) which are discussed further in the relevant sections below.

TST rating in September 2017 = Amber

TST rating in January 2018 = Green

## **AAG Recommendation 3 – Integrated Clinical Strategy**

“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’ [Health and Social Care Partnerships<sup>8</sup>] 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<sup>9</sup>, Realistic Medicine<sup>10</sup> and the Health and Social Care Delivery Plan<sup>11</sup>. 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.”

### **NHS Tayside’s assessment**

“To lead the development of the Integrated Clinical Strategy (ICS), a Senior Integrated Clinical Leadership Team was established to create the case for change through engaging with key stakeholders and promoting a culture and the conditions for change. The ICS will act as a framework for transformational redesign of services which will deliver financial and service sustainability. The Senior Integrated Clinical Leadership Team, including membership from the three local Integrated Joint Boards, has made significant progress with the development of the ICS, culminating in the publishing and approval of the ICS Staging Report on the 7 December 2017 at the Tayside NHS Board.

This report will enable a realistic conversation with staff, the public and stakeholders on the future shape, safety and nature of clinical services and models for care across health and social care services. It also provides a platform for detailed planning and modelling of sustainable service configuration across NHS Tayside’s boundary.

To develop the ICS Staging Report, the Senior Integrated Clinical Leadership Team has:

- Undertaken a comprehensive process of engagement with clinical teams, Health and Social Care Partnerships, educators and patient representatives, numbering 800 in total. This has allowed an open discussion about current challenges including workforce, affordability, sites, sustainability of service and anticipated change intentions

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<sup>8</sup> Health and Social Care Partnerships are bodies formed to integrate community health and social care services provided by NHS Boards and Local Authorities.

<sup>9</sup> A National Clinical Strategy for Scotland, February 2016, [www.gov.scot/Publications/2016/02/8699](http://www.gov.scot/Publications/2016/02/8699)

<sup>10</sup> The Chief Medical Officer’s Annual Report 2014-2015 Realistic Medicine, January 2016, [www.gov.scot/cmoannualreport201415](http://www.gov.scot/cmoannualreport201415)

<sup>11</sup> Health and Social Care Delivery Plan, December 2016, [www.gov.scot/Publications/2016/12/4275](http://www.gov.scot/Publications/2016/12/4275)



- Completed an analysis of existing strategic documents and consultation with senior stakeholders to inform a view on the future direction for health and social care services and the interdependencies required to achieve this
- Collated baseline activity, workforce and financial information to enable an assessment of the opportunities arising from current and future service change Activity.

We are working in partnership with *involve*, an organisation which specialises in helping organisations to engage with people and communities in decisions that affect them. Initial sessions with *involve* took place in November 2017 with the Integrated Clinical Strategy team, Health and Social Care Partnership engagement colleagues and Tayside NHS Board members. A programme of activities with *involve* and partners will continue during the further development of the ICS.

The emergent ICS seeks to bring together a range of individual service plans with the health and social care delivery plans. Shaping Surgical Services and Mental Health and Learning Disability Service Redesign are key services that have been reviewed during 2017/18 and have been publicly consulted on. The outcome of both public consultations will be presented for decision in January 2018. There is significant further work, including public engagement, to be completed to deliver an ICS. NHS Tayside has recruited an Interim Strategic Planning Director to support this activity.

During 2018 we will continue to build and develop the Integrated Clinical Strategy identifying the case for transformational change, evidencing the plans to achieve viable, clinically safe and effective care aligned with financial and workforce plans taking account of public health imperatives and the North of Scotland Regional Delivery Plan. NHS Tayside recognises the scale of the work that needs to be completed within 2018 to identify and agree transformative plans and proposals in partnership with all our stakeholders and public.

### Next steps

Continue to work with *involve* to inform public and community engagement during the early part of 2018. Establish a Communications and Engagement Reference Group and sessions with partners and third sector to link engagement opportunities and activities. Mental Health and Learning Disabilities and Shaping Surgical Services service redesign programmes to be considered for approval in January 2018.”

### **TST comment**

The Staging Report on the ICS, submitted to the Board’s December meeting constitutes a key source of evidence for our assessment along with discussions with many of the main participants during the development of the report and observation of the Board’s consideration of its contents. The Staging Report clearly sets out the requirement for a ‘collective vision of how high quality, efficient and accessible clinical services will be delivered for the people of Tayside’ over a 5-10 year timescale. It sets out a clear direction of travel along with a set of guiding principles and delivery objectives which will inform and guide the planning process as it goes forward. The Staging Report also sets out the scale of the work still to be done and identifies the next steps.

Further discussion with NHS Tayside confirms that detailed strategy development plans are being put in place for significant work during 2018. We consider that the Staging Report meets the requirements for the work which this recommendation required to be concluded by the end of December 2017.

The process followed in developing the Staging Report, and in preparing for the next steps has indicated an inclusive approach to this major piece of work and the pace of development in recent weeks has also provided clear evidence of acceleration in the work being done to bring partners on board. Over the last few months, a broad-based team from a variety of backgrounds, working with the ICS Project Manager, have dedicated significant time and resource to undertaking extensive engagement with clinicians, rightly recognising the need to secure clinical buy-in to the change process at the very start. This will be a valuable part of the complex picture going forward.

The remainder of this recommendation sets out expectations of what will feature in the completed ICS. The Staging Report includes references or commitments to each of these including indications of strategic direction which reflect key Scottish Government policies and an initial case for transformational change. The TST also notes the recognition of the need for a whole system approach, focused on improved patient pathways, which acknowledges the critical interdependencies between different aspects of the health and care services and the crucial role to be played in both planning and delivery by the IJBs.

In terms of the priorities for future work, the Board must continue to build on its internal engagement and widen this out to other stakeholders. Given the stage of development of the ICS, public engagement is recognised as being limited. An initial communication and engagement strategy has been developed to take forward this important element of the project work and this now needs to be updated to reflect the results of the recent work with *Involve*.

It is essential that engagement is meaningful and leads to honest and informed dialogue with the public and other key stakeholders. We have seen evidence of the commitment to establish a Communications and Engagement Reference Group and Non-Executive Champion to progress this. Nonetheless, this next stage in the development of the ICS will require significant preparation and elapsed time to complete.

The work still required to develop and model evidence-based scenarios to support the Strategy as well as the need to incorporate the final outputs of the Regional Planning process are also important considerations to be taken into account in finalising time scales. The Board must ensure adequate time and resource continues to be dedicated to this high priority project to ensure the pace of progress is maintained.

TST rating in September 2017 = Amber  
TST rating in January 2018 = Green

## **AAG Recommendation 4 – Workforce**

“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 [Health and Social Care Partnerships]. 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.”

### **NHS Tayside’s assessment**

“In October 2017 we deployed a ‘Tayside Establishment and Payroll Analysis’ (TEAPA) tool. It encompasses job grade mix and workforce age profiling and has been critical in informing workforce management decisions and used to inform recruitment authority. It also forms the basis of the development of 2018/19 workforce plans. The tool provides a strategic and service level analysis of headcount and whole time equivalent. This enables staff groups, for the first time, to understand their establishment movement over time, disaggregated to individual ward level.

Benchmarking analysis was completed during September 2017 of current NHS Tayside establishments against national NHS Board comparators. Further additional analysis was undertaken with NHS Grampian to review clinical quality indicators, safety and risk management and workforce planning for a small group of ward areas. Benchmarking data has been presented to NHS Tayside Board, Executive Review Team and Senior Management Team and also shared with individual directorates. Updated workforce plans for 2018/19 were considered at the Directors’ Group meeting on 18 December 2017, in advance of wider consultation in January 2018 at the Area Partnership Forum, Staff Governance Committee and NHS Tayside Board.

Additionally it was agreed at the Transformation Programme Board on 20 December 2017 that, reflecting benchmark analysis, the review of Administrative and Clerical provision across all NHS Tayside services will also feature in all service level workforce plans for submission in January and February 2018. These workforce plans are also reviewed in each of the service redesigns that have been undertaken; Shaping Surgical Services, Community District Teams and Theatre Service Improvement.

Positive progress has been made with vacancy management and staff turnover. A new governance protocol was implemented during August 2017 with the establishment of a refreshed Vacancy Management Group. This group only reviews posts that are being progressed to fill. Chaired by the Medical Director/Deputy Chief Executive and including Staff Side, HR, Finance, Nursing and Midwifery and Chief Officer representation, the group ensures Director-level grip with the recruitment process requiring financial, clinical, HR and senior line management approval prior to consideration for authority to advertise.

An early decision was taken to approve a moratorium on the recruitment of external administrative posts given the benchmarking position and workforce transformation plans. Vacancy management data forms part of the review of the weekly cost metrics by the Executive Review Team. Since April the overall headcount has reduced by 117 whole time equivalent which was largely in support services, administration services and nursing and midwifery (Bands 1-4).

Significant progress has been made to reduce the requirement of Non-Contract Nursing Agency (NCA) staff. From 1 November 2017 the Board agreed to suspend the use of NCA in all areas with the exception of those where significant clinical risk remained, with all use requiring completion of a multi-stage approval process. The monthly expenditure has reduced from £553,000 in August 2017 to £272,000 to November 2017, a reduction of 51% in that period. Other initiatives include recruitment of newly qualified practitioners, introduction of nursing staff pools and modification of nurse bank contracts. New standardised shift lengths have been implemented in a number of wards. Further actions for improvement have been identified for the period to March 2018 such as enhancement to nurse bank recruitment process with dedicated HR support. Additional internal leadership has been provided to managing bank staff which will ensure an ongoing review and adoption of best practice from other health boards. Daily escalation and scrutiny of Key Performance Indicators will continue.

A modified nursing and midwifery education and workforce resourcing toolkit was cascaded throughout the organisation on 2 September 2017. This was used to inform clinical staff of good practice in terms of effective rostering, associated staffing costs and alignment with local and national policy. A workforce dashboard was developed and is now presented at both the Staff Governance and Finance and Resources Committees. This tracks the following key areas: whole time equivalent; absence; turnover; vacancy; supplementary costs; skill mix and workforce demographics. This has enabled Non-Executive Members to be aware of activity in order to scrutinise progress against trajectories.

Critical to the success of sustainable workforce plans through and from 2018/19 is dependent on the outcomes from clinical model and service redesign.

### Next Steps

The analysis from TEAPA, aligned with benchmarking and service delivery plans will be used to inform safe, affordable workforce plans for 2018/19 and beyond. This work will be completed at local service level in partnership during January - February 2018, with sign-off from the Area Partnership Forum and Tayside Board. Further actions relating to the optimal deployment of bank staff have to be completed during Quarter 4 of 2017/18 with a revised benchmark of service costs based on the December 2017 annual cost book.”

### **TST comment**

The TST concurs that the Board has made some progress with the implementation of this recommendation, particularly in relation to undertaking an early and comprehensive review of staffing levels across all services and sites.

Including the information available from the recently-developed TEAPA (Tayside Establishment and Payroll Analysis) system, NHS Tayside now has access to an extensive range of data about its existing workforce, encompassing absence and turnover rates, whole time equivalent (WTE) staff in post and spend on supplementary staffing. This provides a powerful tool to enable a detailed and robust understanding of key cost drivers, including trends over time, disaggregated to service and indeed ward level. It is recognised that the Board is currently working through some of the Information Governance issues regarding TEAPA to facilitate use of the tool at a frontline management level within the organisation. Once achieved, this will support the roll out of informed decision making to operational levels within the Board.

We have seen a range of evidence of this data being put to effective use to inform and support the changes being made to staffing models and working practices as well as to inform decision making by the Vacancy Management Group (VMG). We have also received feedback that it is providing a sound foundation and greater confidence at a frontline level to underpin collaborative, patient focused working and professional judgements about safe staffing.

The TST welcomes the contribution that these changes have made to the substantial decrease in expenditure on agency staff that is evidenced in the figures for November 2017.

Updated benchmarking information on workforce, both quantitative and qualitative, is also being used intelligently to better understand where the Board's greatest challenges lie and to identify where more radical and longer term transformational change may be needed. The information has supported the start of improvements in some areas but disparities continue to exist in others. It is recognised that context specific factors will be a legitimate consideration in identifying where these disparities may require to be addressed. However, continuation of existing models necessitating higher staffing ratios should continue to be questioned, and must be seen through the lens of the need at Board level to achieve overall financial sustainability.

The further development of the ICS will create an opportunity to consider many of these models within a broader picture of the strategic principles driving the overall configuration of services.

It has also been less evident to us that workforce data is being used as effectively as it could be, to identify safe options for bringing redesigned services and sites within available resources. Workforce data and planning assumptions will be an absolutely key element of the modelling and scenario planning needed to take forward the development of the ICS and the budget planning process for 2018/19 and beyond. Our amber rating reflects an implicit assumption that NHS Tayside will fully utilise all planning data at its disposal in the transformation and business planning work it undertakes during 2018.

TST rating in September 2017 = Red

TST rating in January 2018 = Amber

## **AAG Recommendation 5 – Medicines Management**

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

### **NHS Tayside’s Assessment**

“The Prescribing Management Group functions as a collaborative between the three Tayside IJBs and NHS Tayside Board, to allocate, monitor and agree actions to make optimal use of the prescribing budget. The IJB and NHS Tayside prescribing forums have a responsibility to ensure actions are delivered to make certain their local prescribing performance is safe, clinically effective and cost effective and the identified opportunities set by PMG [Prescribing Management Group] are delivered. This is supported by the weekly prescribing huddles the purpose of which is to maintain momentum and pace surrounding the individual projects. Real-time weekly data reports are actively monitored at the weekly huddle to track progress.

An updated whole system Tayside Area Formulary (TAF) was launched in April 2017 with the latest compliance figures showing a rate of over 90%, which is exceptional given the short timescale that the formulary has been implemented. This has been aided by the development and publication of formulary compliance dashboards. The dashboards were built in collaboration with NSS ISD [NHS National Services Scotland’s Information Services Division] and visualise performance at both a corporate level and individual General Practice level. The GP reports are shared monthly. In addition to showing compliance they highlight the top 10 non-formulary medicines prescribed with associated costs.

Using benchmarking intelligence, analysis and engagement, the Board recognised that it was an outlier in Scotland within the CNS BNF<sup>12</sup> chapter, specifically relating to Chronic Pain. The end-to-end pain pathway has been revised with engagement from both Secondary and Primary care clinicians and reviewing the potential for social prescribing as an alternative to medicines. Additional formulary work and actions were implemented with lidocaine plasters moved to being “restricted” and protocols introduced.

Engagement with the Scottish Government’s Effective Prescribing and Therapeutics Branch during August 2017 identified the potential benefit of Poylpharmacy Medicine reviews, with a target of 3,500 set for the Board to achieve by March 2018. This is currently on trajectory with 1,787 reviews completed by the end of November 2017.

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<sup>12</sup> This refers to the chapter on the Central Nervous System in the British National Formulary.

Polypharmacy Programme - To achieve the ambitions stated in Realistic Medicine, we have engaged with multiple stakeholders to identify five key strands of a polypharmacy transformation programme. These are:

- Introduction of standards for prescribing and feedback to prescribers on polypharmacy
- Further development of formulary implementation
- Phased introduction of social prescribing of health weight and physical activity interventions
- Introduction of a polypharmacy Locally Enhanced Service<sup>13</sup> (LES) for community pharmacy
- Implementation of public engagement and communication programme

The Scottish Therapeutics Utility tool training has been delivered to all GP practices in NHS Tayside. This has enabled “prescribing champions” within each practice to improve the repeat prescribing processes, with a clear focus on waste and variation.

Since April 2017, Prescribing Support Technicians have been working with 11 GP practices which were identified as having the greatest variation on Cost Per Treated Patient within NHS Tayside. This additional dedicated support has focused on cost saving improvement plan with each of the practices. Of the cohort of 2,970 patients identified, 2,321 patients have had medicines switched, 121 stopped medicines and 512 patients excluded with the estimated benefit of £215,000pa achieved.

A public and staff communications plan has been developed and deployed during the last four months. This has been a multi-media approach and has included videos, social media and newsletters. Significantly over the period September/October 2017 every primary care prescription dispensed has had a patient leaflet with a focus on “Why your medicine has changed” and “Medicines Waste”.

For the period to September 2017, compared to the same period in the previous year there has been a 0.5% decrease in the volume of items prescribed; this is five times better than the NHS Scotland average of 0.1% decrease over the same period. There is still variation between the three Health and Social Care Partnerships with all but one exceeding the Scottish average, Dundee and Perth & Kinross are showing the largest reduction of 0.8% on a like for like basis.

A PMG development session with attendance from Scottish Government Therapeutics Branch on 20 December 2017 reviewed the proposed plans for 2018/2019. The plans are being developed in conjunction with the North of Scotland Health Boards. Forward planning and horizon scanning is undertaken as part of the development of the associated financial plans.

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<sup>13</sup> Locally Enhanced Services are services a NHS Board has agreed with a partner organisation, that are in addition to their standard contract.

## Next Steps

The 3,500 polypharmacy reviews will be completed by March 2018 and continue into 2019. A number of new additional initiatives have been identified for progress within the period January - March; these include appropriate cost effective treatment for thyroid disorders and review of diabetes prescribing in line with the Diabetes strategy 2018 through continued; engagement with the Diabetes Managed Care Network. Further development of the diabetes work will look at the medication reviews for patients on multiple antidiabetic medication, and nutritional supplements for Care Homes. Work will continue to be progressed on respiratory, pain care pathways, formulary compliance and will also focus on secondary care.”

## **TST comment**

NHS Tayside has continued to receive support and challenge from the Scottish Government’s Effective Prescribing and Therapeutics Branch and although it has taken some time to reach agreement on key priorities, work is now well underway across a range of fronts.

As highlighted above, NHS Tayside is on target in relation to the delivery of polypharmacy reviews and good progress has been made with the development and implementation of the Tayside Formulary. Both the progress made and the anticipated impact on the Board’s year-end financial position is welcomed.

In terms of the impact of this work, because the savings trajectory represents the cumulative delivery of interventions across the financial year, it is weighted towards the year end when the bulk of the savings are expected to be seen. This aligns with other NHS Boards’ prescribing plans. However, there is an inevitable risk associated with this situation, since if the expected impact is not coming through, there will be very limited opportunity to undertake corrective action. This will require the Board to closely monitor progress and reflect on whether this can be addressed in future years.

Prescribing data shows that there is a variation across the three HSCPs areas of Dundee, Perth and Kinross and Angus, and, in order to address any unwarranted variation, strong leadership and joint working is required. To this end it is noted that NHS Tayside has implemented an organisation wide (including IJBs) Prescribing Management Group (PMG) to ensure a whole system approach is taken to this issue. It will be essential for NHS Tayside and the Integrated Joint Boards’ (IJB) prescribing teams to continue to build on their relationship and set shared objectives to address long term prescribing issues. This should include developing the role of multidisciplinary team members in addressing prescribing issues.

Medical engagement was highlighted early on as an issue to be addressed and we have seen indications that this has improved. The majority of the changes to date have been driven by pharmacy colleagues. Continuing wider team (medical, nursing management) work and engagement will be necessary for sustainability and forward planning.



Looking to future years, as a key cost driver, this will continue to be a priority area for improvement and there is still a lot of work to be done. A key focus going forward should be on establishing collaborative agreement of actions between the Health and Social Care Partnerships (HSCPs) and the Board in tackling prescribing issues. The majority of work to date has been targeted in primary care and there has been evidence of good engagement. Going forward there needs to be a greater focus on addressing secondary care prescribing including improved reporting of the impact.

NHS Tayside's prescribing team must continue to identify prescribing improvement practices and support this with quantitative data reports. It is important that the Board puts plans in place now to address potential prescribing pressures going forward. Recognising that these plans will encompass a number of interventions, the Board should ensure it achieves a suitable balance between low risk areas such as improvement in prescribing to reduce variation alongside monitoring the impact of price changes. Areas that have been highlighted for attention by the Effective Prescribing and Therapeutics Branch include polypharmacy, pain prescribing (including lidocaine patches and pregabalin), respiratory, diabetes and secondary care prescribing all of which are included in NHS Tayside's plans for 2018/2019.

TST rating in September 2017 = Red

TST rating in January 2018 = Amber

## **AAG Recommendation 6 – Effective Delegation**

“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.”

### **NHS Tayside’s Assessment**

“A new structure has been agreed and is being implemented in the Operational Division by the Chief Operating Officer and transition will be completed by March 2018. A short life working group, including staff side, was established to review the Senior Leadership Team [SLT] and agreement reached that there was a role for the continuation of the Senior Leadership Team. The purpose of the SLT is to provide a forum for networking and information sharing, with a test of change planned from January to March 2018 which will allow updated Terms of Reference to be produced. This was agreed at the SLT meeting in November 2017.

The format of the NHS Tayside Board agenda was changed to ensure time for discussion on strategic and high risk issues. NHS Tayside Board approved updates to its Standing Committees in December and the implementation of the resulting changes to the Code of Corporate Governance and Scheme of Delegation will be progressed during January 2018 to March 2018.

The establishment of the Executive Review Team (Directors and Staff Side Leads) in July 2017 has provided a forum for accelerated and enhanced decision making in partnership.

Enhancement to financial reporting (August 2017) and improved workforce reporting (the use of TEAPA from October 2017) has ensured the disaggregation of key cost and workforce information to individual managers and clinicians.

The Audit Committee on 14 December 2017 agreed principles to underpin a governance framework between NHS Tayside and the three Integration Joint Boards (IJBs). The resulting work to update NHS Tayside’s governance framework will be completed in January-March 2018.

NHS Tayside’s Board agenda has been changed to separate business into two elements: Part A includes items for discussion and Part B includes items for approval or noting, where discussion is not required. This is to allow more time for discussion regarding key strategic issues. In addition, from April 2017 the NHS Tayside Board now considers at each meeting those strategic risks which exceed the Board Risk Appetite at each meeting.

### **Next Steps**

Between January 2018 and March 2018, Directors’ portfolios will be reviewed and updated, including the requirement for Planning and Performance activity. The SLT short life working group will implement the test of change and this will be adapted and modified for full adoption for 2018-19.

The new Tayside NHS Board / IJB governance framework will be developed and agreed for adoption for the new financial year in 2018-19 this will also allow the Scheme of Delegation to be appropriately updated.”

### **TST comment**

The actions described above in NHS Tayside’s assessment should help to address both elements of this recommendation; to facilitate and support increased delegation of operational decision-making and for Executive Directors to be able to take a more strategic focus.

In a dynamic and challenged system such as within NHS Tayside, Executive Directors must give appropriate priority to setting the strategic direction and managing the overall change process for their services and for the organisation as a whole. This requires an ability to balance both the overall responsibility for the day to day delivery of their own area of business with active consideration of a wider picture and a further time horizon. This in turn requires a robust operational structure capable of providing assurance that both front line and supporting service performance is well managed.

NHS Tayside has taken a number of practical and sensible steps that support Executive Directors to do this. In particular, the Executive Review Team’s daily huddle provides a forum for informal information sharing, fast problem-solving and collective decision-making about cross-cutting issues – and has proved its worth over the last few months since its introduction.

The on-going restructuring of the Operational Division is also intended to bolster the resources available to take on a more active role in robust operational management, freeing up time for Directors to do other things. Combined with the improvements in the reporting processes which are also described above, this should be sufficient to provide the assurance required to sustain appropriate delegation.

However, at this stage of implementation, it is not yet possible to see whether this potential will be realised and whether it will deliver the required results. While work has continued over the last three months to progress the necessary changes to structures and processes, these in themselves will not be sufficient to deliver the desired outcomes unless individual and group behaviours also change. While there are some encouraging indications of a willingness to make this happen, the impact is unlikely to be clearly seen until well into the next financial year.

TST rating in September 2017 = Amber

TST rating in January 2018 = Amber

## **AAG Recommendation 7 – Engagement**

“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.”

### **NHS Tayside’s Assessment**

“Significant progress has been made with staff and partnership engagement leading to the sign-off by the Employee Director and Chief Executive of a refreshed Partnership Agreement in November 2017. All Area Partnership Fora (APF) reporting is now jointly presented and a short life working group is continuing to enhance ways of working and gather collective feedback. This has built upon the refreshed schemes of delegation for Local Partnership Fora agreed in August 2017. In September, the Employee Director and Director of Human Resources and Organisational Development started holding open conversations with staff, which has provided a route for staff to engage directly with NHS Tayside’s senior leaders. This has allowed for the speedy resolution of any issues and the identification of service improvement suggestions, whilst further informing staff of activity to develop the organisation’s culture. This partnership approach is being adopted by the Programme Management Office and will continue as a ‘business as usual’ practice.

In July, an Executive Review Team was established which includes senior management and partnership representation. The Team have daily huddles to discuss and promote collective leadership for the 10 recommendations.

Staff side lead engagement on the Transformation Programme Board commenced in August 2017 and meetings are now an open forum, with papers published on NHS Tayside’s website.

Communications with both staff and public have been enhanced. A weekly Transforming Tayside progress update is issued to staff with signposting as to how to get engaged with the Transformation Programme. A newsletter is also issued and available on NHS Tayside’s website, along with the Transformation Programme Board papers and the Assurance and Advisory Group’s progress report.

As outlined in the section relating to recommendation 3, three sessions have been held with *involve*. Sessions were held on 21 October 2017 with the Integrated Clinical Strategy team to help understand and appreciate new and innovative approaches to engagements and involvement of key stakeholders. A session was also held with colleagues from Health and Social Care Partnerships and other staff working within the engagement field to help develop a mutual and common understanding of what will need to be put in place to help develop the robust approach to engagement to support the Integrated Clinical Strategy. At the Board Development Event on 30 November 2017, *involve* ran a session to highlight the important issues to consider in developing engagement and consultation for the Integrated Clinical Strategy.

The Chairman, Chief Executive and Directors are actively engaging with key stakeholders including MPs, MSPs, Local Councillors, Local Authority Chief Executives, Scottish Government colleagues and other key organisations.

### Next Steps

The Local Partnership Fora engagement with Directorate Resource Allocation Budget Planning will continue during January to March 2018. This will ensure a financial plan for 2018/19 and beyond is completed in partnership and aligned to workforce plans, NHS Tayside's one-year plan and key transformation activity for 2018/19. Following on from the refreshed APF Partnership Agreement, a series of facilitation exercises, sponsored by the APF co-chairs, are planned and will be completed by March 2018.

*involve* will continue to work with the Integrated Clinical Strategy Team, the Communications and Engagement teams and the newly established Communications and Engagement Reference Group to help develop a robust approach to engagement with staff, the public and all key stakeholders. Ongoing regular quarterly update meetings with local MPs and MSPs will continue.”

### **TST comment**

The TST endorses the Board's assessment that significant progress has been made in relation to engagement with all key stakeholder groups. Building on the improvements to transparency and communication which were highlighted in our September report, NHS Tayside has continued to make progress in developing its approach to stakeholder engagement over the last three months. We have seen the focus shifting from increased transparency towards relationship building; both important aspects of the trust which underpins authentic engagement.

In addition to the revised Partnership Agreement, steps have been taken to ensure that staff representatives are fully informed, involved and able to contribute to the whole range of senior level activities across the Transformation Programme. This includes the identification of workable solutions, shared decision-making and shared responsibility for ensuring the effective delivery of outcomes. The central role of the Vacancy Management Group in influencing key workforce decisions is a good illustration of how that is working in practice.

The work which is now well underway to roll out active Local Partnership Fora, to take a more active role to support service level and local change, will complement the work at Board level, allowing the Area Partnership Forum to focus on more strategic issues.

These structural changes are a necessary and timely development. However, having a sound structure in place alone will not in itself lead to productive partnership working. That also requires regular, open conversations and a culture of respect between management and staff-side that allows for an honest and responsible approach to difficult conversations. Following in-depth conversations with both parties, we believe that there is a genuine aspiration to improve this relationship, and though it is still to be fully tested in the crucible of change, we are seeing some positive indications of joint-working.

As the commentary against recommendation 3 makes clear, we recognise the notable progress that has been made to date in developing the ICS as a framework for transforming services. To ensure that the valuable work done to date with the clinical communities really bears fruit, the Board must move swiftly to bring wider groups, such as patients, their families, carers and the wider public, into the conversations – as informed and active participants.

In recognition of this, we note the commitment by NHS Tayside to secure expert help to plan and implement the next phase of its Engagement Strategy; to provide constructive challenge on where and how to seek and use public engagement inputs; to provide guidance on innovative approaches to engagement and to help upskill core staff and embed good engagement practices across the organisation.

Going forward, we would like to see NHS Tayside continue to build on the networks that already exist with partner organisations, in particular Local Authorities and IJBs, to share local knowledge and tap into existing resources in relation to effective engagement.

We would also hope to see this open engagement culture embedded right across the organisation so that everyone sees engagement with patients and members of the public not as a one off event but as a core and continuous part of their role.

TST rating in September 2017 = Amber

TST rating in January 2018 = Amber

## **AAG Recommendation 8 – Corporate Structure**

“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.”

### **NHS Tayside’s Assessment**

“The Chief Executive revised the first and second tiers of the organisation structure in June 2017, with further enhancements planned over the January 2018 to March 2018 to allow for a focus on planning and performance. In the interim, additional external support has been secured to fulfil the planning and performance requirement. Phase 2 of the Human Resource and Organisational Development restructure was completed and the Operational Unit redesign has been signed off with transition for key roles in March 2018.

Board Development Events continue to be held every second month and a rolling programme of events are in place. The Board Secretary attended the Non Executive Members informal meeting on 16 November 2017 to discuss future topics for the programme and is scheduled to attend a further meeting on 8 February 2018.

In anticipation of the recruitment of the three new Non Executive Board Members by the Public Appointments Unit (PAU) and four new stakeholder Non Executive Board Members, the Board Secretary has developed a bespoke induction programme for each Non Executive member given that they are recruited for their particular skill set so will have different needs. This programme will also include the core induction elements required for a Non Executive Board Member of Tayside NHS Board. The Chairman developed a core skills matrix for the appointment of these three new non-executive members and a short listing process was completed on the 11 December 2017 with representation from the Scottish Government Workforce Director and PAU. The interviews for these positions on Tayside NHS Board will be held in January 2018.

The appraisal process for the Non Executive Members starts during the induction process. The Chairman meets with the new Non Executive Member to discuss their individual skillset, areas of particular interest to them and to identify any possible development needs. Subsequently the Board Secretary meets with the Non Executive Member to discuss the development of their induction programme. In terms of ongoing development, NHS Tayside Board holds Development Sessions on a wide range of topics every two months for all Board members. The Chairman meets individually with each Non Executive Member four times a year to discuss development and to complete a yearly appraisal which follows the NHS Scotland approach.

## Next Steps

The Chief Executive and Human Resources and Organisational Development Director will further review the Executive Directors portfolios with target completion by March 2018. Induction for the seven new Non Executive Board Members will be arranged around the new framework on an ongoing basis. The Board Development Programme will continue to be developed in conjunction with Board Members.”

## **TST comment**

We can confirm that we have seen action initiated to address all elements of the recommendation; for Executive and Non Executive Members, established and new additions. In each case, although progress has been made and recorded, it will be some months before any of the new initiatives are complete.

The review of Executive team functions, along with the recruitment of interim external support, will contribute to addressing skill mix issues and recognises the need to strengthen the Board’s strategic focus and planning function for the future. This will be critical to underpin the work still required on the longer term aspects of the Transformation Programme and the anticipated shift ‘from transaction to transformation’. We have also been encouraged by observations that indicate the Executive Directors are working better as a team.

In terms of new recruitment, the work done over the last few months to prepare for the recruitment of a tranche of new Non-Executive Directors should provide a strong foundation for ensuring that the process identifies, not just the best people for the role, but also that those selected complement the skills and experiences already represented on the Board. The tailored and refreshed Induction Programme which will be offered to them at the start of their tenure must ensure that they can quickly get up to speed with the knowledge they need to put their existing skills to best use.

This initial support must also be accompanied by a robust process which holds all Board Members, individually and collectively to account for how well they exercise their skills to promote the interests of the health board. The process described in the self-assessment above provides the opportunity for this to happen and could usefully be used to remind all members of the demands and strictures of corporate responsibility in challenging times.

TST rating in September 2017 = Amber

TST rating in January 2018 = Amber



## **AAG Recommendation 9 – Scrutiny**

“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). 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.”

### **NHS Tayside’s Assessment**

“The Board Secretary held scoping meetings with the Chairman, Vice Chairman, Chief Executive, Medical Director, Employee Director, Chief Internal Auditor and Chair of the Finance and Resource Committee to discuss the changes required to NHS Tayside’s governance structure to ensure performance management and scrutiny is carried out. A Short Life Working Group was established and met on 28 September and 14 November 2017. From the work of this group, a report was presented to Tayside NHS Board at its meeting on 26 October 2017 providing an update. A further report was taken to the Board meeting on 7 December 2017 describing the proposed changes to NHS Tayside’s Standing Committee structure.

The most significant change is the development of the Finance and Resources Committee into a Performance and Resources Committee. The work of this new Committee will be underpinned by new performance management arrangements across all services in NHS Tayside and this will also allow new public reporting on NHS Tayside’s performance to be put in place.

The Transformation Programme Board Terms of Reference have been considered as part of the overall review of Tayside NHS Board’s Standing Committees. This was included in the update report that was taken to the Board meeting on 7 December 2017 describing the proposed changes to the Board Standing Committee structure.

The first year of the new integrated Budget Planning and Performance commenced in November 2017 (Recommendation 2). Development sessions were arranged with Board Non-Executive Members to inform the process of budget planning and scrutiny. Non-Executive Members will form part of the panel for the final budget reviews in February 2018. The outcomes from the process, aligned with workforce planning, will inform the updated One Year Operational Delivery Plan for 2018/19.

### **Next Steps**

A finalised paper will be taken to the Board meeting in February 2018 describing the changes to the Code of Corporate Governance to allow the new governance structure and supporting arrangements to be in place for the new financial year. The continued cycle of performance reviews for Acute Groups will continue with Health and Social Care Partnerships performance review outcomes to be submitted to Committees with performance review dates.”

## **TST comment**

Our previous report in September highlighted that the establishment of the Programme Management Office and the Transformation Programme Board were important elements of the arrangements we expected to see being put in place to report on and monitor progress against the AAG recommendations.

The TST fully supports the next phase of this work as highlighted above, to strengthen scrutiny at both a Board and Committee level. The creation, from April 2018, of a Performance and Resources Committee will enable members to take an integrated view of both financial and operational performance and facilitate the discussion of the common factors which impact on both sets of indicators. It is anticipated that the new structure will also support a more transformational focus at the main Board meetings.

To complement this, we have seen evidence of both Committee and Board agendas and discussions becoming more strategically focussed with less time devoted to operational detail. We have also seen improvements in the presentation of supporting Board papers, although the quality of covering papers can be variable in clearly highlighting the central points or the key statistics which should inform decisions.

We would highlight a concern about the observed practices of circulating key papers very close to the date of meetings, along with regular verbal presentations or updates where the information is not circulated in advance. We note that in some cases this may be an unintended consequence of the increased pace of transformation work. Nonetheless, it can impact on the ability of Board members, particularly Non-Executive Members, to fully consider the issues, to effectively hold Executive leads to account or to make decisions on a fully informed basis. Consequently, NHS Tayside should make efforts to minimise instances of this and put in place safeguards to ensure Board members have the opportunity to consider and revisit key issues addressed in short notice papers or presentations. Linked to this, NHS Tayside needs to ensure that Non-Executive Members and staff-side, get appropriate support and training to understand the papers and proposals that are presented to them.

Considering the specific elements of scrutiny relating to budgetary control and strategic planning, previous mention has been made to the improved financial reporting which has improved transparency. The regular Delivery Reports produced by the Programme Management Office for the Transformation Programme Board and monthly financial outturn reports provide good examples of performance focused reporting which underpins robust scrutiny. The response to these reports has been positive, although there have been instances where the level of constructive challenge observed might have been more rigorous and outcome focused - particularly given the significant nature of the issues under discussion.

The most recent Board reports and discussions around the ICS Staging Report have provided evidence of progress that Board members are aware of the complexity of the work still required and the importance of getting it right. This will continue to be one of the most important pieces of work for the Board over the next year and Board Members will continue to require support to make sure they are able to ask the right questions to ensure it stays on track.

TST rating in September 2017 = Amber

TST rating in January 2018 = Amber

## **AAG Recommendation 10 – Leadership Development**

“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.”

### **NHS Tayside’s Assessment**

“Utilising the contemporary culture toolkit developed by King’s Fund and NHS Improvement<sup>14</sup>, and working alongside the King’s Fund as a strategic partner, the Board’s culture and leadership development plan has progressed at pace during the year. The outcomes from the wide-ranging diagnostics phase were considered and agreed by the Board in February 2017, with the design phase endorsed and commended by NHS Tayside Board at their 7 December 2017 meeting, at which the Delivery phase was authorised. Compassionate and Inclusive Leadership Design Events were held on 21 September and 10 November 2017 attended by a cross section of staff.

A wide range of clinical and non-clinical staff from NHS Tayside and the HSCPs participated in two “Powerlabs”<sup>15</sup> sessions with very positive feedback. These sessions focused on the devolution of leadership within the organisation. A two-day Integrated Clinical Strategy event was held in September to bring together a wide range of staff, clinicians and public interest groups and our strategic workshops were completed with the Senior Leadership Team, resulting in the adoption of a test of change in January to March 2018

A refreshed Assistant Medical Director portfolio has been agreed as part of the Chief Operating Officer’s leadership team restructure; this new portfolio reflects the national and Board commitment to Realistic Medicine and NHS Tayside’s Quality Outcomes.

Martin Fischer, a consultant with organisational development and systems expertise, has been commissioned to work with the Executive Review Team (both management and staff side leads) to further develop the approach to collective leadership and team dynamics. Two sessions have been completed, challenging the whole team around understanding dynamics, leadership styles and engagement. Additionally, he has provided an external reference point for consulting on ideas and individuals’ development requirements.

Via engagement with NHS NES, a coaching session was undertaken for Executive Directors, completed on 11 December 2017.

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14 NHS Improvement Culture and Leadership Programme, Phase 1 , May 2017, [https://improvement.nhs.uk/uploads/documents/01-NHS101-toolkits\\_150816\\_Q\\_WEB.pdf](https://improvement.nhs.uk/uploads/documents/01-NHS101-toolkits_150816_Q_WEB.pdf)  
15 Powerlabs are leadership development courses.

## Next Steps

Continue with the enhanced delivery of iMatter<sup>16</sup> action planning from January 2018 via the 1,500 champions. The revised workplan for extended Senior Leadership Team to be completed with the test of change completed by March 2018 and established as “business-as-usual” from April 2018. Delivery of Culture and Leadership Development work will continue building on the strong foundations that have already been established.”

## **TST comment**

We have seen relevant evidence that the Board is taking action to address both aspects of this recommendation.

In relation to organisation-wide leadership development, NHS Tayside had already begun working with the King’s Fund prior to the appointment of the Assurance and Advisory Group, with the aim of developing a strategy which not only addressed improving leadership skills, but sought to foster compassionate care. We welcome the progress being made with this work and the range of other activities being taken to respond to this recommendation.

We also recognise that it would be unrealistic to expect to be able to see much in the way of visible impact by end-December as re-setting the culture in such a large and complex organisation will take some time and requires continual cultivation. However, we believe that NHS Tayside has shown a genuine commitment to developing its leadership culture and nurturing it at all levels. This includes the Executive Team’s willingness to reflect on their behaviours and skills. In taking forward its next steps, NHS Tayside must give priority to putting in place robust and transparent plans for the third, Delivery phase of its Compassionate and Inclusive Leadership work to ensure that the valuable momentum and commitment built to date is not lost.

Specifically addressing the issue of clinical leadership, although the restructuring of Associate Medical Director portfolios is still at an early stage we have seen early examples of enthusiasm, commitment and leadership in relation to the development of the ICS, the work on medical models in Perth and the review of mental health services which provide encouragement and a degree of confidence that the skills and abilities exist to ensure the revised structures deliver their potential.

TST rating in September 2017 = Amber

TST rating in January 2018 = Amber

## **END OF ASSESSMENT**

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<sup>16</sup> iMatter is a tool to help individuals, teams and Health Boards understand and improve staff experience.

## **Appendix: Summary of recommendations from the AAG Staging Report of 27 June 2017**

### **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). 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.



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