31 March 2011

Dear Richard

NHS GRAMPIAN: LOCAL DELIVERY PLAN 2011-12

1. Thank you for submitting your Local Delivery Plan (LDP) by the due dates. I am very grateful to all in your Board who have been involved in preparing and finalising the Plan.

2. As you know we consider the LDP to be an important part of our annual planning arrangements for the NHS as they form an essential part of the performance and quality 'contract' with each NHS Board.

3. The HEAT targets for 2011-12 support delivery of the Scottish Government’s National Outcomes and Healthcare Quality Ambitions. There are a number of targets which rely on effective partnership working and it will be important to continue to discuss the local approach to these targets through Community Planning Partnerships. The Change Fund will allow partners to develop local plans through the Single Outcome Agreement.

4. The Scottish Government has met its commitment to pass on the resource budget consequentials in full to the NHS in Scotland. However, notwithstanding this increase in NHS funding, the NHS will still face considerable budget pressures meaning that it needs to deliver maximum value from our investment through a focus on increased efficiency while protecting the quality of care.

5. With all of that in mind we have looked closely this year at how well your LDP covers:
   - Realistic and achievable performance trajectories that demonstrate how you will meet the HEAT targets;
   - identification and management of risks to the delivery of the targets;
• financial planning, with the emphasis on securing a balanced budget and delivering efficiency savings while maintaining high quality patient services that fully reflect local needs;
• workforce planning with the emphasis on integration with service and financial/efficiency planning and evidence that planning has been developed in line with local partnership and governance arrangements.

6. I can now confirm that I am content to sign off your LDP and the supporting financial plan on the basis that they set out a clear programme for delivering the HEAT targets in the year ahead. However, I would be grateful if you would note the following points in taking the plans forward.

Financial Plan

7. I understand that your financial plan will be considered by your Board on 5 April 2011. I would expect that, in considering your financial plan for approval, the Board will seek assurance that the key risks associated with the delivery of the financial plan have been identified and that the necessary action is in hand to ensure that these risks are managed over the lifetime of the LDP. As you are aware, funding for NHS Boards has only been agreed for a one year period. With this in mind, particular focus has been placed on the 2011-12 position. However, continuing a medium to long term financial planning perspective is essential and a further, more detailed assessment of future years will be carried out following the 2011 Spending Review. On this basis, and assuming that the Board approves the plan, I am satisfied with the financial plan.

8. You should ensure that your Director of Finance continues to keep appropriate contact with the Health Directorates, particularly in relation to your management of new and emerging risks and the overall achievement of targets as outlined in the plan. A robust and sustainable financial framework is essential for delivering overall targets and I look to the Board to ensure the highest standards of financial management, planning and governance and to discharge its responsibility for the use of public funds in a way that delivers best value.

9. Your financial plan for future years reflects current planning assumptions. We will contact you when we have clarification on any changes to those assumptions for 2012-13 and beyond. I note that the majority of your savings plans for future years are in the early stages of development which we both acknowledge is a key risk. I expect you to take the necessary steps to develop and secure these savings as soon as possible, meanwhile keeping the Health Finance Directorate fully updated on progress.

Workforce Planning

10. The Board has continued to make good progress in considering the workforce issues around achieving HEAT targets, including importantly the assessment of staff availability, the need for training and development and the consideration of affordability linked to your Financial Plan. You should continue to consider the workforce implications of meeting the HEAT targets as part of your integrated financial, service and workforce planning and in line with local partnership and governance arrangements. We will expect to see evidence of this in your Board workforce plan over the course of the summer and in your workforce projections which we will aim to gather from June. In line with the separate guidance issued by Ingrid Clayden on 6 December 2010, your workforce plans and projections this year should indicate what progress is being made towards the national target to reduce NHSScotland senior management numbers by 25% by the end of 2014/15.
Delivery

11. The 18 Weeks RTT target is to be delivered from December 2011, this is a system wide target and it is therefore essential that you ensure all risks are being proactively managed to assure delivery. We acknowledge that complexities associated with robust whole-journey measurement will necessitate continuous review of each Board’s reported performance as the completeness and accuracy of the reporting improves. This is a key National target and we expect that all NHS Boards involved in the direct delivery of this target will continuously review risks and take appropriate corrective action. In this respect it is, therefore, important that your trajectory agreed as part of this LDP is achieved.

12. Delivery trajectories for CAMHS and Drug and Alcohol misuse waiting times will be agreed in September once the data systems to support these are established.

Next steps

13. If you have any questions about this letter, please contact Yvonne Summers or Carole Finnigan in the East Region Performance Management Team.

14. There is no doubt that significant challenges lie ahead for NHSScotland and the LDP for 2011-12 will have a key part to play in responding to them. I look forward to working with you in the coming months to deliver the programme that your LDP sets out and also in the lead-up to this year’s Annual Reviews.

Yours sincerely

DEREK FEELEY