

Director-General Health and Chief Executive NHS Scotland  
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Mr Tim Davison  
Chief Executive  
NHS Lanarkshire  
14 Beckford Street  
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hr April 2010

Dear Tim

### **NHS LANARKSHIRE: LOCAL DELIVERY PLAN 2010-11**

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. This year has seen the publication of performance against HEAT targets in the Scotland Performs section of the Scottish Government's website. This reinforces the link with the Government's purpose and our outcome-based approach. During 2010-11 the new quality strategy will begin to have an impact on HEAT targets and other performance measures; and the challenges the Service faces in securing efficiencies while improving the quality of patient care will come into sharper focus. 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** and its integration with wider service and financial planning.

3. 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**

4. I understand that your financial plan was approved by your Board on 24 March 2010. I would expect that in approving your financial plan the Board sought and received assurance that the key risks associated in the delivery of the financial plan have been identified and that the necessary action is in hand to ensure that these risks are managed

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over the lifetime of the LDP with a particular focus on 2010-11. I am therefore satisfied with the financial plan as set out in Annex 4, noting the continued efforts to close the £0.6m residual gap between income and expenditure. Given the level of financial surplus forecast by NHS Lanarkshire for 2010-11, it is vital that the Board keeps to the position set out in the plan given that we have now built these levels into our pan-Scotland financial planning assumptions.

5. 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.

6. I note that the delivery of the financial plan is dependent upon the successful achievement of an ambitious efficiency savings programme in 2010-11. These savings remain to be fully developed, with a significant proportion currently categorised as high risk and/or unidentified. I expect you to take the necessary steps to secure these savings as soon as possible. Please send an update by the end of April giving more detailed assurance as to how you are going to deliver your efficiency savings on a recurrent basis. This assurance should be considered and approved by your Board. Further regular reporting on progress should be provided throughout the year. Finance colleagues will be in contact to agree the content and timescales for these reports. Furthermore, the majority of your savings plans for future years are in the very early stages of development which we both acknowledge is a key risk. Please include an update for future years within the report requested above.

7. 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 2011-12 and beyond.

8. In terms of Access Support funding, whilst the total funding assumed by your Board is in line with 2009-10 levels, your expectation of £3.233m non-recurring funding has not been agreed; I note that discussions are ongoing

## **Workforce Planning**

9. The Board has continued to make progress in considering the workforce issues specifically around achieving HEAT targets, including importantly the assessment of staff availability, the need for training and development and the consideration of efficiency, productivity and affordability. You will know that we require all Boards' workforce plans and workforce demand projections to be soundly based on a clear analysis of the skills required, and of the type and number of staff needed, to deliver patient centred care in all service areas. You should therefore continue to consider carefully the workforce implications of meeting the HEAT targets as part of your wider workforce, service and financial planning. You will be aware that the issue of normal NHS workforce projections template to Boards has been delayed this year while work is underway centrally to identify and address any changes to the wider workforce planning process which might be necessary. I would, however, remind you that Boards are still required to work up their full annual workforce plans for publication as required within the National Workforce Planning Framework. You indicate in your LDP a planned reduction in workforce costs and I would expect to see the rationale and trajectory for that fully explained in your Annual Workforce Plan.

## Delivery Trajectories

10. 18 weeks *Referral to Treatment* trajectories will be reviewed and where necessary revised during 2010-11 as the completeness of reporting improves, to ensure delivery of targets by December 2011. As planned, we will be migrating to BADS version 2 for the same day surgery target and will agree the delivery trajectories with you in April.

11. Delivery of the *increased rates of breastfeeding and reduction in emergency bed days for those aged 65 plus* by March 2011 will be challenging, but my expectation is that you will continue to make every effort to make demonstrable progress on these priorities.

12. The Chief Nursing Officer wrote to you on 5 March confirming that she was broadly content with your risk narrative relating to delivery of your HAI HEAT targets. She also took the opportunity to highlight what we considered to be the key risks impacting on delivery of both the *SAB* and *Clostridium difficile* targets; and to invite you to review and revise your submission as appropriate. She asked that you submit an action plan to the HAI Policy Unit setting out the detail of the actions you will be taking to ensure delivery of the further 15% reduction in SAB case numbers by end March 2011. Your return will be used to provide necessary assurances on the steps being taken by you to secure delivery against this target. I welcome the significant progress you have made in reducing the rate of *Clostridium difficile* infection, and my expectation is that every effort should be made to ensure this is sustained.

## Annex 6 – Single Outcome Agreements

13. We will provide feedback on Annex 6 early next month. Re-submission dates for this element of the LDP are different due to the continuous improvement and developmental nature of the collaborative outcomes agenda. This aspect of the LDP remains important for Boards as is their vital contribution to delivery of local outcomes for local communities in terms of early intervention and prevention. Effective community planning is a key statutory responsibility for Boards and I expect their contribution to local outcomes to feature in their self-evaluations, as well as in their Annual Reviews.

## Next steps

14. We are currently reviewing the current Local Delivery Planning Framework to ensure that it continues to support delivery of key ministerial priorities and takes full account of the emerging quality strategy and efficiency agenda. We plan to consult key stakeholders on the draft 2011-12 LDP guidance and process for reviewing HEAT targets during June 2010. If you have any questions about this letter, please contact Carmel Sheriff in the West region Performance Management Team. 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



**KEVIN WOODS**