

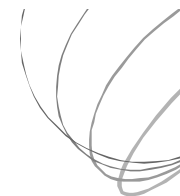
# NHS Dumfries and Galloway

**Report on the 2005/6 Audit**



# Contents

<b>Summary</b>	<b>1</b>	<b>Performance Management</b>	<b>11</b>
<b>Introduction</b>	<b>4</b>	<b>Governance</b>	<b>15</b>
<b>Organisational Risks</b>	<b>5</b>	<b>Looking Forward</b>	<b>18</b>
<b>Financial Statements</b>	<b>8</b>	<b>Appendix A: Action Plan</b>	<b>19</b>



# Summary

## Introduction

In 2005/6 we looked at the key organisational risks facing NHS Dumfries and Galloway. These included achieving financial balance, delivering sustainable services, managing the workforce and arrangements towards the achievement of Best Value and the Scottish Executive's efficient government initiative. We audited the financial statements and looked at aspects of risk management and governance. This report sets out our key findings.

## Financial Position

We have given an unqualified opinion on the financial statements of Dumfries and Galloway Health Board for 2005/6.

The Board's financial performance in 2005/6 was as follows:

*Table 1  
2005/6 Financial Performance*

<b>Description</b>	<b>£ million</b>
Planned in-year operating deficit	(5.3)
Actual in-year surplus	4.8
Cumulative surplus	14.2
Revenue Resource Limit	232.2
Net Resource Outturn	217.9

The Board recorded a cumulative surplus of £14.2 million in 2005/6 which was higher than outlined in the financial plan for 2005/6. Slippage of planned projects and higher than anticipated allocations in some areas contributed to the increase in surplus. The surplus has, however, been committed to supporting development of the Board's local priorities over 2006/7 and 2007/8.

## Delivering sustainable services

Dumfries and Galloway has the largest growing population of older people in Scotland. It also has more young people leaving the area than in previous years to take up work and educational opportunities elsewhere. The area faces challenges of attracting and keeping staff across all the professions in health care. To address these issues, the Board has recognised that it needs to make changes to ensure that health care can continue to be provided for the future. NHS Dumfries & Galloway's workforce plan addresses these issues and the Health and Community Care Plan states that the Board is funding its own



workforce development initiatives. Ongoing work by the Board has ensured that ten consultant vacancies have been successfully filled.

## Performance Management

NHS Dumfries and Galloway continued to perform well against the SEHD's waiting times targets during 2005/6. The Board has also worked hard to achieve the more challenging targets of an eighteen week maximum wait a year in advance of the SEHD's national deadline of 31 December 2007. The target numbers set have already been exceeded for inpatients and outpatients. The future target of a maximum wait of nine weeks by December 2007 is already being met by certain departments.

There is no statutory duty of Best Value in the wider public sector outwith local government. Instead, the SEHD issued draft secondary guidance in August 2003, on the duty of accountable officers to ensure arrangements are in place to secure Best Value. As part our 2005/6 work we carried out a baseline review of Best Value arrangements within NHS Dumfries and Galloway. Overall, NHS Dumfries and Galloway can demonstrate commitment to Best Value and continuous improvement.

The Efficient Government initiative is a five year programme with the aim of attacking 'waste, bureaucracy and duplication in Scotland's public sector'<sup>1</sup>. NHS Dumfries & Galloway anticipates deriving its main savings over the next three years from streamlining bureaucracy and changes in procurement and asset management. The Board is participating in national efficiency programmes including National Shared Services, and the Procurement and Logistics programmes.

We found that the Board has prepared a workforce plan taking into account the priorities of services throughout the organisation. The plan was prepared in accordance with Scottish Executive guidance, was supported by the Board and the Staff Governance Committee and had detailed input from departments throughout NHS Dumfries and Galloway.

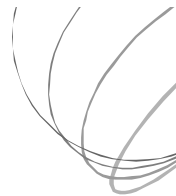
## Governance

We reviewed the progress made by NHS Dumfries and Galloway in delivering on the actions agreed in the Staff Governance Action Plan. We concluded that the Board has made good progress with five of the planned actions being fully completed and three partially implemented. As a result of national work it was agreed not to fully implement the final point until additional guidance is received.

We found that NHS Dumfries and Galloway has made good progress in developing its risk management arrangements and has maintained momentum since the handover of executive responsibility for risk

---

<sup>1</sup> Building a better Scotland, Scottish Executive 2004



management. These developments included revising the Board's risk management strategy, developing the operational arrangements for implementing risk management as well as clarifying the governance and accountability structures in place.

**Audit Scotland**

**June 2006**



# Introduction

1. This report summarises the findings from our 2005/6 audit of NHS Dumfries and Galloway. The scope of the audit was set out in our Audit Risk Analysis & Plan, which was presented to the Audit Committee on 17 March 2006. This plan set out our views on the key business risks facing the Board and described the work we planned to carry out on financial statements, performance and governance.
2. We have issued a range of reports this year, and we briefly touch on the key issues we raised in this report. Each report set out our detailed findings and recommendations and the Board's agreed response. Appendix A of this report sets out the key risks highlighted in this report and the action planned by management to address them.
3. This is the final year of a five year audit appointment. We would like to take this opportunity to express our appreciation for the assistance and co-operation provided by officers and members of the Board during the course of our appointment. This report will be submitted to the Auditor General for Scotland and will be published on our website, [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk).



# Organisational Risks

## Introduction

4. In our audit plan, we identified four main areas of risk for NHS Dumfries and Galloway. In this section, we describe the risks and our views on their current status. We also comment on longer term planning issues.

## Delivering sustainable services

5. We noted in the audit plan the risks facing NHS Dumfries and Galloway in the delivery of services. The demographics of the Board area and the significant difficulties faced in recruiting specialists to work in key areas were all identified as key risks. Ongoing work by the Board has ensured that ten consultant vacancies have been successfully filled. The Board developed a relationship with a Czech recruitment agency to explore European recruitment options. This led to the appointment of 6 doctors in Cardiology, Radiology, Orthopaedics and Urology to locum posts. Subsequently two Radiology and two Orthopaedic consultant posts were filled.
6. NHS Dumfries and Galloway carried out a review of its services against the requirements of Best Value and was able to demonstrate that it was adhering to Best Value principles in the delivery of its services and responsibilities.

## Workforce planning

7. In our audit plan we highlighted the need for workforce plans which maximise the efficiency and effectiveness of the workforce and underpin strategic service plans for achieving the requirements of *Delivering for Health*. The *National Workforce Planning Framework 2005* issued by the Scottish Executive provided NHS boards with a framework to aid future workforce planning and outlined the responsibilities of the boards, looking ahead to identify the workforce required until 2015.
8. We performed an overview of the process within NHS Dumfries and Galloway for preparing the local workforce plan to ensure relevant guidance and local issues had been appropriately considered. Our overall assessment was that the Board has prepared a workforce plan taking into account priorities of services throughout the organisation. The plan was prepared in accordance with Scottish Executive guidance, was supported by the Board and the Staff Governance Committee and had detailed input from departments throughout NHS Dumfries and Galloway. We noted that considerable effort had been made to ensure that staff throughout NHS Dumfries and Galloway were involved in the process of preparing the plan.



9. Implementation of this plan will help the Board utilise the workforce effectively in delivering sustainable services in line with *Delivering for Health*.

#### **Risk Area 1**

10. We noted in our 2004/5 annual report that the Board required to develop high quality workforce information to improve strategic management and service planning. During 2005/6 the Board has addressed this issue and has made the mandatory staff governance statistics available.

### **Managing financial pressures**

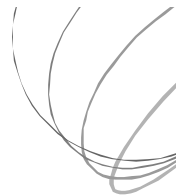
11. At 31 March 2006 the surplus for NHS Dumfries and Galloway was £14.2 million and this will be committed to initiatives in 2006/7 and future years. £2.4 million will be used in part to help develop new GP premises and to provide a new renal unit within Dumfries & Galloway Royal Infirmary. The Board will also use some of its 2005/6 surplus to progress local action plans for oral health, sexual health, alcohol and substance misuse, smoking cessation and preventing healthcare acquired infection. The surplus will provide funding for double running costs which may be incurred during the introduction of the integrated facility at Stranraer and the Castle Douglas Health Centre. A significant element of nurse training will be funded from the surplus including recruiting and training nurse practitioners to assist with a new model of providing cover for the hospital at night. The surplus will also allow at least 30 other projects to be completed.
12. In 2005/6 £9 million was received in non recurring funding by the Board. It is anticipated this funding will reduce in 2006/7 to £2m and by 2008/9 the greater part of this funding will no longer be available. Some services have been set up using this funding and it may prove difficult to withdraw from these projects when the funding ceases.

#### **Risk Area 2**

### **Efficient Government and Best Value**

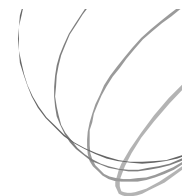
13. In our audit plan, we identified that Accountable Officers have a duty to ensure that arrangements are in place to secure Best Value. There is no statutory duty of Best Value in the wider public sector outwith local government. Instead, the Scottish Executive issued draft secondary guidance in August 2003, on the duty of accountable officers to ensure arrangements are in place to secure Best Value. Overall, the Board can demonstrate commitment to Best Value and continuous improvement. More detailed findings are disclosed in the Performance Management section of this report.
14. We carried out an overview of NHS Dumfries and Galloway's management arrangements in relation to the requirements of the Scottish Executive's efficient government initiative. All boards are required: to reflect the requirements of efficient government in a programme for delivering efficiency





savings; to monitor the effectiveness of change programmes; to take corrective action where necessary and ensure effective leadership throughout the process.

15. The allocation letter for 2005/6 required that the Board delivered £1.9 million of cash releasing efficiency savings from general services plus a minimum of £633,000 from prescribing. During 2005/6 there were some overspends against budget. These included £1 million additional expenditure for locums covering long-term vacancies and shorter term absences. Fuel prices and laundry costs also rose above budgeted levels. However, prescribing savings of £1.6 million were achieved within the total underspend for 2005/6.



# Financial Statements

## Our Responsibilities

16. We audit the financial statements and give an opinion on:
  - whether they give a true and fair view of the financial position of the Board and its expenditure and income for the period in question;
  - whether they were prepared properly in accordance with relevant legislation, applicable accounting standards and other reporting requirements; and
  - the regularity of the expenditure and receipts.
17. We also review the Statement on Internal Control by:
  - considering the adequacy of the process put in place by the Chief Executive as Accountable Officer to obtain assurances on systems of internal control; and
  - assessing whether disclosures in the Statement are consistent with our knowledge of the Board.

## Overall Conclusion

18. We have given an unqualified opinion on the financial statements of Dumfries and Galloway Health Board for 2005/6.

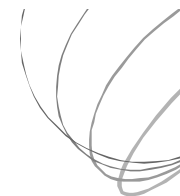
## The Board's Financial Position

19. The Board is required to work within the resource limits and cash requirement set by the Scottish Executive Health Department. NHS Dumfries and Galloway's performance against these targets is shown in Table 2 below.

*Table 2  
2005/6 Financial Targets Performance £ million*

<b>Financial Target</b>	<b>Target</b>	<b>Actual</b>	<b>Variance</b>
Revenue Resource Limit	232.2	217.9	14.2
Capital Resource Limit	8.3	8.3	0
Cash Requirement	216.4	216.4	0

20. The Board has achieved a cumulative surplus of £14.2 million. As the Board carried forward a £9.4 million surplus from the previous year this means that there was an in-year surplus of £4.8 million. The Board had planned to carry forward £4.1 million and therefore the outturn is not as expected at the beginning of 2005/6. The difference was due mainly to the Board receiving additional unplanned

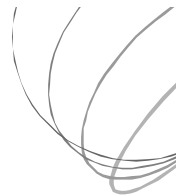


allocations of £9 million during the year. Of this £9 million, £4.6 million covered overspends which had not been anticipated in the financial plans, £2.1 million was earmarked for ringfenced amounts carried forward and £2.3 million covered expenditure that had already been planned within the Board's budgets. The board has recognised that it is necessary to concentrate on improving communication networks to ensure income is reflected in the financial plans as soon as possible and that realistic expenditure profiles should be applied against the income at an early stage.

*Table 3  
Funding Position 2005/6*

<b>Description</b>	<b>£ Million</b>	<b>£ Million</b>
Recurring Income		216.3
Recurring Expenditure		212.8
<b>Underlying recurring surplus</b>		<b>3.5</b>
Non recurring income	6.4	
Non recurring expenditure	5.7	0.7
<b>Gap</b>		<b>4.2</b>
Other income sources	0.5	
<b>Non recurring SEHD income/year-end support</b>	<b>9.5</b>	<b>10.0</b>
<b>Financial Outturn 2005/6</b>		<b>14.2</b>

21. In its Operating and Financial Review, the Board has outlined its plans for using this surplus during 2006/7 and 2007/8. In addition to covering slippage in 2005/6 projects, the surplus will be used to develop GP premises in the area and provide a new renal unit within Dumfries and Galloway Royal Infirmary. Other plans include supporting other service developments in oral health, smoking cessation and sexual health which are contained in the local action plan.
22. The Board has successfully managed cost pressures throughout the year and has taken appropriate steps to reduce overspending in particular departments by carrying out a detailed review of all budgets.
23. Costs arising from the assimilation of staff onto the terms and conditions of Agenda for Change have been reviewed by us for 2005/6. Reports from the Director of Finance to the Board have consistently estimated that the Agenda for Change accrual within the annual accounts would be approximately £3million.
24. It is important that the Board continues to progress the assimilation of staff to Agenda for Change. Approximately 5,600 staff, both those currently in post and those who have left, require job



descriptions to be compiled. The work is ongoing and it is anticipated that this will be complete by October 2006.

## The Issues Arising from the Audit

25. We reported one main issue to the Audit Committee on 23 June 2006:
- **Equal Pay claims:** NHS trusts in England recently settled equal pay claims and there is a potential that similar claims could arise in the NHS in Scotland. NHS Dumfries and Galloway was asked to evaluate the financial impact of any potential equal pay claims and make appropriate disclosures in its financial statements. A contingent liability in respect of potential equal pay claims from existing or former employees should be disclosed in the financial statements.  
  
**Resolution:** A contingent liability is now disclosed in the accounts in respect of the equal pay grievances lodged on behalf of 184 Board employees. There is, however, insufficient information for the Board to quantify the impact of any successful claims.
26. All other matters arising during the audit were discussed with the Board's officers throughout the course of the audit and have been resolved satisfactorily.

## Statement on Internal Control

27. The Statement on Internal Control provided by the NHS Dumfries and Galloway's Accountable Officer reflected the main findings from both external and internal audit work. The Statement refers to the implementation of annual service reviews which involve all Executive Directors. These reviews involve detailed appraisal of qualitative and quantitative performance within each area. There were no areas of internal control noted in the Statement that need to be strengthened.



# Performance Management

## Introduction

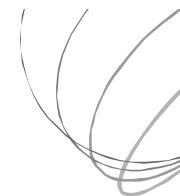
28. This section covers our assessment of the way in which NHS Dumfries and Galloway secures value for money in the use of its resources. This year we focussed on four main areas:
- Workforce planning;
  - Performance management;
  - Efficient Government; and
  - Best Value.

## Workforce planning

29. We identified in our audit plan that, in developing workforce plans, NHS Dumfries and Galloway must ensure that it will meet future service needs and provide the right skills in the right clinical setting. With a shift from acute to community based care, local patients' needs are driving the shape of the workforce. All boards had a statutory duty to have workforce plans in place by April 2006. We performed an overview to consider the process within NHS Dumfries and Galloway for preparing the local workforce plan to ensure relevant Scottish Executive guidance and local issues had been appropriately considered.
30. Workforce planning is discussed in more detail in the *Organisational Risks* section of this report.

## Performance management

31. The SEHD has moved to align NHS boards' performance management arrangement more closely with ministerial objectives. NHS Dumfries and Galloway finalised its Health and Community Care Plan for 2006/7, which it produces jointly with the local council. The Board's objectives for the year have been aligned with the SEHD's *Delivering for Health* document.
32. We reported in our 2004/5 Annual Report that NHS Dumfries and Galloway's local performance management framework was strong and we acknowledged that the Board had made performance improvements against a backdrop of significant service and financial challenges. During the year the board continued to develop its performance management arrangements and now reports performance measures to the Board on a more frequent basis.
33. The Board has continued to achieve the performance targets set by the Scottish Executive Health Department. In particular, the Board met its targets on waiting times and no patients waited more



than six months for an appointment. In 2004/5, we noted that the Board was undertaking detailed capacity planning to reduce the maximum wait from 26 weeks to 18 weeks by the end of December 2006. This is one year in advance of the SEHD deadline and, in fact, the Board has already met the 18 week target for some treatments.

## Best Value

34. There is no statutory duty of Best Value in the wider public sector outwith local government. Instead, the SEHD issued draft secondary guidance in August 2003, on the duty of accountable officers to ensure arrangements are in place to secure Best Value. In May 2005, Ministers decided that they would not bring forward legislation which extends Best Value in the wider public sector. However, Ministers do wish to encourage and embed the principles of Best Value across the wider public sector, and the Best Value and Performance Team within the Scottish Executive were tasked with taking this forward. Revised guidance was issued in April 2006 and included in the Scottish Public Finance Manual.
35. As part of a national study, we performed a baseline review of NHS Dumfries and Galloway's arrangements for delivering Best Value and we considered how the Board demonstrates that it is adhering to best value principles in the delivery of its services and responsibilities. A baseline report on the results of our Best Value assessments throughout the NHS will be submitted to the Scottish Executive.
36. Overall, NHS Dumfries and Galloway can demonstrate commitment to Best Value and continuous improvement. We found the Board's Best Value arrangements to be either under development or well developed as summarised below.

<b>Best Value Characteristics</b>	<b>Under Development</b>	<b>Well Developed</b>
Commitment and Leadership	√	
Sound Governance at a Strategic & Operational Level		√
Accountability		√
Sound Management of Resources & Contractual Arrangements		√
Responsiveness and Consultation	√	
Use of Review and Options Appraisal		√
Contribution to Sustainable Development	√	
Equal Opportunities Arrangements	√	
Joint Working		√



## Efficient Government Initiative

37. The Efficient Government initiative is a five year programme with the aim of attacking 'waste, bureaucracy and duplication in Scotland's public sector'<sup>2</sup>. The primary objective is to deliver the same services with less money or to enable frontline services to deliver more or better services with the same money. The Efficient Government Plan sets targets to achieve £745 million (rising to £900 million) of cash-releasing savings, and £300 million (rising to £600 million) of time-releasing savings, by 2007-08. The NHS in Scotland is expected to contribute £166 million of cash releasing savings and £173 million of time releasing savings per year.
38. The Scottish Executive Health Department (SEHD) set NHS Dumfries and Galloway a target of £6.15 million of recurring efficiency savings by 2007/8. A plan of how this target is to be achieved has been submitted to the SEHD. A detailed position statement of all public sector organisations in Scotland is being produced by Audit Scotland and will be issued shortly.
39. The Board anticipates deriving its main savings over the next three years from time releasing savings in managing absence (£3.3million) and streamlining bureaucracy (£1million). The Board is committed to meeting its 1% year on year efficiency saving targets. They are participating in the national efficiency programme including National Shared Service and the procurement and logistics programmes.

## National Studies

40. In 2005/6, Audit Scotland carried out three national studies:
  - Staff Governance review of previous year's action plan. Our findings are reported in paragraph 55 of the section on governance;
  - Tackling Waiting Times in the NHS in Scotland (reported to the Scottish Parliament in February 2006); and
  - Implementing the NHS Consultant Contract in Scotland (reported to the Scottish Parliament in March 2006).

## Tackling Waiting Times in the NHS in Scotland

41. This national study reviewed the performance of the NHS in Scotland against current waiting times targets for elective healthcare. It evaluated whether the current approach produces value for money and assessed whether current strategies are likely to achieve sustained reductions in waiting times.

---

<sup>2</sup>Building a better Scotland, Scottish Executive, November 2004



42. The report concluded that significant progress had been made towards meeting waiting times targets, but that the total number of people waiting for inpatient and day case treatment has changed little in the last two years. It recommended that more efficient use be made of the Golden Jubilee National Hospital and noted that NHS Dumfries and Galloway did not use the GJNH regularly.

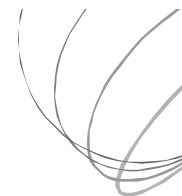
### **Risk Area 3**

43. The Board was highlighted as an example of good practice through its use of the consultant contract negotiations to implement measures to reduce waiting times. For example, where consultant anaesthetists have daytime sessions that are not used during the week, these are banked and used at a later date. For orthopaedic consultants the appointment of an additional consultant supported by two associate specialists has improved the efficiency of the department and has reduced waiting times across all types of patients.

### **Implementing the NHS Consultant Contract in Scotland**

44. This report concluded that there were no clear benefits from the £235 million cost arising from the implementation of the consultant contract. It also highlighted that the new contract offers an opportunity to focus the work of consultants on priority areas, and improve patient care. However, it is not yet being used to its full potential. The report also noted that the consultant contract had contributed to cost pressures for boards as the national costing model used by the SEHD contained inaccuracies and it underestimated the financial cost by £171 million, on a national basis, for the first three years. The report, however, does note that NHS Dumfries and Galloway was one of five boards that forecast costs would be greater than the national model.





# Governance

## Introduction

45. This section sets out our main findings arising from our review of NHS Dumfries and Galloway's corporate governance as it relates to:
- clinical governance;
  - corporate governance; and
  - staff governance.

## Clinical Governance

46. The Board's statement on internal control notes the key elements of its risk and control framework that have been in place throughout 2005/6. These include the Board's risk management strategy, risk registers for all service directorates, risk management training and support for managers throughout the year as well as frequent performance reviews and regular reporting to the Board and its Committees.
47. We followed up the Board's planned actions relating to risk management and have tracked the ongoing work of the Healthcare Governance Committee in this area. The Healthcare Governance Committee meets every 2 months and receives regular reports which identify areas of risk and any action being taken to address them. The Board has worked to embed its risk management arrangements across the organisation and develop a culture of risk awareness by revising the risk management strategy, developing the operational arrangements for implementing risk management as well as clarifying the governance and accountability structures in place.

## Community Health Partnership

48. As part of a national exercise, a review was performed of the Community Health Partnership (CHP) within NHS Dumfries and Galloway. The review was designed to identify the level of resource devolved and the stage of development of the CHP. We sought to identify links with other joint partnerships, the organisational and committee structure adopted, broad lines of accountability and possible constraints to development.
49. NHS Dumfries and Galloway has a strong tradition of partnership working with the local Council. Both organisations contribute to a joint Health and Community Care Plan which focuses on health improvement, health services and social care. NHS Dumfries and Galloway and Dumfries and Galloway Council employ complementary models of care to ensure that, where possible, patients



can receive care in their own homes. The Board has prepared an organisational development plan for the CHP which summarises the key elements that need to be addressed, specifically leadership; learning and development, and culture.

## Corporate Governance

50. Our work on corporate governance focused on our Code of Audit Practice responsibilities as they relate to systems of internal control; prevention and detection of fraud and irregularity; standards of conduct and the Board's financial position. We have made comment on the financial position at paragraphs 19 to 24.
51. We relied on the work of Internal Audit to give us assurance in the following areas: Statement on Internal Control - control environment and structures; primary care general medical services; income; and aspects of budgetary control, capital assets; ledger controls & reconciliations and payroll. We also reviewed the controls within the Board's key financial systems. We were pleased to note that there were no major matters arising from our testing of the controls within the Board's main financial systems. We also looked at arrangements for e-procurement to see what governance arrangements were in place.

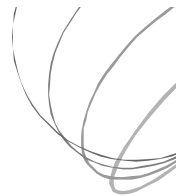
## eProcurement

52. The aim of this review was to consider the planning, implementation and operation of the eProcurement system. The system was implemented in April 2005 and has since been rolled out across a number of departments, with orders raised in the year to 31 March 2006 totalling £2.68million. We noted that the implementation of the system in NHS Dumfries and Galloway was well planned but that the PECOS software has been unable to provide the required level of management information to enable the Board to monitor the benefits realised from the implementation of the system.

**Risk Area 4**

## Staff Governance

53. NHS Dumfries and Galloway completed a self assessment audit and a staff survey to assess its effectiveness in staff governance. The self-assessment process was carried out in partnership with staff involvement. The resulting action plan was approved by the Area Partnership Forum and Corporate Management Team, indicating agreement and support across the organisation. This work is part of an ongoing NHS Scotland initiative designed to recognise the value and importance of staff in service delivery and generally improve staff relations in the NHS.



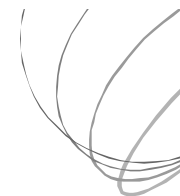
54. This year we identified and assessed the risks associated with Staff Governance as part of the audit planning process and we reviewed the evidence that the previous year's action plan is being delivered.
  
55. We concluded that NHS Dumfries and Galloway had made good progress in achieving actions agreed last year, with progress being made on all but one of the outstanding actions from last year's plan. This action will not be fully implemented until anticipated guidance is issued from SEHD. We noted in our 2004/5 annual report that the Board required to develop high quality workforce information to improve strategic management and service planning. During 2005/6 the Board has addressed this issue and has made the mandatory staff governance statistics available and has also developed a Workforce Plan that was submitted to the SEHD in April 2006. The continued roll out of HR.net will ensure reliable and accurate workforce information is available throughout the organisation.



# Looking Forward

56. NHS Dumfries and Galloway faces significant challenges in 2006/7 which include:

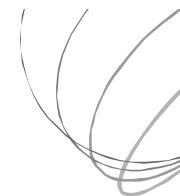
- Slippage on projects in year has contributed to the surplus of £14.2 million. The Board has recognised the need to progress projects and to enhance its project management arrangements.
- The Efficient Government initiative has provided NHS Dumfries and Galloway with a challenging set of local savings targets to be achieved. In addition, national initiatives, such as shared support services, will also have a significant impact on the Board and its staff.
- The Best Value agenda will play an increasingly important role throughout public services in Scotland. NHS Dumfries and Galloway have made good progress, but recognise that much is still to be done to develop the arrangements which will demonstrate commitment to Best Value and continuous improvement.
- A key challenge for the Community Health Partnership is the need to continue to work in partnership with the Acute service team and the 4 local health partnerships to manage, effectively, the transition of the balance of care from secondary to primary care.
- Modernising Medical Careers (MMC) and the potential impact of changes arising from this initiative have been included in the financial plan. The Board has plans in place to recruit and train additional nurse practitioners to assist in out of hours activity currently dealt with by junior doctors.



# Appendix A: Action Plan

## Key Risk Areas and Planned Management Action

Action Point	Refer Para. No	Risk Identified	Planned Action	Responsible Officer	Target Date
1	9	There is a risk that the benefits of the workforce plan are not achieved due to delays in implementation of key initiatives.	The Workforce Action Plan has been agreed and will continue to be monitored and reviewed regularly.	Director of Human Resources	Ongoing
2	12	There is a risk that projects are not completed on time leading to continued carry forward of surpluses.	The reserves and carry forward position for 2005/6 have been reviewed. During 2006/7 we will be monitoring ways to physically move projects faster, particularly if they are on the path of sequential developments. We need to get earlier and more robust plans round specific allocations and regularly monitor progress. Specifically, we need to feed the Agenda for Change forecasting model with actuals as they crystallise and adjust forecasts monthly until all employees have been assimilated and backpays processed.	Director of Finance	Ongoing
3	42	Although additional financial resources have been committed, there is a risk that the Board may not be able to sustain the achievement of waiting times targets in the longer term.	Ongoing reviews of main areas of cost to establish best use of resources, both recurring and non-recurring. A major review of orthopaedics and ophthalmology is currently underway with emphasis on reducing the use of the private sector. There are continuous updates of the capacity and demand model to enable a planned approach to waiting times management. With more availability of recurring funding from the	Director of Health Services	Staged approach during 2006/07 based on waiting times targets for inpatients / day cases, outpatients and diagnostics.



Action Point	Refer Para. No	Risk Identified	Planned Action	Responsible Officer	Target Date
			<p>National Waiting Times Unit it will be possible to move from use of private sector to greater use of NHS facilities. Currently NHS D&amp;G use Golden Jubilee in the main for ophthalmology and orthopaedic.</p> <p>Discussions continue with Golden Jubilee to maximise availability for D&amp;G.</p>		
4	52	There is a risk that the Board is unable to monitor the benefits realised from the implementation of the eProcurement system.	<p>The proposed benefits anticipated from the implementation of PECOS were</p> <ol style="list-style-type: none"> <li>1) end user efficiencies</li> <li>2) improved contract &amp; other information</li> <li>3) process efficiencies</li> <li>4) improved management information &amp; control</li> <li>5) automation of stock / WPM requests</li> </ol> <p>With the exception of 3) where reduction in time between requisition and receipt has been reduced, none of these has yet been fully achieved by the current version of PECOS. Any upgrading of the software is a national issue. However we have formally passed on our concerns about the reduction in management information available from the system to the recently appointed NSS eProcurement &amp; Systems Director and will seek to influence this in any way we can.</p>	Director of Finance	July 2006