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Jeff Ace
Chief Executive, NHS Dumfries & Galloway

via email

cc
Katy Kerr, Finance Director

3rd May, 2023

Dear Jeff

Financial plan – tailored support

Further to the feedback letter in relation to the Board's financial plan and following our meeting on 17 April, I am writing to set out the basis on which tailored support will be provided and the approach we seek to agree with you.

Background

Tailored support is a collaborative arrangement between Scottish Government and the Board which has an end objective of assisting you develop and implement a robust financial recovery plan. The approach, as set out below, follows four stages and aims to identify the key areas where there are opportunities to improve the finance position of the Board and the support required to assist you in developing and implementing the required actions.

Whilst Scottish Government Health Finance will lead the tailored support offering, we will work with colleagues as required across the wider Portfolio team to provide access to relevant expertise to assist you make the improvements we collectively identify.

Our offer of tailored support has no impact on the Scottish Government framework of escalation and is focused on providing you and the Board with access to assistance and resources to develop a financial recovery plan and implement actions to reduce the financial deficit through a joint and structured approach.

Lead point of contact


The lead point of contact from Scottish Government Health Finance will be Fiona Bennett, Deputy Director of Finance - NHS, Integration and Social Care Finance.

The Board should also designate a lead officer from within the Executive Team to be a point of co-ordination throughout the duration of the tailored support arrangement.



Approach

The approach is based on four key stages as set out below:

Diagnosis	Planning	Delivery	Implementation
<p>Purpose This is a scoping exercise that seeks to identify the key root causes and develop a clear scope for the ongoing support.</p> <p>Outputs</p> <ul style="list-style-type: none">• Report identifying the root causes of the issues and the scope of the ongoing activity.	<p>Purpose Detailed review of the financial management approach (and any other areas identified for review in the Diagnosis stage) to identify gaps; high level next step recommendations and resources required.</p> <p>Outputs</p> <ul style="list-style-type: none">• Completed Financial Management Assessment.• Agreed action plan for the Delivery stage.• Agreement of success factors	<p>Purpose Deliver specific support and Prepare Financial Recovery Plan to remedy the financial problem.</p> <p>Outputs</p> <ul style="list-style-type: none">• Financial Recovery Plan (signed off by Board) outlining improvement trajectory.• Specific support to implement areas of the Financial Recovery Plan agreed	<p>Purpose Monitoring of the implemented financial recovery plan</p> <p>Outputs</p> <ul style="list-style-type: none">• Monthly Board monitoring reports against the agreed plan and trajectories.• Implementation of agreed actions and outcomes.
<p>Timescale 30 June 2023</p>	<p>Timescale 31 July 2023</p>	<p>Timescale 30 September 2023</p>	<p>Timescale Variable</p> 

The aim would be to complete the initial diagnostic by 30 June and have an agreed financial recovery plan by 30 September. I have attached with this letter a more detailed briefing setting out how we would propose to conduct each stage and an initial consideration of areas that we may cover during the diagnostic phase and potential additional information we may require.

These areas of focus and information requirements would be agreed and confirmed following our initial engagement meeting with you and the designated Board lead.

The approach is designed to facilitate and support engagement across a broad range of areas and will not be limited to engagement with the Board's finance team. It is anticipated that our work will involve colleagues across the Executive Team and key operational areas and we will agree how best to achieve this during the early stage of our engagement planning with you.

Governance

Throughout the period of the provision of tailored support, the Board remain responsible for the leadership and development of the financial recovery plan and our role is to take responsibility for the provision of support, advice and resources, as required. All stages will be conducted following a partnership approach and we would seek to agree the key outputs and next steps at the end of each stage.

Review meetings

I would propose that we schedule regular review meetings to coincide with indicative dates for conclusion of each stage. This will provide an opportunity for ongoing engagement with you and the Board and to ensure that there is co-ordinated approach to supporting you across the Portfolio.

I welcome your early support for the approach and look forward to working with you and colleagues in NHS Dumfries and Galloway over the coming weeks.

Yours sincerely

A handwritten signature in black ink, appearing to read 'R McCallum', with a long horizontal flourish underneath.

Richard McCallum
Director of Health Finance and Governance