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Chief Executive, NHS Dumfries and Galloway  
Director of Finance, NHS Dumfries and Galloway

via email

3<sup>rd</sup> July, 2023

Dear Jeff and Katy

### NHS Dumfries and Galloway – Tailored Support - Stage 1 Diagnosis

Following my letter on 3<sup>rd</sup> May I am writing to confirm progress and next steps regarding tailored support. My team has been working closely with you over the past weeks and we have spent time looking at the analysis of the historic position and drivers of the current deficit in NHS Dumfries and Galloway.

It is clear the NHS Dumfries & Galloway finance team have undertaken extensive work to understand the change in the financial position over time and impacts of various events such as opening of the DGRI, Covid and inflation. My team helpfully had an in-person session with colleagues to talk through this and a number of reports have since been provided. A report summarising the work and position will be sent by my team later this week to be clear on our assessment and understanding.

I am therefore satisfied we can close off Stage 1 – Diagnosis, of the process outlined below and move to Stage 2 - Planning.

Diagnosis	Planning	Delivery	Implementation
<p><b>Purpose</b> This is a scoping exercise that seeks to identify the key root causes and develop a clear scope for the ongoing support.</p> <p><b>Outputs</b></p> <ul style="list-style-type: none"> <li>Report identifying the root causes of the issues and the scope of the ongoing activity.</li> </ul>	<p><b>Purpose</b> 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><b>Outputs</b></p> <ul style="list-style-type: none"> <li>Completed Financial Management Assessment.</li> <li>Agreed action plan for the Delivery stage.</li> <li>Agreement of success factors</li> </ul>	<p><b>Purpose</b> Deliver specific support and Prepare Financial Recovery Plan to remedy the financial problem.</p> <p><b>Outputs</b></p> <ul style="list-style-type: none"> <li>Financial Recovery Plan (signed off by Board) outlining improvement trajectory.</li> <li>Specific support to implement areas of the Financial Recovery Plan agreed</li> </ul>	<p><b>Purpose</b> Monitoring of the implemented financial recovery plan</p> <p><b>Outputs</b></p> <ul style="list-style-type: none"> <li>Monthly Board monitoring reports against the agreed plan and trajectories.</li> <li>Implementation of agreed actions and outcomes.</li> </ul>

I expect this to consist of (but not be limited to) the following;

1. Scottish Government attending a Board Management Team meeting or equivalent meeting to discuss the tailored support work and take feedback.
2. Facilitating a training session with Discovery colleagues to raise awareness of this tool and how it can help to support local service reviews.
3. Completing the NHS Scotland Financial Sustainability checklist to benchmark against good practise in areas such as grip and control measures, planning and budgeting.
4. Reviewing capacity of the NHS Dumfries & Galloway finance team and opportunities for different ways of working e.g. regional and national.
5. Feedback on '4Ts' approach to controlling costs.
6. Review of DGRI business case vs actual costs to understand differences and impact on overall expenditure.
7. Progress with non-pay workstream using data from the ledger to support discussions with service managers.
8. Review workforce trends and seek more specific reviews once defined.

My team will be in touch shortly to confirm these actions and associated timelines for completion. Thank you for your co-operation with this work and if you have any queries on the content of this letter or the overall tailored support arrangement please contact Fiona Bennett ([Fiona.Bennett@gov.scot](mailto:Fiona.Bennett@gov.scot)).

Yours sincerely



Richard McCallum  
Director of Health Finance and Governance