

Meeting:	Grampian NHS Board
Meeting date:	13 June 2024
Item Number:	7
Title:	Three-Year Delivery Plan (2024-27), Medium-Term Financial Framework (2024-29) & Workforce Plan Annual Update
Responsible Executive/Non-Executive:	Adam Coldwells, Chief Executive Alex Stephen, Director of Finance Tom Power, Director of People & Culture
Report Authors:	Planning, Finance & Workforce Teams

1 Purpose

The Board is asked to:

1. Endorse the Three-Year Delivery Plan (2024-27) (Document 1).
2. Endorse the Medium-Term Financial Framework (2024-29) (Document 2) and note that further work will be undertaken to refine the Framework over the next six months in conjunction with the Scottish Government.
3. Endorse the Workforce Plan Annual Update as part of the Workforce Plan 2022-25 (Document 3).
4. Endorse the commitment from the Executive Team to ensure a thorough impact assessment is undertaken once there is sufficient detail to support robust analysis of the deliverables within the Medium-Term Financial Framework and Three-Year Delivery Plan. A new draft integrated impact assessment tool has been developed to support this process (Document 4).
5. Agree to receive updates on the Delivery Plan from the end of June 2024 through the agreed performance assurance reporting mechanism for Committees and the Board, which align the priorities from the Delivery Plan with the outcomes described in the 'Plan for the Future'.
6. Agree that there are a number of risks which may negatively impact on the successful implementation of these plans and a range of controls are in place to monitor and control/mitigate these – see strategic risk section in Document 1.

This report relates to:

- Annual Delivery Plan

This aligns to the following NHS Scotland quality ambition(s):

- Safe
- Effective
- Person Centred

2 Report summary

2.1 Situation

The Grampian NHS Board endorsed the organisation's strategy as set out in the 'Plan for the Future 2022-2028' at its meeting on 2 June 2022. At this time, it was confirmed that a rolling Three-Year Delivery Plan would set out the priorities for the phased delivery of the 'Plan for the Future'.

The Scottish Government has set out its ambitions to move to an integrated planning approach with a focus on medium term planning as set out in the Planning Guidance circulated to NHS Boards on 4 December 2023. Delivery Plan guidance was issued alongside NHS Scotland Financial Plan 2024/25 Guidance, with the ask that the two should be read in conjunction to ensure that delivery planning is affordable within the Board's financial envelope, and that this in turn supports the savings aims as set out in the finance guidance.

Supplementary Delivery Plan Guidance was issued by Scottish Government on 5 February 2024. This related specifically to a proposed new Scottish Government Delivery Framework to support monitoring of progress and impact of Delivery Plans with indicators and metrics proposed for inclusion. The proposed indicators will use data that is already published and directly link to the planning priorities set out in the Delivery Plan Guidance.

As well as ensuring Delivery Plans are affordable within the context of the Board's financial plan, Plans should also ensure the workforce is in place to support service delivery. Boards' existing three-year strategic Workforce Plans set out how they are approaching supply, training, development and service delivery challenges at a local level, across the five pillars of the workforce journey (Plan, Attract, Train, Employ and Nurture), and this should inform development of Delivery Plans.

¹The Scottish Government recognises that NHS Boards are operating under pressure, together with a level of uncertainty and volatility that remains across the system following the pandemic. The relevant delivery, finance and workforce planning teams within the Scottish Government will continue to work with and support NHS Boards to address these planning challenges throughout 2024/25.

The process to develop this Three-Year Delivery Plan commenced in December 2023 and in the context of the extremely challenging fiscal situation and requirement for NHS Grampian to deliver significant financial savings in 2024/25. The Delivery Plan has been informed by engagement with key stakeholders across our system and developed collaboratively with the aim of providing a balanced and realistic plan which reflects the scale of the financial situation and possible impacts but also what can be delivered within available resources.

Some projects have had to be deferred to future years due to financial constraints. The implications are detailed in both the Three-Year Delivery Plan and Medium-Term Financial Framework and have been discussed with representatives from the Scottish Government.

The Delivery Plan sets out the focus on financial recovery and how we will prioritise people, clinical and staff governance and prevention of illness as we continue to work towards the strategic intent set out in our Plan for the Future.

The draft Delivery, Finance and Workforce Plans were submitted to a closed Board session for consideration and support prior to submission to the Scottish Government in March 2024. The Scottish Government has confirmed that the Three-Year Delivery Plan will be considered as the authorising environment, setting out what will be delivered during 2024/25 and what cannot be delivered within the available financial envelope.

NHS Grampian received a letter from Scottish Government dated 28 May confirming the Three-Year Delivery Plan meets requirements and provides appropriate assurance under the current circumstances. The letter acknowledges that the Delivery Plan must remain dynamic and responsive in view of the ongoing financial challenge and requirement to reach financial balance through further choices and actions. At this time, Scottish Government has not approved the Financial Plan which accompanied the Delivery Plan, and we continue to work closely with the Scottish Government regarding the financial position and potential impacts on our Delivery Plan which require ongoing discussion.

¹ NHS Scotland Delivery Planning Guidance 2024/25 (Issued December 2023)

In line with current practice, quarterly reports will be submitted against overall progress to the Performance Assurance, Finance and Infrastructure Committee (PAFIC) with assurance on key aspects of business being sought by other Board Committees according to their terms of reference, e.g. the Population Health Committee will receive assurance on the delivery of milestones relevant to inequalities and population health, and the Staff Governance Committee will receive assurance on the milestones relevant to workforce and wellbeing.

2.2 Background

The 'Plan for the Future' sets out the long-term direction and the ambition to create sustainable health and care by 2032 by aiming to create a better balance between 'enabling wellness' and 'responding to illness'. The strategy focuses on nine key priority areas described under the key pillars of People, Places and Pathways.

The Three-Year Delivery Plan (2024-27) sets out how the Board, working with our partners, will continue to work towards the priority areas and strategic intent within the 'Plan for the Future', along with responding to the Ministerial priorities and 10 national areas for recovery as set out in the Scottish Government Planning Guidance 2024/25.

The Scottish Government are keen to integrate their different planning cycles, including financial, service and workforce, which will provide Boards with the opportunity for greater collaboration and alignment of plans across the different disciplines, ensuring clearer priorities and goals are set for the benefit of the population of Scotland.

For 2024/25, the Scottish Government commissioned the Financial and Delivery Plans together. It is recognised that the Delivery Plan will need to reflect the realities of the financial position going into 2024/25. Boards were requested to update their Medium-Term Plans into Three-Year Delivery Plans with detailed actions for 2024-25 aligned to their Financial Plan and to the ministerial priorities for NHS Scotland.

- Financial Plan for 2024/25
 - Boards submitted draft Financial Plan to Scottish Government on 29 January 2024
 - Boards submitted Final Financial Plan to Scottish Government on 15 March 2024

- Three-Year Delivery Plan for 2024-27
 - Boards submitted Plan to Scottish Government on 7 March 2024
 - Scottish Government initial feedback received on 28 April 2024 and a formal letter issued 28 May 2024 approving the Delivery Plan. This included a range of feedback covering a small number of priority areas and highlighting areas for development and improvement. This

will be considered as part of our ongoing engagement with Scottish Government and as part of future planning and delivery.

- Boards will report on Q1 of 2024/25 ADPs at the end of June, and this will inform quarterly review meetings between Scottish Government and each NHS Board.

The Scottish Government 10 Drivers for Recovery remain similar to the previous year, with the addition of a new category for Women and Children's Health while Digital and Innovation have been amalgamated into one category:

1. Primary and Community Care
2. Urgent and Unscheduled Care
3. Mental Health
4. Planned Care
5. Cancer Care
6. Health Inequalities and Population Health
7. Women and Children's Health
8. Workforce
9. Digital Services Innovation Adoption
10. Climate

2.3 Assessment

a. Three Year Delivery Plan

The Delivery Plan Narrative Document (full version), contained in Document 1, sets out the strategic context, current position, progress to date, key objectives and priorities over the next three years, with a greater level of detail for the next 12-month period in line with the financial plan, along with an understanding of risks to delivery.

A summary version of the Delivery Plan (Document 5) has also been developed to support easy communication of the key messages and priorities.

In keeping with the digital format of the 'Plan for the Future', aspects of the Delivery Plan will be incorporated into the website with the same approach of multiple layers of information. High level key messages will be easily accessible and prominent on the site, with the opportunity to drill down to the narrative document and detail of milestones. This will support the ambition of keeping the 'Plan for the Future' updated and relevant and supports a positive user journey – as visitors to the site can see linkages and move between the various sections of the website easily. Specific pages and updates can be highlighted as part of ongoing communications, as well as examples of how we are achieving the actions set out in the Delivery Plan.

The three key high-level objectives set out in the draft Delivery Plan remain consistent with the previous Delivery Plan 2023-2026, acknowledging that work continues towards these:

1. Strengthen colleague and citizen engagement to improve health (People)
2. Create the conditions for sustainable change (Places)
3. Improve preventative and timely access to care (Pathways)

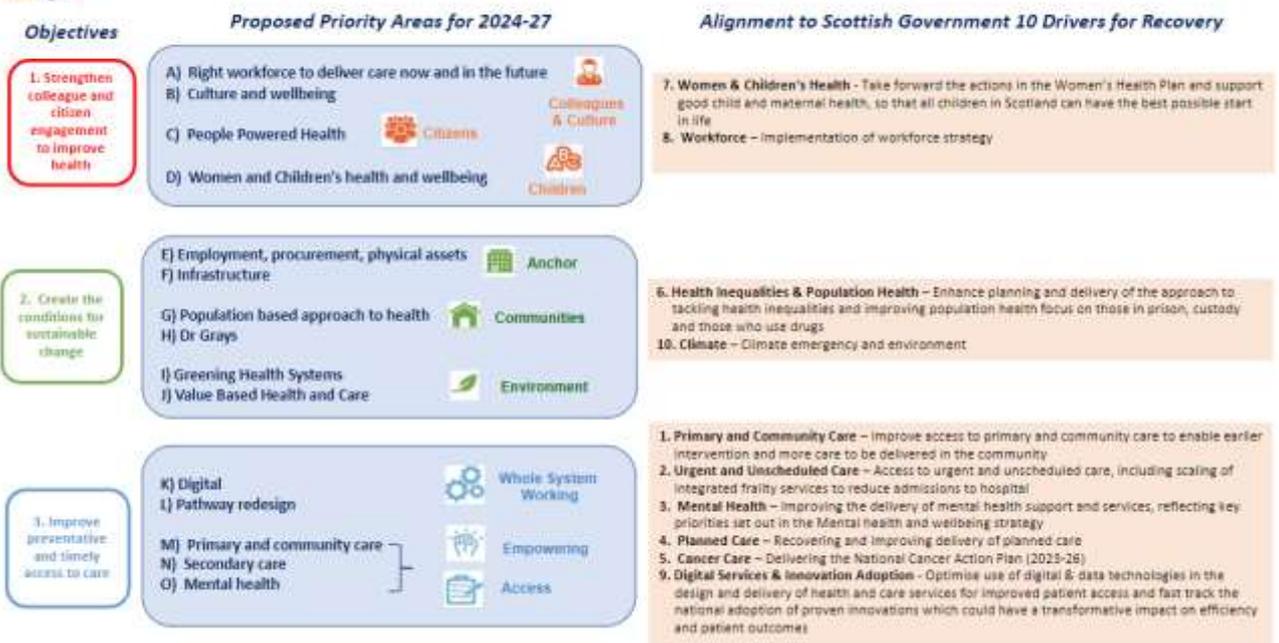
Within the Delivery Plan, we have set out what we believe success will look like by the end of March 2027 for each of the objectives within People, Places and Pathways. This is further underpinned by a range of priority areas and actions for progressing these by the end of March 2025.

To maximise our focus, effort and limited resources, we propose that, assurance and performance oversight is provided across six programmes of change which are outlined below.

- Value and Sustainability (including grip and control, value and sustainability, and transformation)
- Delivering the Dr Gray's Strategic Plan
- Access – Urgent, Unscheduled and Planned Care (adult and children)
- Reducing Health Inequalities
- Engaged Colleagues and Citizens
- Building Systems Leadership

Given the current pressures across the system and the challenging financial landscape, it is important that the Delivery Plan is realistic and deliverable. The Chief Executive Team acknowledged the need to stabilise the system and focus on a small number of achievable priorities alongside implementing the actions outlined in the Medium-Term Financial Framework to work towards financial recovery in 2024/25. The vision set out in our 'Plan for the Future' remains as important as ever, but the current situation will mean that a longer period of phasing than initially expected is needed to ensure we are in a position to move forward with future changes for greater sustainability.

The priorities set out in the Delivery Plan have been chosen to maximise realistic deliverability and include areas of improvement which add the greatest value and impact within the resources available to maintain clinical and health outcomes, whilst balancing with financial recovery. The deliverables are articulated in terms of those that we are prioritising in 2024/25 and those that we cannot focus or deliver on until years 2 or 3 of the Delivery Plan.



We recognise that there are financial challenges across the public sector, including our partners, and there will be unintended consequences of decisions taken across the system and we need to continue working in a collaborative approach with our partners to identify, monitor and mitigate these to the best of our ability.

b. Medium-Term Financial Framework

Our Medium-Term Financial Framework is a five-year plan covering 2024/25 to 2028/29. Projections for earlier years are more certain than for later years.

At end of 2023/24, we reported an overspend against our revenue budget by £24.7 million. This was slightly below the level of overspend agreed with the Scottish Government. This is the first time that NHS Grampian has ever overspent against the revenue budget and highlights the severe financial pressures currently being faced by the health system in Grampian. We have received brokerage support from the Scottish Government of £24.8 million to cover the overspend. This brokerage support is repayable to the Scottish Government at a point in the future when the Board returns to financial balance.

In 2023/24, NHS Grampian was also escalated from Stage 1 to Stage 2 of the Scottish Government's Support and Intervention Framework because of concerns about the Board's financial position.

In getting to the £24.7 million position, we have used many non-recurring measures, such as reducing our accrual for untaken annual leave, reducing other provisions, slowing commitments against Scottish Government earmarked funding and pausing some planned investments. The underlying recurring deficit position for NHS

Grampian is much higher than £24.7 million and we estimate that it is between £70-80 million. This reflects a worsening underlying financial position for a number of years, which has been mainly driven by system pressures, workforce challenges and a high level of general inflation.

Our Finance Plan for 2024/25 does not present a break even position for NHS Grampian. Our Finance Plan submission is summarised in the table below:

	£m
Financial Gap Before Savings	(94.0)
Planned Phase 1 Savings	34.9
Financial Gap After Savings	(59.1)
Scottish Government Brokerage Limit	(15.3)
Remaining Financial Gap (Savings Yet To Be Identified)	(43.8)

- The table shows that we have a Value & Sustainability Programme in place which aims to deliver cash savings of £34.9 million during 2024/25. Achievement of these savings will reduce our financial gap from £94.0 million to £59.1 million. These schemes are centred on areas where we would traditionally look for efficiency savings without reducing service quality or capacity (e.g. reductions in supplementary staffing, drugs switching, freeing up of centrally held provisions, etc.). Some of the schemes also have a high risk of delivering the level of planned savings.
- Based on current projections the Board would be on course to record an overspend against revenue of £59.1 million. A number of other areas for savings are currently being considered, which will be the focus of service redesign and transformation. The Board aims to develop these and use other feasible opportunities to reduce the overspend level below £59.1 million and is already working closely with the Scottish Government to assess options to reduce the level of overspend closer to the Scottish Government brokerage cap of £15.3 million.
- Over the last six months, we have been working on our budget process, under our 'finding balance' banner. This process aims to find a balance between our three major strands of governance Finance, Clinical and People. Mindful of the impact that severe cost reductions could have on our preventative activities which help to reduce demand for services in the future, we also specifically included prevention in our considerations.
- We need to provide balance between finance, clinical services, people and prevention before we make decisions on which further areas we target for

savings. As a result of this programme of work, further potential efficiency schemes were identified. These further potential choices for savings did not achieve a balance between clinical governance, staff wellbeing, finance and prevention. To deliver these savings in the timescales required and without significant mitigation would have a major impact on our performance and sustainability of some of our services. We therefore have a remaining gap within our Finance Plan for 2024/25 and continue to work closely with colleagues in the Scottish Government on both plans. This process of review is ongoing and the Board remain committed to seeking to reduce the size of the overspend, and progressing transformation and change as required over the period of the Delivery Plan and in line with the Board’s “Plan for the Future”.

It should be noted that our Plan covers the financial position for NHS Grampian and the services directly provided by it. Circa 40% of our budget is passed to the three Health and Social Care Partnerships (HSCPs) who undertake their own budget setting exercises which also include the contributions they receive from the Councils and costs associated with the provision of social care. Our financial planning assumption is that there will be no pass on of funding uplift to the HSCPs in light of the 0% baseline funding uplift for NHS Grampian. We will continue to pass on any earmarked funding allocations relating to delegated services (e.g. Primary Care and Mental Health).

The Medium-Term Financial Framework (Document 2) sets out the detailed financial position together with a summary of the efficiencies that will be delivered through a programme approach.



c. Workforce Plan update

The Workforce Plan 2022-25, approved by the Board in June 2022, is aligned to the five pillars of the national Workforce Strategy for Health and Social Care - plan, attract, employ, train and nurture. An annual progress update, which includes details of forward plans across a range of services and professions, is included as Document 3. This is aligned to Plan for the Future – Colleagues and Culture.

Our strategic aim in Plan for the Future – Colleagues and Culture of ensuring that by 2028 people can thrive and be safe and well through work will only be achieved if we have highly engaged colleagues. This is essential both to attracting and retaining sufficient numbers of skilled staff (right workforce – now and for the future) and making progress on improving colleague wellbeing and developing a culture that supports our future ambitions (culture and wellbeing). Our key areas of focus for 2024/25 in this respect are:

- Sustain roll out of e-Rostering and SafeCare as far as progress with national integration to Payroll and the financial position allows.
- Continue to increase overall NHS research and development activity in line with NHS Grampian Research and Development Strategy and the Shaughnessey Review recommendations.
- Commence implementation of the Health and Care (Staffing) (Scotland) Act across relevant areas of the workforce.
- Implement non-pay T&C changes from reforms to Agenda for Change and for Doctors in Training as far as practicable.
- Continue to reduce Medical and Registered Nursing supplementary staffing costs via focus on booking controls and direct engagement.
- Developing and implementing Portfolios / Directorate plans agreed in Partnership for reshaping the workforce in support of sustainability.
- Developing learning resources and opportunities that improve quality of managers' cultural competence and management practice.
- Using BPA Survey outcomes to support culture development in participating areas and application for Magnet recognition.
- Providing targeted behaviour change support for those services where data and intelligence indicate improvement is a priority.
- Testing new approaches to improving colleague engagement, and for supporting staff wellbeing / reducing absence.
- Ensuring statutory/mandatory training complete for 90/70% of new starts respectively, and Appraisals recorded online for 50% of all staff.
- Using updated KPIs and Toolkit for Managers in support of Health and Safety compliance and improvement.

These priorities also reflect the Scottish Government's expectations in respect of the workforce recovery driver. Our ability to make continued progress towards these outcomes through the delivery of actions within our workforce and delivery plans is subject to further understanding of the impact of the significant additional savings required from NHS Grampian in 2024/25. This will require careful consideration of how we can reshape our workforce to balance the requirements for quality, safety and efficiency, and work in partnership to progress this.

d. Performance assurance framework

It is recognised that a number of priorities within the Delivery Plan, for example primary and community care, mental health and substance use, either do not sit within NHS Grampian's scope of responsibility or there is a shared responsibility for delivery, particularly with the three Integration Joint Boards (IJBs). In order to ensure greater clarity and transparency regarding governance and assurance in relation to these

priority areas, an accountability diagram in relation to the Scottish Government's 10 Drivers for Recovery has been included within Appendix 1 of the Delivery Plan (Document 1). We will continue to work in partnership with the three IJBs to further develop a shared understanding of governance and assurance and explore how to develop a more aligned performance framework, which supports greater clarity and minimises duplication of reporting.

The Scottish Government has also published supplementary guidance for 'Delivery Progress Reporting', which includes a draft Delivery Framework aiming to set out a clear set of agreed indicators for which delivery against plans will be reported, monitored and discussed with Boards for 2024/25. This included both quarterly progress reporting against the NHS Board Delivery Plans, as well as support for ministerial and executive level discussions with Boards. A key principle for the metrics included was that they should already be data which Boards and the Scottish Government regularly monitor performance against. The aim is to provide a coherent, clear and consistent Framework which provides a shared understanding against which delivery will be monitored against and not place an additional burden on Boards.

2.3.1 Quality / Patient Care

Focusing on both reducing delays in accessing care and colleagues' safety and wellbeing, will support us to maintain quality of care in relation to experience and clinical outcomes. Focusing on delays in access to planned, urgent and unscheduled care will support the management of clinical risk – we would expect to see the benefits of this across services. Access to care continued to be highlighted as the highest concern and priority of citizens, colleagues and partners.

2.3.2 Workforce

Covered in section 2.3 (c) Workforce Plan update.

2.3.3 Finance

Covered in section 2.3 (b) Medium-Term Financial Framework.

2.3.4 Risk Assessment / Management

See Document 1 (Strategic Risk) for a summary of the high-level assessment of the key risks likely to impact on delivering the priorities set out within the Plan. The process in place to manage/mitigate and escalate these risks is also set out within the Risk Section.

2.3.5 Equality and Diversity (including health inequalities)

Before a proposed strategic decision or policy change can take place, its potential consequences/impacts must be weighed against specific criteria. Once the consequences/impacts (both positive and negative) are understood, the proposed decision or change should be revisited and, if possible, adapted to take them into account before being implemented.

It may not be possible to mitigate all potential negative impacts but to recognise them demonstrates due regard has been given and supports honest, transparent communication to support the change.

Since impact assessment must be thorough and include both data analysis for those likely to be affected by the proposed action, as well as direct engagement, the high-level themes and milestones within the Delivery and Finance Plans do not support robust impact assessment at this stage.

The Executive Team and Portfolio Executive Leads (PELs) are committed to ensuring a thorough impact assessment is undertaken once there is sufficient detail to support robust analysis of the deliverables and before any decision is taken. This will be necessary for those service areas proposing each change with appropriate data analysis and engagement in each case. A new draft integrated impact assessment tool has been developed to support this process and is included at (Document 4).

In lieu of an integrated impact assessment, a section acknowledging the potential impacts of some example deliverables proposed has been included within the Delivery Plan (see Document 1).

2.3.6 Other Impacts

If the Delivery Plan is unrealistic and undeliverable, this will significantly affect confidence and organisational credibility with citizens, colleagues and partners.

2.3.7 Communication, Involvement, Engagement and Consultation

The plans have been developed with engagement of stakeholders through a range of mechanisms, fundamentally utilising and building on existing networks and reflecting the extensive engagement undertaken as part of the co-creation of the 'Plan for the Future'. There has been even closer working between planning, finance and workforce teams to maximise alignment.

With regards to the finance plan in particular, a dedicated communication and engagement plan was developed, which has involved workshops for senior leaders and portfolios/services, as well as opportunities for wider colleague participation through virtual town hall sessions and a campaign approach.

2.3.8 Route to the Meeting

This paper and accompanying Plans have been considered by members of the Chief Executive Team and their comments have been incorporated.

2.4 Recommendations

The Board is asked to:

1. Endorse the Three-Year Delivery Plan (2024-27) (Document 1).
2. Endorse the Medium-Term Financial Framework (2024-29) (Document 2) and note that further work will be undertaken to refine the Framework over the next six months in conjunction with the Scottish Government.
3. Endorse the Workforce Plan annual update as part of the Workforce Plan 2022-25 (Document 3).
4. Endorse the commitment from the Executive Team to ensure a thorough impact assessment is undertaken once there is sufficient detail to support robust analysis of the deliverables within the Medium-Term Financial Framework and Three-Year Delivery Plan. A new draft integrated impact assessment tool has been developed to support this process (Document 4).
5. Agree to receive updates on the Delivery Plan from the end of June 2024 through the agreed performance assurance reporting mechanism for Committees and the Board, which align the priorities from the Delivery Plan with the outcomes described in the 'Plan for the Future'.
6. Agree that there are a number of risks which may negatively impact on the successful implementation of these plans and a range of controls are in place to monitor and control/mitigate these – see strategic risk section in Document 1.

3 List of Appendices

The following appendices are included with this report:

- Document 1 – Three-Year Delivery Plan (2024-27)
- Document 2 – Medium-Term Financial Framework (2024-29)
- Document 3 – Workforce Plan Annual Update
- Document 4 – Draft Integrated Impact Assessment Tool
- Document 5 – Summary Version of Three-Year Delivery Plan (2024-27)