


Appendix 2

The North West London Hospitals 	Agenda Item	
London Borough of Brent Overview & Scrutiny Committee	Paper	
Meeting on:	Attachment	
Subject: North West London Hospitals Trust's Cost Improvement Programme		
Directors Responsible: Daniel Elkeles Chief Operating Officer	Author: Anna Klonowski Interim Transformation Director	
Summary The report provides an update for the London Borough of Brent's Overview and Scrutiny Committee (OSC) in relation to the progress made during April and May 2009 in implementing the Cost Improvement Programme (CIP) for the North West London Hospital Trust (NWLHT).		
Financial Implications: There are no financial implications relating to the publication of this report other than those associated with the development and implementation of North West London Hospital Trust's CIP.		
Risk Issues (including legal implications, reference to Assurance Framework and Risk Register): As Members of the OSC will be aware, all CIPs, savings and efficiency programmes across all sectors carry an implementation risk which increases the larger the target becomes. This is true for NWLHT. We are therefore continuing to implement a number of risk mitigation processes which are outlined in the body of the report. However, it must be stressed that Patient care will not be compromised at any cost.		
Communication & Consultation Issues (including PPI): Effective and timely communication is essential in this type of programme and it is for this reason that the Chief Executive has commissioned the Trust's communications team and Directors to develop and implement a programme		

of communications activities to engage the workforce and the Trust's partners.

Workforce Issues (including training and education implications):

There are no workforce issues arising directly from this report.

However, where the workforce is affected by the proposals within the CIP programme there will be timely and effective consultation in accordance with Trust policies and procedures. At this stage it is still not possible to provide figures on the actual number of redundancies and the Trust continues to seek to minimise these.

How this Policy/Proposal Recognises Equality Legislation:

There are no equality issues arising directly from this report

However, as required by legislation all proposals emanating from the CIP will consider equalities implications

Recommendations:

That the report be noted

CIPs Programme and Programme Management Office

1. Introduction

1.1. The Trust is required to deliver a significant CIP programme to bring its budget back to balance over the next two years. This report provides an update for the London Borough of Brent's Overview and Scrutiny Committee as to the progress to date. There has been no material change to the work streams previously reported to the committee which in total value £15.7m.

2. Infrastructure supporting the CIP

2.1. The Chief Executive, recognising that management capacity will be stretched over the next two years has:

- Appointed an interim Transformation Director to assist in the short term in the early stages of the development, implementation and review of the CIP
- Approved the implementation of a programme management approach to the CIP (this has been reported to NHS London as part of the Trust's submission to the Challenged Trust Board)
- Appointed an interim to run the Cost Improvement Programme Management Office (PMO)
- Agreed that a review of the Management Team should be postponed until late 2010/11

3. Reporting arrangements

3.1. As a result of the above the Chief Operating Officer who is responsible for the delivery of the CIP will during June 2009, be in a position to report to the Trust Board in relation to the level of CIP achievement to date and the RAG status of the projects at that time. This will during mid June be correlated with the monthly financial management reviews in order that any conflicting information/returns are investigated and resolved.

3.2. At this stage it is believed that there has been some significant initial delivery as many of the schemes on the CIP relate to deletion of posts which, subject to normal HR processes are fairly easily achieved, especially when redeploying employees to other vacant posts.

3.3. The PMO is not due to deliver its first review and report until June 2009 as relying on one month's financial and delivery information can often be misleading as there is no trend etc to rely upon. However, where anecdotal evidence has suggested there may be slippage due to later than expected start dates etc detailed reviews have been commissioned.

3.4. In preparation of slippage, the Directors have already begun to bring forward schemes from 2010/11 to consider early development/implementation. As Members will be aware, this is not an unusual situation and will therefore be monitored carefully by the Trust Board on a regular basis.

4. Communications

- 4.1. Over the last few years the Trust has been successful in achieving its clinical targets and can be proud that for example its mortality rates are amongst the lowest in the NHS. Therefore achieving a balanced budget is the only target that the Trust now needs to deliver upon.
- 4.2. The Chief Executive recognises the importance of effective communication in both developing and delivering the CIP and has therefore commissioned the communications team and Directors to develop and implement a robust programme of staff engagement and communication to reinforce the importance of balancing the budget. This has commenced this month with Directors attending meetings with their teams where the CIP will be “re-launched”.
- 4.3. In addition, it is intended that good practice developed through the CIP should be shared across the organisation as a whole and the communications team will assist in this process.

5. CIPs for Future years

- 5.1. The Trust recognises that it needs to develop a 2-3 year programme of cash releasing efficiencies which will bring it to financial balance. It is currently proposed that idea generation should commence during the summer with the proposals for the 2010/11 CIP programme being ready for consultation and approval (as appropriate) during September 2009.
- 5.2. It is recognised that such an approach will stretch management capacity but, as Members will be aware from the Council’s internal processes such an approach is necessary to ensure that a full year’s saving can be achieved.
- 5.3. Obviously all stakeholder organisations will be advised in the normal way in accordance with this earlier timetable.