

22 August 2003

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Dear Geoff

### **Performance Assessment**

I write following our meeting on 22 July when we reviewed the performance of your authority over last year and the challenges you face in 2003/04. This letter formally records the substance of our discussion and the various actions you would need to take over the coming months. I have taken the opportunity also to confirm the Department's expectations on a number of issues which have arisen over the course of my assessment meetings.

I acknowledged that due to the time constraints we did not have sufficient opportunity in advance of the meeting to review with you the Strategic Health Authority's, own self assessment, I will arrange for this to be done in order that we can reconcile any difference of perception.

We briefly reflected on the outturn performance for last year and noted the sizeable reductions the Authority had achieved during the year in over 12-month inpatient and 21 week out patient waits. In this context, it was disappointing that you had a small number of breaches at the year-end. In respect of Emergency care the Authority in aggregate achieved the target of 90% for Accident and Emergency 4hour waits. Continued attention is needed in those Trusts that performed less well. Whilst long trolley waits were a problem throughout the year, it was pleasing to note that the action you have taken is now reflected in the reducing numbers, this as you know, needs to be sustained. In addition, to the key targets, the Authority has made good progress in reducing waiting times in the areas of primary care, cancer and coronary heart disease as well as in the those services for Mental Health and Older People.

In aggregate financial targets, principally in Avon were missed, with a gross Health Economy deficit of some £77m. This overall performance was reflected in the "performance ratings", which have just been published, which will now require over the coming months the formulation of Improvement Plans for all zero starred Trusts by the end of October. We will work with you as you progressively formulate these plans over the coming months.

The scale of the access agenda that your Authority faces in 2003/04 and subsequent years is very challenging. You are, when compared against national averages in

respect of in patient and day case planned growth, several percentage points adrift of the average. To understand this further we considered the first quarters performance and from the data it was clear that this provided a number of mixed message. It was therefore agreed that you

- Needed to gain a better corporate understanding of the activity model you had used to calculate demand and the degree to which immediate service reengineering was required to support the changes.
- Would organise the necessary external support you require particularly from the Modernisation agency.
- Review the degree to which demand management was in line with plan.
- Develop, as appropriate, Primary Care Trusts (PCTs) capacity to effectively manage the delivery of the Local Delivery Plan (LDP) whilst ensuring that service agreements were fully agreed and understood by all parties.
- Review your LDP particularly for years two and three in the context of your medium to long term service strategy.

I also need to emphasise both the importance of delivering the year-end targets and also the in-year trajectories. Given the scale of the reductions this year it will be important to remain on trajectory, if not to get ahead, so that the need for very demanding reductions in the final months of the year is avoided. Delivering to trajectory will also support us all in giving confidence that the NHS planning process is robust.

We discussed briefly the Authority's Ambulance Service performance, which will continue to be under the spotlight. You recognised this but indicated that critical mass was an issue. I highlighted the need to address the poor performance on two Coronary Heart Disease targets, rapid access clinics and thrombolysis. You identified a number of initiatives you were taking to enhance performance, from increasing rapid access clinic provision to the use of tele-links to provide advanced warning to allow the speedier provision of thrombolysis.

I recognise that the Authority faces significant financial challenges, however, as a result of the support being provided through the NHS Bank and Department, it was expected that you would manage within the resource envelope that has been provided to PCTs. An important element of your financial strategy is the achievement of the cash releasing savings programme where you acknowledged that further action was still needed to identify the balance of savings required. This is now critical given that we are already four months into the financial year. Throughout the year it will be important for you and all organisations to manage resources, which must be underpinned by an effective and firm regime of financial control.

Whilst recognising the difficulty we spoke about the need for a risk/contingency plan, this should be done as part of the ongoing development of your strategy. This was a requirement on you when the Local Delivery Plan was signed off.

We then turned to a range of more strategic issues. I was pleased to hear that you are making progress on your strategy and had the engagement of the Chief Executive and clinical community to take forward both the short term reengineering of services but also the longer-term proposals, which you will be sharing with me in September 2003. The engagement of key local stakeholders was also vital and you had already established appropriate arrangements to make this a reality.

In order to facilitate some of the infrastructure change you flagged up that in the short term you would need some additional capital over and above that which the Health

Community could raise its self. As you know I have agreed to a further £20m being made available to you this year and I note that this will be used to undertake some of the short term service changes. The longer-term arrangements for Bristol are currently being discussed and I note that you intend to complete a Strategic Outline Case by the end of September 2003. I will look forward to further discussion with you nearer the time.

### **Winter Plans and Daily Reporting**

SHAs will need to plan at least as well as in previous years for winter and the additional pressures this brings to the service. You will need to review the plans of local organisations and I expect you will have completed this by the end of September. The Department will not expect to review plans, except for challenged SHAs, or where SitReps performance information indicates a significant cause for concern. Once again we will be putting in place the system of daily reporting for the critical winter months.

### **Implementing new workforce contracts**

One of the most significant challenges over the coming months will be the workforce agenda, which will require sustained attention throughout the year. The new contracts for General Practitioners, Consultant Medical staff, the Agenda for Change initiative and the impact of the EU Working Time Directive provide a significant opportunity to modernise and enhance the way services are provided. It is an opportunity that should be grasped and one that will require a collective and coherent response from all organisations. I expect SHAs to take a key leading role in ensuring effective delivery locally. A further part of the workforce agenda is delivery on the key workforce targets of increasing consultant and GP numbers. It will be important that you ensure delivery of these LDP targets.

I will be in contact with you again in the autumn once the SHA exercise is complete with further information on the monitoring arrangements that will then follow.

In summary, I would like to thank you and your team for an open discussion of the issues. I acknowledge the scale of the agenda you face and the difficult time the new Authority has had over the first fifteen months since its creation. However, I do believe that the building blocks are now in place for you and the organisations in Avon Gloucestershire and Wiltshire to take forward the very challenging medium term agenda you face. I expect you to achieve all of the key targets in 2003/04, which I believe will provide a sound stepping stone for recovery in AGW.

Yours sincerely



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