

For the Record – Press Statements

Publication	Express and Star
Date of article	24 th January 2015
Reporter	Daniel Wainwright
Headline	Print: Hospital director is paid £36k a month Online: Interim boss at cash-strapped Dudley hospital group paid £36k per month
First paragraph/s of article	A cash-strapped hospital trust is paying an interim director up to £36,000 a month – significantly more than its chief executive.
Press enquiry	<p>The Express and Star contacted the Trust after discovering through our published accounts that we have paid an interim director – Jon Scott – £36k a month.</p> <p>The Express and Star asked the following questions:</p> <ul style="list-style-type: none"> • Why is the hospital paying so much for an interim executive director of operations when it is making hundreds of people redundant? • Why is it going through an agency? • The money is going to a private company. Is this reducing Mr Scott's tax bill? • The accounts show the hospital also paid £53,528 in May and June to Alium Partners, a company which places interim managers, for a 'turnaround director'. Who is this and, again, what's the reason for this spend at a time of cutbacks? • I understand Paula Clark is on £180,000 a year. Is this correct? • The accounts also show the trust has paid over £1 million to Summit Healthcare (Dudley) Ltd, a private-sector management company, in monthly sums of £90,000 or more, which have been handed over since at least January last year. What

	<p>was this for?</p> <ul style="list-style-type: none"> In November the Trust paid Summit Healthcare (Dudley) Ltd £2.6 million as provision for contingencies and liabilities resulting from an 'IT restructuring'. Again, what was this for?
<p>Trust response</p>	
<p>Why is the hospital paying so much for an interim executive director of operations when it is making hundreds of people redundant? Before Mr Scott joined the trust in June 2014 we were consistently missing the A&E target to see, treat, admit or discharge patients with four hours of arrival. Jon Scott was recommended by Monitor as someone who had a track record of operational turn round in the NHS.</p> <p>The Trust Board considered that it was vital to get the emergency care pathway working again for the safety and comfort of our patients and that Mr Scott's track record would enable us to do this.</p> <p>Since he has joined the Trust we have seen a transformation in the emergency care pathway and we were one of only 11 trusts nationally to meet the 4 hour A&E standard in Q3 and keep services flowing over the Christmas period.</p> <p>The NHS is currently facing a national shortage of operations directors with many posts vacant and filled with interim directors. We advertised last summer to recruit to the post of operations director but failed to recruit. We are currently out to recruit a permanent Chief Operating Officer to be in post by the summer but the job market for these posts continues to be a challenge.</p> <p>As Mr Scott is engaged as an "interim" the Trust does not pay any on costs such as pension, annual leave or sickness benefit.</p> <p>Why is it going through an agency? It went through an agency because we couldn't recruit because the market for operations directors is difficult. We advertised last summer and failed to find someone who could do the job. We, therefore, asked Mr Scott to stay with us until we found a permanent replacement.</p> <p>The money is going to a private company. Is this reducing Mr Scott's tax bill? We cannot comment on Mr Scott's private financial arrangements.</p> <p>The accounts show the hospital also paid £53,528 in May and June to Alium Partners, a company which places interim managers, for a 'turnaround director'. Yes, we engaged a short term Turnround Director to help us develop our turn round plans to offer patients better and more efficient care. These plans are now operational and, along with our recently announced workforce reductions, will help us achieve our financial savings in the longer term.</p>	

Who is this and, again, what's the reason for this spend at a time of cutbacks?

See above. The turn round director was short term.

I understand Paula Clark is on £180,000 a year. Is this correct?

Yes.

The accounts also show the trust has paid over £1 million to Summit Healthcare (Dudley) Ltd, a private-sector management company, in monthly sums of £90,000 or more, which have been handed over since at least January last year. What was this for?

Summit Healthcare (Dudley) Limited runs the PFI contract for the Trust. The Trust makes a number of payments each month to this company which all relate to the PFI contract.

And in November the Trust paid Summit Healthcare (Dudley) Ltd £2.6 million as provision for contingencies and liabilities resulting from an 'IT restructuring'. Again, what was this for?

The Trust took the decision to terminate the IT service element of the PFI contract in December 2013. By doing this we have brought the IT service back in-house which will deliver both financial and operational efficiencies going forward. The payment made to Summit Healthcare (Dudley) Limited was in relation to the early termination of this element of the contract.

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Notes for editors

For further information please contact Jackie Dietrich, Communications Manager, The Dudley Group NHS Foundation Trust on (01384) 456111 extension 1314 or email Jackie.dietrich@dgh.nhs.uk