Trust Board Paper X

To:	Trust Board
From:	Kate Shield
Date:	30 January 2014
CQC regulation:	All

Title:	2014/ 2016 OPERATIONAL PLAN – 1ST DRAFT

Author/Responsible Director: Kate Shields/Helen Seth

Purpose of the Report:

i. Provide a brief synopsis of the national planning guidance for NHS Trusts "Securing Sustainability" 2014/2015 – 2018/2019.

ii. Identify the key messages which will ultimately inform our final operational plan submission to the Trust Development Authority (TDA) on 4 April, 2014.

iii. Note and seek ratification of the 1st cut operational plan submitted to the TDA on 13 January, 2014.

iv. Confirm next steps and timescales.

The Report is provided to the Board for:

Decision		Discussion	X
Assurance		Endorsement	

Summary / Key Points:

The TDA published the planning guidance for NHS Trusts on the 23 December, 2013 and required a first cut submission on 13 January, 2014 (Annex A - Annex E). The plan submitted on 13 January was at a very early stage of development. It is not therefore the intention to share the detailed documents (Annex A – Annex E) although these can be made available to Trust Board members.

The planning guidance is focused on improving quality, patient safety, clinical and financial sustainability and covers the planning requirements for our 2 - year operational plan which will ultimately be set within a Leicester, Leicestershire and Rutland (LLR) 5 – year strategy (to be completed by June 2014). The process by which the LLR strategy will be completed will be launched at event on 29 January which will be attended by Trust Board and clinical leaders.

Key points to note include:

Finance – There is a national expectation that no Trust will be in deficit by 2016/17. Our current plans are predicated on a 3 – 5 year financial recovery plan and the requirement for strategic transformation funding to effectively manage transition. In developing granular plans the Trust will need to carefully consider how it can meet its statutory duties and the requirements of the planning guidance.

System wide response – The guidance outlines a clear expectation around whole system solutions delivered in partnership, across health and social care. The 'burning platform' created by our financial position creates the ideal impetus for LLR to adopt the principles of a collaborative alliance. Based on mutualism and subsidiarity, this would call for a shift from

traditional, technical, transactional relationships to behaviours built on joint solutions, delivered in partnership, facilitated (rather than prescribed) through appropriate use of contractual levers. How this might be achieved is the currently the subject of discussion.

Patient and Public Involvement - The planning guidance lays out clear expectations in respect to patient and public involvement. The Trust and it's partners are carefully considering how best to do this in the 5 – year strategy work. Within the Trust we will utilise established forums to share and seek feedback on our early plans.

Operational and strategic 'grip' (finance, operations and quality) - The guidance outlines a clear expectation in respect of operational and strategic 'grip' on planning, performance and delivery. Plans to date have focused on delivery of immediate, operational imperatives. Significantly more work is required on 7 day working, the next stage of our quality commitment, granular CMG plans, addressing derogation plans, the future configuration of specialised services, the capital plan and the implementation of account management.

Workforce Plans - Underpinning all of the above is the requirement for robust workforce plans. A workforce planning process and plan is in place however during this next phase it is essential that this is reviewed and where appropriate enhanced to reflect the implications of the forthcoming changes without detriment to safe staffing ratios. The requirements of the workforce template (Annex D) are far reaching and require data that isn't currently available from electronic data sources. Discussions are ongoing with the TDA.

Development Plan – The planning guidance calls for careful consideration of development plans. A critical gap has been identified in capacity planning. Future iterations will consider how this might be addressed across the Trust and the wider community.

Planning Checklist – As in previous years the guidance requires the submission of a detailed planning checklist and a statement of compliance or non compliance across multiple parameters (Annex E). For the next iteration considerable effort will be required to enhance the supporting evidence for the compliance statements made. Responsibility for this task will be via the Executive Team.

Recommendations:
The Trust Board are asked to:
RECEIVE this report
NOTE the progress to date
PROVIDE comment as necessary

Previously considered at another corporate UHL Committee? Trust Board December 2013

Strategic Risk Register:N/A	**Performance KPIs year to date:**N/A

Resource Implications (eg Financial, HR):

Assurance Implications: Yes

Patient and Public Involvement (PPI) Implications: Yes

Stakeholder Engagement Implications: Yes

Equality Impact:

Information exempt from Disclosure:

Requirement for further review? Yes February 2014

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

REPORT TO: Trust Board

REPORT FROM: Kate Shields, Director of Strategy

AUTHOR: Helen Seth, Head of Planning and Business Development

RE: Overview - Draft 1 Operational Plan 2014-2016

DATE: 30 January, 2014

1. PURPOSE

The purpose of this paper is to:

i. Provide a brief synopsis of the national planning guidance for NHS Trusts "Securing Sustainability" 2014/2015 – 2018/2019.

ii. Identify the key messages which will ultimately inform our final operational plan submission to the Trust Development Authority (TDA) on 4 April, 2014.

iii. Note and seek ratification of the 1st cut operational plan submitted to the TDA on 13 January, 2014. Due to the timing of the submission this was signed off by the Chairman and Chief Executive on the basis of delegated authority.

iv. Confirm next steps and timescales.

The plan submitted on 13 January was at a very early stage of development. It is not therefore the intention to share the detailed documents (Annex A – Annex E) themselves at this stage although these can be made available to Trust Board members.

2. CONTEXT

The TDA published the planning guidance for NHS Trusts on the 23 December, 2013.

It is set against the backdrop of an acute sector experiencing a dramatic reduction in planned income leading to a pronounced increase in the number of planned and forecast deficits. Trust income is expected to reduce further in real terms.

A traditional response based on incremental productivity and efficiency improvement will not address the anticipated gap and there is therefore the need to move away from incremental annual planning focusing instead on the development of longer term integrated plans in partnership with the wider health and care community.

Moving forward our 2 – year operational plan will fall within the framework of a Leicester, Leicestershire and Rutland (LLR) Integrated health and care 5 – year strategy. This will be subject to iterative development, future consideration and ratification by Trust Board prior to submission on 20 June, 2014. The process to jointly develop the 5 – year strategy will be formally launched at an event on 29 January which Trust Board members and clinical leaders will be attending.

The Trust remains committed to achieving Foundation Trust status in accordance with the revised FT application process set out in the "Securing sustainable services for patients" letter to all aspirant foundation trusts. It is our intention to pursue a

standalone FT application and we will not be pursuing an alternative organisational form (reference Annex E).

3. PLANNING GUIDANCE - KEY MESSAGES

The guidance focuses on improving quality, patient safety, clinical and financial sustainability. It covers the planning requirements for our 2 - year operational plan set within a 5 – year strategy and is predicated on system wide transformation delivered in partnership.

Key messages include:

Finance – There is a national expectation that no Trust will be in deficit by 2016/17 however locally, the Trust is working on the basis of a 3 – 5 year financial recovery plan to address our underlying deficit. On face value this would suggest a timing issue. Currently the Trust does not have a granular level of detail in its plans for quality, innovation, productivity and prevention (QIPP) or where, how and from whom, strategic transformation funding with be forthcoming. Potential sources of non-recurrent funding might include a joint application for non-recurrent Better Care Funding where proposed changes will ultimately support service integration but where double running costs will be incurred during transition. It is essential that the Trust exploits all avenues if it is to meet the national expectation laid out in the planning guidance, its statutory duties and our declared position on the planning checklist (Annex E – Planning Checklists).

System wide response – The guidance outlines a clear expectation around whole system solutions delivered in partnership, across health and social care. Locally, it is clear that the Trust will not achieve clinical and financial sustainability in isolation and is therefore a committed partner to the Better Care Together programme. As such, it is LLR that is facing shared risks and opportunities. The 'burning platform' created by our financial position creates the ideal impetus to adopt the principles of a collaborative alliance (as proposed for the LLR Community Elective Care Bundle). Based on mutualism and subsidiarity, it calls for a shift from traditional, technical, transactional relationships to behaviours built on joint solutions, delivered in partnership, facilitated (rather than prescribed) through appropriate use of contractual levers. This is not the approach typically adopted but is an area of focus for our 2nd draft submission on 14 February, 2014 and the forthcoming contractual round. It is essential that subject to agreement these principles are documented in a Memorandum of Understanding (MOU) which can be used to hold all parties to account in delivery (acknowledging it is not legally binding). Trust Board will explore this issue further at a development session on the 13 February.

The planning guidance lays out clear expectations in respect to patient and public involvement including the need for meaningful and timely engagement and the creation of opportunities to capture real time feedback. The Trust and it's partners are carefully considering how best to do this as we take forward the 5 – year strategy work. Within the Trust we will utilise established forums to share and seek feedback on our early plans. There is clearly significant scope for improvement in this regard.

Operational and strategic 'grip' (finance, operations and quality) - The guidance outlines a clear expectation in respect of operational and strategic 'grip' on planning, performance and delivery. Our plans to date have focused on delivery of immediate,

operational imperatives and are not sufficient for the purposes of a 2 – year operational plan (e.g. ED, RTT). Moving forward we need to utilise our clinical community more effectively in generating plans for clinical transformation, empower our front line staff to deliver change and make best use of diagnostic analysis already undertaken. Our plans must demonstrate a granular level of detail of how we intend to deliver 7 day working, maintain safe and effective core and specialised services (particularly cancer, cardiac, vascular and children's) whilst nurturing relationships with our commissioners and Local Authority partners.

Significantly more work is required on 7 day working, the next stage of our quality commitment, granular CMG plans, addressing derogation plans, the future configuration of specialised services and the implementation of account management to strategically manage relationships within and external to the Trust.

The delivery of a credible financial plan is clearly essential including a robust capital programme. Based on current planning assumptions, the funds required to facilitate the delivery of proposed estate reconfiguration over the next 5 years significantly exceeds current source of funds. How we source additional funds to support estate transformation will form an essential part of the work outlined above. How the capital programme is then actively performance managed in line with plan is another area for improvement.

Underpinning all of the above is the requirement for robust workforce plans. A workforce planning process and plan is in place however during this next phase it is essential that this is reviewed and where appropriate enhanced to reflect the implications of the forthcoming changes e.g. 7 day working, CMG plans, technological transformation. In complement, it is essential that an appropriate level of assurance can be given that QIPP activities will not have an adverse impact on multidisciplinary safe staffing ratios. It is important to note that the planning guidance requires a detailed working planning template to be completed as part of our submission (Annex D). This requires far more detail than ever before and requests certain data that cannot automatically be provided from electronic data sources (e.g. all staff directly or indirectly supporting ED). Discussions have been held with the TDA to highlight our concerns (scale, detail, time and data availability) and agreement reached as to the level of detail that we can submit in the early drafts and the caveats that we might wish to put on the data submitted. Trust Board are asked to note this point.

Development Plan – It is to be expected that the delivery of our 2 – year operational plan will be supported and facilitated through the appropriate application of capacity and capability. The Trust has a robust Organisational Development Plan which as demonstrated by the quarterly reports to Trust Board, is progressing well, enhancing the culture of the organisation. A key component of this plan is the implementation of the Listening into Action methodology. Empowering our staff to effect change will be central to our operational plan. As such, there will be a need to demonstrate how the benefits of this approach can be embedded to achieve improvement at scale and with increasing pace.

Our early draft plans have highlighted a critical gap in the discipline of capacity planning – across the Trust and the wider community. As such our final submission will need to reflect how we intend to address and thereby inform our integrated short, medium and long term plans. This issue will explored internally through a capacity

planning workshop with CMG's in late February and in parallel through the modelling sub-group of Better Care Together programme.

Planning Checklist – As in previous years the guidance requires the submission of a detailed planning checklist and a statement of compliance or non compliance across multiple parameters (Annex E). This includes specific statements around organisational form. The checklists were completed and signed off by appropriate executive directors however given the time constraints there was limited opportunity to link our response to supporting evidence. This represents a key task for the 2nd submission which will be coordinated and actioned via Executive Team.

4. TIMELINE AND NEXT STEPS

The Trust was informally advised on 23 January by the TDA that a general request was going to be made for a further interim submission on the 14 February. The Trust had already been working on the basis that for internal purposes only, we would develop a 2nd draft for internal review in mid February. With this in mind the immediate timeline is as follows:

TRUST TIMELINE	TDA SUBMISSIONS
2nd draft - Board Development Session 13 February 2014	2nd draft – 14 February 2014
2nd draft – Trust Board note and ratify 27 February 2014	Final draft – 5 March 2014
Clinical Service Contract agreed 28 February 2014	
2 – year submission - Board Development Session 13 March 2014	
2 year submission – Trust Board note and ratify 27 March 2014	2 – year submission – 4 April 2014
Programme to be agreed WB 27 January	5-year strategy submission – 20 June 2014

5. RECOMMENDATIONS

Trust Board are asked to:

RECEIVE this report
NOTE the key messages
RATIFY the 1st draft of our 2 – year operational plan 2014-2016
PROVIDE comment