

Trust Board Paper Y

To:	Trust Board						
From:	Andrew Seddon – Director of Finance and Business Services						
Date:	27th June 2013						
CQC regulation:	All applicable						
Title:	2013/14 ANNUAL OPERATING PLAN (AOP) – TDA CONDITIONS						
Author/Responsible Director: Helen Seth/Andrew Seddon							
Purpose of the Report:							
<ul style="list-style-type: none"> i. To outline the four conditions that the TDA have placed on the approval of our 2013/14 Annual Operating Plan (AOP). ii. Record the Trust’s response to the comments received. 							
The Report is provided to the Board for:							
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The Trust submitted the 2013/14 AOP to the TDA on 5th April and met with them on the 15th April to discuss their feedback. Further to this meeting, the Trust re-submitted our final 2013/14 AOP on 30th April 2013.

Having undertaken final due diligence the TDA wrote to the Trust on the 29th May confirming their recommendation that the Trust’s 2013/14 AOP be approved, subject to four conditions.

On a point of accuracy, the letter received referred to a surplus £4.3m however the Trust’s plan submitted on the 30th April confirmed that the Trust is planning to achieve a £3.7m surplus in 2013/14 (approximately 0.5% of turnover).

The conditions fall into 4 categories:

1. Contracts are signed with all Commissioners and are aligned to the income assumptions in the plan. Confirmation of any non recurrent income streams.
2. The Board has signed off recurrent CIP schemes with a full year effect of at least £39.9m; and have identified mitigating non-recurrent actions to ensure it delivers the total 2013/14 CIP value in year. All schemes have a signed off quality impact assessment.
3. The quality & governance strategy should be core to the cultural development of the organisation. There is an internal system of early warning and escalation to demonstrate good internal governance.
4. Accurate and consistent responses to the capital and cash questions sent on 15

or 16 May 2013, and a final financial plan submission, if requested.

The Trust has positively responded to the specific queries in each condition, making reference to Board endorsement and/or review as necessary.

Recommendations: The Trust Board are asked to:

RECEIVE this report

NOTE the four conditions that the TDA has placed on the approval of our 2013/14 AOP

ENDORSE the response to the comments received

Previously considered at another corporate UHL Committee?

Strategic Risk Register:

Performance KPIs year to date:

Resource Implications (eg Financial, HR):

Assurance Implications:

Patient and Public Involvement (PPI) Implications:

Stakeholder Engagement Implications:

Equality Impact:

Information exempt from Disclosure:

Requirement for further review?

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

REPORT TO: Trust Board
REPORT FROM: Andrew Seddon, Director of Finance and Business Services
AUTHOR: Helen Seth
RE: 2013/14 Annual Operational Plan – TDA conditions
DATE: 27th June 2013

1. PURPOSE

The purpose of this paper is to:

- i. Outline the four conditions that the TDA have placed on the approval of our 2013/14 Annual Operating Plan (AOP).
- ii. Record the Trust's response to the specific comments received.

2. BACKGROUND

The Trust submitted the 2013/14 AOP to the TDA on 5th April and met with them on the 15th April to discuss their feedback. Further to this meeting the Trust re-submitted our final 2013/14 AOP on 30th April 2013.

Having undertaken final due diligence the TDA wrote to the Trust on the 29th May confirming their recommendation that the Trust's 2013/14 AOP be approved, subject to four conditions.

The letter received referred to a surplus £4.3m however the plan submitted on the 30th April confirmed that the Trust is planning to achieve a £3.7m surplus in 2013/14 (approximately 0.5% of turnover).

3. CONDITIONS AND RESPONSE

The four conditions set by the TDA are outlined in the boxes below:

3.1 The Trust has signed 2013/14 contracts with all commissioners that materially agree to the income figures in the plan; confirmation of all material non-recurrent income streams.

In response the Trust can confirm that:

- i. All clinical contracts for 2013/14 are signed.
- ii. The plan submitted did not reflect any material non recurrent income streams identified.
- iii. This excludes the reference to future strategic transitional support.

3.2 The Trust has identified and signed off at a Board meeting, recurrent CIP schemes with a full year effect of at least £39.9m; and have identified mitigating non-recurrent actions to ensure it delivers the total 2013/14 CIP value in year. All schemes have a signed off quality impact assessment that demonstrate any associated risks to patient safety are appropriately mitigated.

In response the Trust can confirm that:

- i. On the 25th April, the Trust Board endorsed the 2013-14 Annual Operating Plan (minuted). Members considered the Trust's £40.4m cost improvement target for 2013-14 (5.6% of the total revenue base), the controls in place to safeguard patient quality and safety within cost improvement schemes and the process for independently reviewing any high value/high risk schemes with Commissioners.
- ii. There is a clearly defined process for CIP sign-off to guard against negative impact on quality and patient safety. A project initiation document is completed for each CIP scheme. This includes a risk, quality and safety impact assessment. All schemes are signed off by the respective Divisional Director and Head of Nursing prior to submission to the CIP Board.
- iii. A robust governance structure is in place to oversee the delivery of the CIP programme and to support the development of contingency plans to mitigate the risks associated with the non-delivery of planned savings.
- iv. The Executive Performance Board (chaired by Chief Executive) provides clear visibility and assurance on financial performance of CIPs. The Executive Performance Board reports through the Finance and Performance Committee (a sub-committee of the Board).
- v. The CIP Delivery Board (meets fortnightly, chaired by the Head of CIP Delivery or Finance Director), together with fortnightly confirm and challenge meetings with Divisions, provides a robust governance structure to ensure delivery is in line with plan. Where this is not the case, the delivery board provides scrutiny and support in the development of appropriate mitigating action.

3.3 The quality & governance strategy should be core to the cultural development of the organisation. There is an internal system of early warning and escalation to demonstrate good internal governance is evident in the plan.

In response the Trust can confirm that:

- i. The approach to cultural development is being tackled from several angles:

- ii. **Quality and Safety Commitment** - To deliver our vision of 'Caring at its best' the Trust has laid out an ambitious Quality and Safety Commitment. By 2016 we will aim to deliver a programme of quality improvements which will reduce mortality, avoid harm and deliver patient centred care.

A key priority for 2013/14 is to make progress against these goals. Improvement activities are coordinated through seven clinically led workstreams. Early progress has been noted in baseline data collection (tracking systems up and running) and patient recommendation scores (early success in X-ray turnaround times for the Emergency Department).

A robust governance structure is in place to support the delivery of the Quality and Safety Commitment, under the leadership of the Medical Director. Key performance indicators are monitored through the Quality and Performance reports, with updates on progress with the Quality and Safety Commitment being provided to the Quality Assurance Committee (QAC).

The Trust Board received and noted an update on the saving lives aspect of the Quality and Safety Commitment 2012-15 on the 25th April and will be receiving a further briefing at their June meeting.

- iii. **Organisational Development (OD) Plan including Listening into Action** – The Trust's OD priorities are being led through six work streams:

- a. Live our values
- b. Improve Two-way Engagement
- c. Strengthen Leadership
- d. Enhance Workplace Learning
- e. Improve External Relationships and Workplace Partnerships
- f. Encourage Creativity and Innovation, specifically LiA.

The Trust is focussing on a number of targeted priorities that are relevant to patients and staff; reflect local and national requirements and which we believe will have the most significant impact on delivering against these work streams.

The Trust Board will be receiving an update on the activities undertaken during the first quarter (April - June 2013) and the key actions planned for the next period, at the June Trust Board meeting.

- iv. **Listening into Action** - UHL is a national pioneering organisation for the adoption of Listening into Action (LiA). During April / May six LiA Listening Events were held, hosted by the Chief Executive. Over 500 staff attended and the feedback was extremely positive. At these events a request was made for

volunteers to sign up to become a local adopter of LiA. Over 125 teams expressed an interest in getting involved.

Outputs from the LiA Events have since been synthesised and grouped into key themes and actions: Quick Wins and Enabling Our People Schemes.

Trust Board received a progress report in May on the LiA programme. This highlighted the significant progress made in Phase 2 of LiA 'Engaging people around what matters to you' and the forward plans for Phase 3 'Mobilising and empowering clinicians and staff to drive change'.

3.4 Accurate and consistent responses to the capital and cash questions sent on 15 or 16 May 2013, and a final financial plan submission, if requested.

In response the Trust can confirm that:

- i. The technical issue identified (PDC carry forward) was resolved on the 6th June to mutual satisfaction. There are no outstanding points of clarification on the financial plan.

4. RECOMMENDATIONS

The Trust Board are asked to:

RECEIVE this report

NOTE the four conditions that the TDA has placed on the approval of our 2013/14 AOP

ENDORSE the response to the comments received