

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

TO: TRUST BOARD (PUBLIC)

DATE: 28 MARCH 2013

FROM: ANDREW SEDDON – DIRECTOR OF FINANCE AND BUSINESS SERVICES

RE: 2013/14 ANNUAL OPERATING PLAN (AOP)

This briefing note is to update the Trust Board of the 2013/14 AOP. The draft is still work in progress and the key timeline from here is:

- Finance & Performance Committee reviewed plan – Wednesday 27 March 2013
- Agreement of final contract envelope/heads of terms, including specifically the risk share arrangements – by Thursday 28 March 2013
- Trust Board review/conditionally approve annual plan – Thursday 28 March 2013
- Submit plan to the NHS Trust Development Authority (NTDA) on 5 April 2013

Key Themes

The Annual Operating Plan represents the Trust's first steps on its FT trajectory which is currently subject to review. Some critical aspects of the strategic vision are still being finalised and so 2013/14 will see the start of initiatives which are valid irrespective of the final outcome of the UHL site reconfiguration – as well as work to finalise the strategy.

In the FT application/IBP and the AOP, our plans can be grouped under four key themes:

1. **Emergency Care Pathways** – delivering a safe and sustainable model and operating performance
2. **Financial stability** – remedying the current run rate, delivering CIPs and containing cost pressures
3. **Delivering right quality**, as viewed in a post-Francis environment
4. Starting the journey to **transform our services** to a sustainable model, set in the context of Better Care Together

Listening into Action (LiA) will be a key enabler in facilitating cultural change and supporting actions across these themes.

Key process risks

We are further behind the process than would normally be the case. Partly this is due to changes in the commissioning landscape of the NHS; CCGs commence operating on 1 April 2013 as does the NTDA and the National Commissioning Board (NCB). There are still major issues regarding the transfer of budgetary responsibility to specialised commissioners – and we need to navigate our way carefully through this new commissioning landscape. Specific risks still outstanding include:

- Contractual close, in particular the risk share around emergency activity
- Concluding a contract offer with specialised commissioners
- Validating and signing off CIP schemes (and improving the deliverability risk rating thereof)
- Ensuring that resource plans are consistent with the planned level of activity
- Confirming that trajectories for key targets are realistic and deliverable (in particular, agreeing a revised trajectory for ED performance and ensuring deliverability of cancer 62 day target)

Key features of the plan

2013/14 plan features:

- A reported surplus of £3.7 million (0.5%)
- Only very marginal activity growth – demographic growth is offset by assumed CCG QIPP schemes
- No benefit from transformational bids

Next steps

- Contract heads of terms and sign off with CCG and NCB commissioners
- Confirm and challenge of Divisional plans, to ensure consistency of activity, cost base, workforce plans, CIPs and cost pressures
- Sign off of all CBU/Directorate/Divisional plans

Recognising the significant work in progress, this validation and confirmation work will take much of the month of April 2013 and I propose going back to the Board with an update at the end of April 2013 on the final position. It is essential that we have a realistic plan which allows us to hold the organisation to account (and to be held to account) right from the start of the year.

Andrew Seddon
Director of Finance and Business Services
28 March 2013