

Whittington Health Trust Board

19<sup>th</sup> December 2012

<b>Title:</b>		<b>Report of the F&amp;D Committees held on Wednesday 28th November 2012 and Friday 7<sup>th</sup> December 2012</b>					
<b>Agenda item:</b>		<b>9</b>		<b>Paper</b>		<b>D</b>	
<b>Action requested:</b>		For Noting					
<b>Executive Summary:</b>		The purpose of this paper is to inform Trust Board of the key issues discussed and decisions taken at the F&D Committee on Wednesday 28 <sup>th</sup> November 2012 and Friday 7 <sup>th</sup> December 2012.					
<b>Summary of recommendations:</b>		The Trust Board is asked to receive the report and to approve the decisions made by the committee in Appendix 1					
<b>Fit with WH strategy:</b>		The F&D Committee is a sub Committee of the Trust Board and assures the Trust Board on all issues relating to Finance and Trust Development.					
<b>Reference to related / other documents:</b>		Minutes of the F&D Committees held on Wednesday 28th November 2012 and Friday 7 <sup>th</sup> December 2012					
<b>Date paper completed:</b>		11 <sup>th</sup> December 2012					
<b>Author name and title:</b>		Paul Lowenberg Non Executive Director – Chair of F&D Committee		<b>Director name and title:</b>			
<b>Date paper seen by EC</b>	11 <sup>th</sup> December 2012	<b>Equality Impact Assessment complete?</b>	N/A	<b>Risk assessment undertaken?</b>	N/A	<b>Legal advice received?</b>	N/A

## Appendix 1

### Report of the F&D Committees held on Wednesday 28th November 2012 and Friday 7<sup>th</sup> December 2012

#### Introduction

The F&D Committee met on Wednesday 28<sup>th</sup> November 2012 and made the following decisions outlined below. An additional meeting was convened for Friday 7<sup>th</sup> December 2012 to ensure sufficient time could be given to discuss and endorse the proposals outlined in the Estates Strategy, Workforce Strategy and other papers crucial to supporting the timescales associated with the organisations Foundation Trust application.

#### Key decisions taken at the F&D committee of Wednesday 28<sup>th</sup> November 2012

##### Standing Financial Instructions

- Revisions to the SFIs were agreed including the amendment to the quotation threshold for capital projects from £35,001 to £50,000 for 3 written separate supplier tenders. A report will go to the Audit Committee on 17<sup>th</sup> January 2013 regarding this matter.

##### CIP governance and quality assurance

- The CIP Board's review of CIP schemes was outlined and the Clinical Advisory Group will review the impacts CIP schemes have on quality of care and advise the Quality Committee accordingly on a quarterly basis.

##### Productivity and CIP in the community

- It was agreed a reference cost index of 90 would be pursued with community health services by increasing productivity applying a range of approaches including waste reduction, mobile technologies, increased use of IT including maximising the potential of EPR, and benchmarking with other community health service innovators

##### Strategic view of Service Line Reporting

- Committee considered it essential to have the views of the executive team and clinicians before deciding which of the 3 options to use in developing SLR. A further report back with this information is to be provided to the January F&D meeting.

##### Insurance cover: five fires action plan

- Committee asked for further information to be provided before making a decision on the level of cover for fire. In particular, Committee requested details on who would pick up the risk of any fire that had a loss over £1m under Whittington's current status, and how this would differ under FT status. Committee asked for information on the cover that other comparable trusts and FT's had. The question of the cost of higher level cover was sought as well as savings from a higher level excess.
- Fire risk to be added to the BAF

##### Capital Bid for ambulatory care

- The business case was approved on the basis that the current clinical pathway is no longer fit for purpose in an ICO and potential bed day savings could equate to 25-30 beds being closed on a permanent basis. The financial implications were agreed including bringing forward £2.9m capital schemes and amending the following years income and expenditure implications.

##### Version 6 of Integrated Business Plan and Long Term Financial Model

- The action plan supporting the development of the IBP which is monitored by the Foundation Trust Steering Committee is currently on track
- Committee considered the adjustments to overall CIPs for 13/14, 14/15 and 15/16 and agreed the approach as part of the development of V6 IBP.

## **Key decisions taken at the F&D committee of Friday 7<sup>th</sup> December 2012**

### **Estates strategy**

- Approved, disposal target date for north part of site is 2015/16, dependent on a number of moves and investments elsewhere on the hospital and community estate beforehand. Net proceeds are currently estimated at circa £7.6m. Revenue savings of circa £600k per annum may be achieved and will form a CIP. It was also noted that the 5 year capital plan presented only utilised resources expected as an NHS trust. It was agreed that the capital strategy from 2014 would need to be developed on the assumption of achieving FT status.

### **Workforce strategy**

- It was agreed that the workforce strategy must be developed to integrate the work being undertaken on organisational development and the detailed workforce redesign linked with the CIPs and new areas of growth. The final workforce strategy needed to be far more Whittington specific. The strategy needs to identify something like 5 or 6 fundamental drivers of success and set out how these will be secured, such as adaptability, engagement, efficiency, IT challenges, personal accountability, leaders/champions. Committee also considered importance of a strategic overall focus such as: Embed a culture driven by securing quality outcomes, and patient satisfaction with entrepreneurial spirit and ownership of the financial reality. A final version of the plan would be reviewed by Committee in January.

### **Implied efficiency**

- Committee agreed the implied efficiency approach set out. It was agreed that the savings identified of approximately £5m would form a further CIP with the potential review of additional pay awards being a downside mitigation. The CIPs will increase the net surplus in the LTFM.

### **Convergence letter and Growth**

- The Committee agreed the proposal presented which is to get the commissioners to support; including in the LTFM the following growth: demographic growth for some acute services (starting 2014/15), community growth from transfer of current acute services through ICO pathway change, demographic growth in community services and confirmed repatriated services. Other growth will be described (winning bids and new products particularly from non NCL commissioners) but this will not be part of the LTFM.

### **Risks and Mitigations**

- Committee approved the risks identified. In terms of mitigations, an additional one to be included for 13/14 is the block grant that removes the tariff deflator risk. In terms of the range of mitigations, Committee asked that these be grouped under strategic headings. It was noted that the approach presented may be revised prior to the Monitor phase.