Whittington Health NHS

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The Whittington Hospital NHS Trust
Magdala Avenue
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Whittington Health Trust Board

2 April 2014

Title:	Resources and Planning Committee: Update to the Board		
Agenda item:	**14/074**	**Paper**	**9a**
Action requested:	For information		
Executive Summary:	To update the Board on the work and recommendations conducted in the March 2014 Resources and Planning Committee. *Note: this is the final meeting of the Resources and Planning Committee. This Committee will be replace by the Finance and Business Development Committee, chaired by Tony Rice, NED.*		
Summary of recommendations:	None		
Fit with WH strategy:	The Resources and Planning Committee is a sub-committee of the Board, underpinning the governance and assurance process for the delivery of the financial targets and planning related issues, including major business cases.		
Reference to related / other documents:	Previous report to the January 2014 Trust Board.		
Reference to areas of risk and corporate risks on the Board Assurance Framework:	Strategic Goal 3: Delivering efficient and effective services (ref 3.1 to 3.12). Strategic Goal 5: Fostering a culture of innovation and improvement (ref 5.1 to 5.3 & 5.5).		
Date paper completed:	24 March 2014		

Author name and title:		**Simon Wombwell Chief Finance Officer**		**Director name and title:**		**Paul Lowenberg Non Executive Director**	
Date paper seen by EC	-	**Equality Impact Assessment complete?**	**N/A**	**Quality Impact Assessment complete?**	**N/A**	**Financial Impact Assessment complete?**	**N/A**

Resources and Planning Committee update to the Board

Meeting – 10 March 2014

1. The meeting of the Resources and Planning Committee held on the 10 March was chaired by Paul Lowenberg, NED.

2. The Committee reviewed the outstanding actions, the key issues arising:

    2.1. The Executive should benchmark A&E service line results with other local providers.

    2.2. The paper on the impact of Francis was agreed to return to the main Board.

    2.3. The maternity outline business case was being reviewed by the NHSTDA but an exact date of a decision was not known. It was expected early in the new year but it was recognised the NHSTDA priority was in delivering the current planning round, which might lead to a short delay.

    2.4. Progress to address the risk around funding of the £8.3m community estate had deteriorated following a number of queries from the CCGs; these were being addressed. *[Post meeting note: following agreement with CCGs, the £8.3m has now been invoiced.]*

3. A paper was presented on the performance of the **2013/14 cost improvement programme**, in particular focussing on the impact of under-delivery of the 13/14 programme on plans for 2014/15. The committee also discussed the impact of the 10 week challenge and whether the original £1m reduction in the cost run rate by March 2014 (£4.2m over second half of the year) had been delivered. The CIP underperformance had put an additional c£9m pressure on planning for 14/15 and whilst the £4.2m additional target in 13/14 had been met, it was supported by new income and non-recurrent measures. The cost reduction required would now need to be a key part of the 14/15 programme. The committee discussed the need to ensure our performance had been fully analysed to allow a focus on cost improvement in the areas demonstrating most inefficiency. The reference costs showed that inpatient activities were a key area to improve.

4. **2014/15 Operational Planning**. The Committee reviewed the Trust's process for the current planning round, covering the two years 2014 to 2016. The two major risks of contract and CIP delivery were explained. The committee scrutinised the progress to date, with some concern over the size of the remaining gap £5-6m (for next year), as well as the risk in the delivery of a number of schemes. It was also agreed that further work was required on the **workforce plan** to reflect the reduction in agency costs i.e. reducing the average cost per whole time equivalent. The contract was still not progressed to near completion, with material gaps between Whittington Health and commissioners. The key issues were around growth assumptions and QIPP targets. The Trust was standing firm on its desire for a payment by results (PbR) based contract reflecting current activity levels.

5. **Business Development Strategy**. The committee reviewed the business development pipeline opportunities, recognising the major opportunities. It was agreed that further work was required to ensure that our Integrated Care Organisation (ICO) strategy was properly positioned to demonstrate Whittington Health's proposition as unique and beneficial to

commissioners and patients. It was clear that the Trust faced heavy competition for market growth, particularly where the contract value was greater than £5m. The committee received a report on the disappointment of the prisons tender (better presentation of the service model required and build better relationships) and the recent success in winning out-of-hours dental services.

6. **Succession Strategy**. The committee were updated on the recruitment drive to reduce temporary staffing levels. The committee also agreed that focus should also continue on the replacement of senior interims, and that this should be monitored by the Remuneration Committee.

7. Update on **Ambulatory Care (AC)**. The plans to open the Ambulatory Care Centre were all on track, together with a communications plan to raise the public awareness of what the new centre will do and increase GP awareness to support referrals. It was also confirmed that activity would be billed on a PbR basis.

8. **Cash**. The Trust's cash levels are low following the use of reserves to support 2013/14 position. The Trust had received some short term borrowing pending resolution of the community estates issue and this was repayable on 24th March. The ability to borrow would be left open to the Trust but it was not considered appropriate, as agreed with the NHSTDA, to borrow cash in order to meet the Monitor risk ratings. If and when the Trust was approved to go forward to FT, an appropriate working capital level would be funded. It was agreed that cash would need to be tightly monitored throughout 2014/15.

9. **Service Line Reporting (SLR) and Reference Costs Index(RCI)**. The Committee received a presentation on the results of SLR and RCI including an assessment that both measures of financial performance were consistent in identify areas of weakness. The committee reinforced the need to develop reporting to include detailed analysis, with SLR being part of monthly reporting to support clinicians being involved in performance monitoring and improvement. The data needed to allow clinicians to focus on the elements under their control (length of stay, time in theatres etc) and see how changes impacted on financial performance. It was also raised that data could be linked with job planning, with productivity targets also linked to capacity and quality targets to ensure a rounded view of performance and delivery of plans.

10. PL noted that this was the **final meeting of the Resource and Planning Committee**, to be replaced by Finance and Business Development Committee (chaired by Tony Rice, NED). PL thanked everyone for their support and contributions.

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