The Whittington Hospital NHS Trust
Magdala Avenue
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Whittington Health Trust Board

27 November 2013

Title:	Resources and Planning Committee update to the Board		
Agenda item:	**13/155**	**Paper**	**6**
Action requested:	For information		
Executive Summary:	To update the Board on the work and recommendations conducted in the October and November 2013 Resources and Planning Committee.		
Summary of recommendations:			
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.		
Date paper completed:	20th November 2013		
Author name and title:	Simon Wombwell Interim Chief Finance Officer	**Director name and title:**	Paul Lowenberg Non Executive Director

Resources and Planning Committee update to the Board

Meeting – 3rd October 2013

1. The meeting of the Resources and Planning Committee on the 3rd October was chaired by Paul Lowenberg.

2. **Cost Improvement Programme (CIP) update**: The Committee received and discussed the contents of a CIP Report – summarising in-year performance and projected targets for the next five years. The committee highlighted the low level of delivery and discussed the monitoring process for CIP projects. A key focus was on the plans to reduce bank and agency, particularly nursing where a detailed review of skill mix and staffing numbers is underway.

3. The committee also received a verbal update from Simon Wombwell, chief finance officer (CFO), on the meeting with the NHS Trust Development Authority (NHS TDA) (1 October).

4. **Potential Income Growth Targets**: Simon Currie, interim director of contracts and business development, presented a paper describing the pipeline for potential income growth opportunities available to the Trust. This separated opportunities into *organic* and *acquisitive* and it was agreed that some judgment would need to be applied as limited resources would mean we would be unlikely to bid for all opportunities. This workstream would also be important to link to the transformation agenda for Whittington Health as an integrated care organisation (ICO), where opportunities for organic growth would come from such areas as the transformation fund moving from health to local authorities in 2015. The committee also discussed the upcoming prison tender process and the importance of a high quality bid.

5. **Workforce planning**: Jo Ridgway, director of organisational development and Geraldine Opreshko, from organisational development, presented proposals for developing plans for workforce over the coming years. The work would include benchmarking and transformation plans flowing from service development work as the ICO model develops. The Committee reinforced a demonstration that our evolution of the ICO model to be a key determinant of workforce plans, incorporating new ways of working, telehealth and improvements to the patient experience.

6. **Long Term Financial Model (LTFM)**: Richard Martin presented the latest version of the LTFM outlining the assumptions which demonstrated the delivery of financial balance. The committee discussed the gap in the savings requirement (estimated £65m over five years) and the extent to which service development plans (SDPs) would meet this requirement. It was noted that a significant proportion would still need to be met through controls and productivity improvement. RM highlighted the requirement for a working capital loan in the model to deliver required Monitor risk ratings for authorisation as an FT.

7. Linked to the LTFM, the committee received a report outlining performance against the £212m 'exit rate' (target financial value for the old Islington and Haringey PCT contracts). The analysis demonstrated that current performance was significantly above this level but this over performance did not include any adjustment for penalties or non-delivery of commissioning for quality and innovation (CQUIN). A further paper outlining the strategy for negotiating service contracts with Islington and Haringey described the proposed move

to a 'cap and collar' contract and away from a block arrangement. The final position would be influenced by the negotiation process and an assessment of risk being proposed in the contracts.

8. The committee received an update on progress for completing the Maternity Outline Business Case. It was agreed that the financial element of the case was to be subjected to further work and that clinical commissioning group (CCG) support was essential.

9. **Estate Strategy**: the draft strategy was presented by Phil Ient and now reflected relevant implications from the SDP work. It was agreed that further work was required to ensure the strategy was embedded within the overall Trust strategy.

Meeting - 4th November 2013:

1. The meeting of the Resources and Planning Committee on the 3rd October was chaired by Paul Lowenberg.

2. **TB Clinic** – Carol Gillen, Director of Operations ICAM presented the outline plan for the opening of the TB clinic. It was recognised that this project had fallen behind the original timetable but current projections demonstrate an opening by April 2014. It was agreed that the management team should reflect on the lessons learned from the long timeframe to deliver this project.

3. **Maternity Outline Business Case (OBC)**: Sophie Harrison, Assistant Director of Facilities and Estates presented the update to the OBC work. It was reported that engagement of commissioners was now underway and we were awaiting their initial response. It was reiterated that commissioner support was essential before the case went to the NHS TDA capital group for approval. The committee requested that the build be funded through public dividend capital (PDC) in favour of loan capital but recognised this decision was driven by the NHS TDA.

4. **Succession Strategy for interims** and fixed term appointments. A summary of senior temporary postholders was presented. It was agreed that this position would be monitored and actions recorded to reduce the use of temporary staff, with clear explanations of the reasons why the process failed to recruit.

5. 2013/14 **CIP**: The committee expressed concerns that savings targets were not being met and there was currently insufficient assurance that further in-year savings were sufficient to meet the financial plan at year end. It was agreed that this had major implications for delivery of financial targets in the following year and that non-recurrent measures to deliver financial balance must be addressed with recurrent measures before year end. It was agreed that a more detailed analysis would be presented to the Board in November and further assurance of progress and delivery to the January Resources and Planning meeting.

6. **Prison Service Bid**: Simon Currie presented a summary of the bid submitted on 1 November. The committee agreed this was a strong process but the quality of initial responses from staff involved demonstrated that the Trust's capability in this area needs further development. The three potential risks for this contract (should we be successful) are

the contract value, QIPP savings and the delivery of CQUIN targets (not yet defined). We expect to do a presentation in late November as part of the bid process, led by the chief executive.

7. Governance Strategy for progressing the **Growth Strategy** was agreed with the caveat that the chief executive should have ultimate sign off for major bids. This document would be supplemented by a generic project plan process for managers to follow.

8. **2013/14 income** risks. A paper was presented by Richard Martin updating the committee on the progress of the key risks i.e. transfer of community estates, transfer of allocations to local authorities and residual liabilities from PCT balance sheets. These issues are still outstanding but some progress is being made. The committee recommended that communication should be formal (in writing) from this point.

9. MRI business case was supported pending the inclusion of the In-health Diagnostics contract being won.

10. **Procurement Strategy** was presented by Alan Farnsworth, director for UCL Partners Procurement Service. The strategy was welcomed but it was felt that it needed to reflect more of Whittington Health, rather than a generic document covering all trusts in the consortium. In addition, the element of corporate social responsibility would need to be discussed further. There was also the need to reflect more of the 'what' and the 'how', linking the strategy to detailed annual plans.

11. **LTFM** update. A further update provided but there was very small change from the previously reported version.

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