

The Whittington Hospital NHS Trust

*the hospital of choice for local
people*

Provider Sustainability Plan 2006/07 to 2009/10

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- Business plan format for external assessment of the Trust's readiness to seek Foundation Trust status ("FT Diagnostics")
- 5-year plan including 2005/06 as the base year
- Template provided by the SHA
- "Work in Progress" – feedback due imminently
- Final draft by 3 February



- Firmly based on the Trust's strategic service plan "Our future Direction" published November 2004 and revisited November 2005

"the hospital of choice for local people"

- Centre of excellence for
 - Ambulatory care
 - Care of patients with chronic disease
 - Treatment of common cancers
 - Women's and children's services
- Emergency care, planned care diagnostic and therapy services
- High quality health care education and training
- Strong links into the community



- The PSP aims to demonstrate the interdependence of the service strategy, the workforce strategy and financial sustainability
- Provides detailed analysis of activity projections, workforce projections and their implications for income and expenditure
- Includes detailed risk analysis to assess the potential impact of a range of scenarios
- Sets out the Trust's plan for mitigating risks
- Recognises the increased importance of cash flow in securing the Trust's long term viability



Key Assumptions

Income

- PbR will be rolled out as planned, but no further benefit assumed above the current year impact (SHA assumption) except from reclassification of activity

Additional income from

- *continued increase in ED attendances*
- *resultant increase in emergency admissions*
- *continued increase in GP direct access*
- *additional level 2 NICU activity following agreement re RFH*
- *Significant increase in day case surgery and endoscopy following opening of new facility*
- *Increase in critical care following opening of new build*
- *Increase in non-NHS clinical activity*



Key Assumptions

Expenditure

- No significant impact of Agenda for Change above current provision
- New cost pressures contained with £0.5m per annum
- PFI unitary charge commences in 2006/07
- Additional activity can be delivered within tariff and make a contribution to overheads
- Continued high year on year savings target achieved £3m-£4m per annum achieved through operational efficiencies, reduced capacity, new ways of working



Current I &E projection

- Breakeven 2005/06
- £2.2m deficit in 2006/07 reflecting impact of unitary charge (£4m+) without benefit of additional day surgery capacity
- Surplus of £1.7m in 2007/08 as additional day case activity comes on stream
- Stable breakeven or surplus thereafter



Cash flow

- Plans to reduce the level of outstanding debt and sustain at lower level
- Improve cash flow forecasting and tighten up monitoring procedures
- Need to secure a working capital facility (overdraft limit) that enables financial risk to be managed – currently assessed at £12m but very much work in progress



Workforce

- WTE reduces from 2,338 in current year to 2,101 in 2007/08 – stable thereafter
- Reliance on agency staff stabilises at 4.2% compared with 5.2% currently. Dramatic year on year reductions from a high of 11.7% in 2002/03
- Further improvement in workforce stability evidenced by turnover rates (14% plan) and vacancy rates (10% plan)
- Reduction in sickness absence from high of 5.9% in 2004/05 to 3.5% next year and 2.7% by 2007/08



Risk Assessment

- Financial, clinical and governance risks are currently being quantified and will be built into the PSP and long term financial model
- The current PSP indicates financial risks of £11.7m worse case
- Against this the effect of mitigating action needs to be assessed for the next version of the plan

