The Queen Elizabeth Hospital NHS
King's Lynn
NHS Foundation Trust

REPORT TO THE BOARD OF DIRECTORS (IN PUBLIC)

SUBMITTED BY:	REPORT FOR:		IMPACT:		
Mark Henry Director of Operations	Decision		High	Med	Low
CONSULTATION:	Information	✓	✓		
	REPORT TYPE:		RELATED WORK:		
	Strategic	✓			
	Operational	✓			
	Governance	✓			
BAF ref:					
Monitor Compliance Framework:	Board and organisational capacity				
CQC Essential Standard Reference:	16				
NHSLA Standard Reference:	n/a				
Media / Communications:	no				

Meeting Date: 26th March 2012
Report Title: Business Planning Process 2012/13

Purpose: Identify the Trusts business planning process for 2012/13

Summary:
The Trust has an agreed 5 year Integrated Business Plan covering the period 2010-14/15. In addition it submitted to Monitor a Forward Plan Strategy Document (plan for year ending March 2012). To support the delivery of these documents the Trust needs to produce its annual business plan for 2012/13. This paper updates the Board on the business planning process which has taken place to date.

Financial Implications / Efficiency Savings / Quality Improvement: TBC

Risk Assessment (cross-reference with Risk Register where appropriate):

Strategic / External	Operational/ Organisational	Financial	Clinical	Legal/ Regulatory	Reputational / Patient Experience
✓	✓	✓	✓	✓	✓

Recommendations:
The Board of Directors is asked to: be assured of the process that has been undertaken to reach this stage in the business planning process, and to review and discuss the format of the 'plan on a page' to ensure it meets their expectations.

Author Mark Henry, Deputy Chief Executive and Director of Operations
Date 14 March 2012

DRAFT WORK IN PROGRESS

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1 INTRODUCTION

The Trust has an agreed 5 year Integrated Business Plan covering the period 2010-14/15. In addition it submitted to Monitor a Forward Plan Strategy Document (plan for year ending March 2012 [and 2013, 2014]).

Going forward the Trust has refreshed its key strategic and corporate objectives. To enable the organisation to achieve these objectives the Trust requires a single annual Business Planning document which identifies the key actions and deliverables to ensure successful achievement of the trust objectives.

This process is part of the strategic planning process which will include the revision of the IBP during 2012. The board received an update to the planning timetable from the Director of Integration (Annex A).

2 BUSINESS PLANNING PROCESS

The Trust has undertaken a rigorous process to produce the Annual Business plan which is described in the sections below.

The Trust has undertaken a series of events to help shape the corporate vision, strategy and objectives. These include:

- A clinical strategy workshop
- A series of Board workshops
- Trust Executive Board sessions
- Rework of the Corporate Objectives
- Board review and confirmation of Corporate Objectives

To further enhance the process KPMG has been enlisted to identify areas for efficiency using benchmarking tools. The outputs from this exercise were employed to inform the Trust regarding areas of efficiency and potential cost savings, and was robustly confirmed and challenged at both ED and Divisional level to inform the business planning and Financial Sustainability plans.

The Divisional and Corporate teams were asked, using a 'bottom up' approach, their knowledge of their services and the external environment to produce their business plans.

This process was followed by a review and challenge session with the Trust Board members at a workshop on 21 March 2012. The plan was then further refined in preparation for presentation to the Board on 26 March 2012.

Following presentation to the Board, the final draft plan will be discussed with key stakeholders and the wider body of staff during April before sign off at the end of April. The plan will be implemented from 1 April 2012, although it is recognised that it may be subject to minor modification following engagement during April 2012. A timetable of the process can be found at Annex B.

The published timetable for the annual plan culminates in the production of the 2012/13 plan for Monitor which will be agreed at the April Board.

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3. PLAN FORMAT

To assure the board of the style and content of the draft business plan, it has assumed the format of the Monitor Annual plan which can be found at:

http://www.monitor-nhsft.gov.uk/information-nhs-foundation-trusts/planning-and-reporting-processes/annual-planning/annual-plan-review

For ease of use and to minimise the size of the plan the composite Business Plan is presented in a 'plan on a page' format as shown at Appendix C.

The detailed written commentary supporting these 'plans on a page' will be available on a central file for reference.

A communications strategy and timeline will be agreed in April to ensure wide circulation to staff internally, key stakeholders externally, FT Membership, service users and the population we serve.

4 STRATEGIC DIRECTION

The Board is asked to note the congruence with:

- The strategic direction agreed by the Board in 2011/12;
- The financial plan 2012/13 being presented to the Board;
- The change management programme, to deliver the transformational change required.

5 NEXT STEPS

The draft Business Plan will be subject to amendment and completion following the planning process, contract negotiations and Financial Sustainability Programme discussions. A risk plan will also be developed to identify any areas of concern.

The final annual plan will be presented to the Board for approval on 23rd April 2012. The annual plan will be presented to the Governors Council on 1st May 2012.

The Trust is required to submit the annual plan to Monitor to arrive on 31st May 2012.

The 12/13 Business Plan will form the first year of the Integrated Business Plan (IBP) for a revised, three – four year plan. The Board will be progressing the IBP for final agreement in September 2012.

The 13/14 business planning cycle will commence in September 2012 to ensure a cycle of robust process and continual improvement.

Mark Henry
Deputy Chief Executive & Director of Operations

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Annex A

Trust Board Strategy Workshop – 27 February 2012
Next Steps

Production of 12/13 Business Plan	**Timeline**
Divisions and Corporate directorates –	
Budget & activity setting by division	Complete
Identified financial plan working with KPMG	Underway
Business Plan Summary Presentations (confirm & challenge), including divisions vision and objectives	Complete
Produce Final Divisional / Directorate Business Plan	12 March 2012
Production of Trust BP in draft for Trust Board to consider (MH). To be circulated through March Trust Board papers.	19 March 2012
Trust Business Plan – Financial and Contractual Position (DS/BC), reviewed at F&I Committee	21 March 2012
12/13 Business Plan Review and Confirm and Challenge (All)- March Workshop	21 March 2012
Forum with Governor representatives to discuss Business Plan – to be arranged	End March
12/13 Draft Trust Business Plan to Trust Board (MH/DS)	26 March 2012
Monitor Annual Plan to be submitted	31 May 2012

NEDS – Post February Board Workshop
Please review and reflect on workshop presentations and discussions (summary attached).
Contact any Director to discuss issues raised in more detail, particularly to challenge or agree with potential future approaches. To complete initial thoughts by 19 March 2012, allowing time to consider before the Business Plan review on 21st March.
At the March Business Plan workshop, please also consider:

- Does the 12/13 Business Plan, when discussed, support issues or emerging directions from the February Board workshop?
- Is the 12/13 Business Plan supportive or conflicting with the workshop discussion?

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Annex B

Business Planning Timetable

The following timetable has been applied for Business Plans to be delivered:

- Guidance issued 13th February 2012
- Budget and activity setting w/c 13th February 2012
- Financial Sustainability Programme Confirm and Challenge Sessions 23 & 24 Feb
- Divisional Business Plans produced by 27th February 2012
- Plans and Presentation to be returned to Executive by 4pm, 27th February 2012
- Presentations of Business Plans to Executive w/c 27th February 2012
- Revision as required w/c 5th March 2012
- Sharing and cross divisional meetings re plans – 12th & 13th March 2012
- Plans completed w/c 12th March 2012
- Plans submitted by 16th March 2012
- Plans amalgamated and cross checked with FSP for PODs w/c 19th March
- Plans submitted to Board of Directors for approval w/c 19th March

Business Planning Presentations

Business Plan Presentations to the Executive took place on the following dates:

28th February	TEB – Each Division & Corporate Services to give ten minute presentation of plans to membership.
28th February	Medicine
1st March	Women & Children
1st March	Clinical Support
2nd March	Corporate Services
9th March	Surgical and Anaesthetics

<u>Executive Team further confirm and challenge.</u>

13th March 12	FSP Project Overview Document (POD) challenge sessions with Executive Team
14th March 12	FSP Project Overview Document (POD) challenge sessions with Executive Team
15th March 12	ED session to check progress and agree actions including Transformation resource.
19th March 12	FSP Project Overview Document (POD) challenge sessions with Executive Team
20th March 12	Management and A&C review proposals and agree next stage of process for IBP
20th March 12	Evening meeting with Divisions and Deputies to discuss FSP & draft BP prior to BoD workshop
21st March 12	Board Workshop
23rd March 12	Next steps
26th March 12	Board of Directors
27th March 12	Discussion of Business plan at TEB, feeding in Board discussions
28th March 12	Meet with wider senior clinical body, heads of service, Staff Side representatives etc, to communicate plan

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Annex C
Women and Children's Division - Plan on a Page

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The challenges and issues highlighted inform our business plan priorities and strategies. Meeting our business challenges will enable us to achieve our vision for the organisation; following our guiding principles of **Quality** (patient outcomes, patient safety and patient experience), **Efficiency**, (doing more with the same resource - making each pound we spend go further) and **Partnership** (with our staff, clinical networks, commissioners and others), and focusing on key areas across patients, stakeholders, operations and finances.

Addressing the issues faced by the NHS and QEH as a whole is at the heart of our Financial Sustainability Programme (FSP), and its delivery will enable us to achieve our future vision and the strategic aims of the Trust. These aspirations, and the priorities and strategies that underpin them, are captured below in our 'plan on a page'.

Divisional Vision and Strategic Objectives (Our part in the Trust) To provide high quality, safe, patient focussed care for the women and children of our local community and beyond, in the most appropriate place and in the most efficient and effective way.	**High level Income & Expenditure assumptions** • To be populated
Key underpinning assumptions: • To be populated	**Risks to delivery:** • To be populated

What will we deliver – Core strategic aims for the next three years

Paediatrics	**Neonates**	**Obstetrics & Maternity**	**Gynaecology**	**Fertility**	**Oncology**
To be populated	To be populated	To be populated	To be populated	To be populated	To be populated

Service Developments – To be populated

• To be populated	• To be populated	• To be populated	• To be populated
• To be populated	• To be populated	• To be populated	• To be populated

How will we measure our success

We will measure our progress in achieving our strategic objectives and delivering our service developments through operational performance in the form of the weekly corporate scorecard, the Financial Sustainability Programme in the form of the weekly Financial Sustainability Board and our own series of priority operational KPI's which link directly to our financial sustainability and quality improvement programmes. These will be monitored on a weekly basis by the Executive, clinical directors and business managers.

Please turn overleaf for the financial aspects of the Women and Children's Division plan on a page

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Overview of Women and Children's Division Finance Plan Year 2012/13

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ACTIVITY	Forecast OT – 2011/12 £'s M	Planned – 2012/13 £'s M
Outpatients		
Elective		
Non Elective		
Day Case		
Non PbR Other		
Total		

WORKFORCE	WTE 2011/12	WTE 2012/13

CAPTIAL INVESTMENT	2011/12	2012/13

NHS INCOME	Forecast OT – 2011/12 £'s M	Planned – 2012/13 £'s M
Outpatients		
Elective		
Non Elective		
Day Case		
Non PbR Other		
Total		
OTHER INCOME		
TOTAL INCOME		
PAY		
NON – PAY		
TOTAL COST		
EBITDA		

N.B. the assumption in the planned income is that the FSP's are delivered

CQUINS

Project	£'s K	Cost reduction or income generation	Division/ Trust wide	Delivered By	Project Lead

FINANCIAL SUSTAINABILITY PROJECTS TO SUPPORT THE DELIVERY OF THE BUSINESS PLAN

Project	£'s K	Cost reduction or income generation	WTE	Division/ Trust wide	Delivered By	Project Lead	POD number
TOTAL							

SUMMARY	
INCOME	
COST	
TOTAL	
WTE	

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