

Board of Directors - Cover Sheet

Subject:	Operational Plan update 2018/19	Date: 31 st May 2018								
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Approved By:	Peter Wozencroft – Director of Strategic Planning and Commercial Development									
Presented By:	Peter Wozencroft – Director of Strategic Planning and Commercial Development									
Purpose										
This paper is intended to update the Board of Directors on the 2018/19 operational plan		<table border="1"> <tr> <td>Approval</td> <td></td> </tr> <tr> <td>Assurance</td> <td></td> </tr> <tr> <td>Update</td> <td>X</td> </tr> <tr> <td>Consider</td> <td></td> </tr> </table>	Approval		Assurance		Update	X	Consider	
Approval										
Assurance										
Update	X									
Consider										
Strategic Objectives										
To provide outstanding care to our patients	To support each other to do a great job	To inspire excellence								
		To get the most from our resources								
		X								
		X								
Overall Level of Assurance										
	Significant	Sufficient								
		X								
Risks/Issues										
Financial	Non delivery of the control total will lead to regulatory intervention									
Patient Impact	Ensuring we plan for the right capacity to deliver performance standards									
Staff Impact	Understanding how transformational plans impact on workforce									
Services	Possible transformation of services across the STP footprint									
Reputational	Possible reputational damage if quality, performance and financial requirements are not met									
Committees/groups where this item has been presented before										
<p>Previous papers have detailed the progress of the plan as per the below:-</p> <p>Finance Committee – March and April Board of Directors – March and April</p>										
Executive Summary										
<p>The final Activity, Workforce and Financial plan was submitted to NHSI on the 30th April 2018 as per the national deadline.</p> <p>An operational plan narrative for SFH was also included in the Integrated Care System (ICS) narrative and is attached at appendix 1.</p> <p>The table below details the control total the Trust has agreed to deliver in 2018/19, the allocation of Provider Sustainability Funding (PSF – was Sustainability and Transformation Funding) as well as the agency ceiling target.</p>										
		Revised control total £m								
Control total pre PSF		(46.367)								
PSF		12.395								
Control total post PSF		(33.972)								
Agency ceiling		16.656								

Activity and income planning

The Trust has planned for levels of activity and income as seen in 2017/18. QIPP schemes with a value of £17.8m have been agreed to with Mid Notts commissioners and reflected within the contract value. As these schemes come on line and activity reduces, SFH will need to remove capacity and cost accordingly.

Workforce plan

A baseline workforce plan has been developed that includes the likely impacts of the Trust wide FIP. This encompasses delivery of the agency ceiling of £16.7m. As QIPP schemes develop the workforce will need to adapt to reflect changes to patient pathways and activity levels.

Financial Plan

The table below shows the income and expenditure plan for 2018/19, compared to 2017/18 using the levels of activity seen in 2017/18 as a baseline for capacity. In order to deliver the control total a Financial Improvement Plan (FIP) of £17.3m is needed. This planned level of FIP is included within the 2018/19 plan. Inflation is also included within this plan at £7.4m. The impact of QIPP schemes has not been included in the plan at this stage, with the plan reflecting current levels of activity.

	£000s	
	2017/18 draft	2018/19 plan
	accounts	
Income from patient care	249,726	249,591
Other operating income	37,620	31,852
STF / PSF	16,916	12,395
Total operating income	304,262	293,838
Pay	(195,436)	(189,440)
Non Pay	(117,898)	(122,866)
Total operating expenditure	(313,334)	(312,306)
Operating surplus / (deficit)	(9,072)	(18,468)
Finance income	33	24
Finance expense	(14,467)	(15,528)
Other gains / (losses) on disposals of assets	(73)	0
Surplus / (deficit) for the year	(23,579)	(33,972)

Each Clinical Division and Corporate Directorate has been allocated a control total budget that aggregates to the overall Trust control total.

The capital plan has not been amended from that presented to Board in April. The capital plan has a value of £8.4m. The receipt of bonus and incentive STF relating to 2017/18 is sufficient to fund this programme. NHSI has confirmed this cash can be used to support the programme, meaning a loan is not required and thus mitigating the risk of delay.

The deficit control total means the Trust will require borrowing of £33.972m in year from the Department of Health. This will be via term loans, agreed on a monthly basis on receipt of an appropriate cash flow. This process is as per that in place in 2017/18 and borrowings for April and May have been received.

Recommendations

The Board of Directors is asked to **note** the plan submitted in line with agreed assumptions.