St George's University Hospitals NHS
NHS Foundation Trust

Meeting Title:	Council of Governors Meeting		
Date:	15 December 2016	**Agenda No**	**7**
Report Title:	2017/18 and 2018/19 Annual Plan		
Lead Director/ Manager:	Margaret Pratt, Chief Financial Officer		
Report Author:	Tom Ellis, Head of Business Planning		
Freedom of Information Act (FOIA) Status:	Unrestricted Restricted (select using highlight)		
Presented for:	Approval Decision Ratification Assurance Discussion Update Steer Review Other (specify) (select using highlight)		
Executive Summary:	This paper describes the process and governance that underpins the development of the annual plan and the expectations and requirements of that plan. The full plan, as submitted to NHS Improvement on 24 November, is attached as an appendix though a further more developed plan will be circulated to Governors on 13 December. Governors' input and comment is sought on the content, there will be a full opportunity for discussion at the Council of Governor meeting on 15 December, following which we will seek to incorporate feedback into the final version of the plan, as appropriate and practical to do so.		
Recommendation:	It is recommended that the Council of Governors: 1. notes the content of the paper, and the required process that underpins the development of the annual plan 2. reviews the current version of the annual plan and receives a more updated version on 13 December 2016 3. participates fully in a discussion on the annual plan at the meeting on 15 December 2016 so that the Trust can take due regard to the Governors' views when finalising the plan.		
Supports			
Trust Strategic Objective:	All four trust strategic objectives		
CQC Theme:	Addresses all five key themes: Safe, effective, caring, responsive and well-led		
Single Oversight Framework Theme:	Addresses all five key themes: quality of care, finance and use of resources, operational performance, strategic change, leadership and improvement capability		
Implications			
Previously Considered by:	The annual plan has been previously considered at Trust Board, Finance & Performance Committee and EMT. The Governors also received a briefing about the plan in November 2016	**Date**	Nov & Dec 2016
Equality Impact Assessment:	Not undertaken at this stage		

2017/18 and 2018/18 Annual Plan and associated submissions
Council of Governors Meeting
Thursday 15 December 2016

1.0 PURPOSE

1.1 This paper seeks to inform Governors about the process the trust is following on developing its annual plan, detailing the mandated requirements as laid out in the guidance. The paper outlines the proposed governance to underpin the submission of the final version of the plan on 23 December, including the Governors' role.

2.0 BACKGROUND

2.1 Each year all trusts are required by the regulators to submit an annual plan and associated spreadsheets detailing proposed activity, income and workforce. NHS Improvement (NHSI) has changed the process for next year's plan in a number of fundamental ways:

- They require all submissions to cover both 2017/18 and 2018/19
- They have significantly shortened the timeframe, with draft plans required on the 24 November and final submissions due on 23 December 2016 (as opposed to final submissions normally in March/April)
- Alongside submitting the plans, two year SLAs with commissioners need to be signed by 23 December, with failure to do so deemed as a "failure of governance"
- The content of the narrative plan is extremely prescriptive, and NHSI have also tightened the requirements for the plans to triangulate both internally, and externally with commissioners

2.2 In addition, Foundation Trusts are required to have due regard to the views of the Governors when developing their annual plans.

2.3 As noted, the guidance about plan content is prescriptive, and the following are a number of key issues plans need to address, presented here to illustrate the demands placed on the organisation when writing its annual plan.

i. **Be consistent with the STP** - The plans must set out to deliver the next two years of the agreed STP, closing the three gaps (care and quality, health outcomes, and finance) as well as having activity plans which are directly derived from the projections agreed within system STPs.

ii. **Show the trust meeting quality and other standards** – as laid out in the NHS Mandate, the NHS constitution, and the CQC's fundamental standards, with an expectation that St. George's will consistently meet the core standards, and have a trajectory in place to meet and then maintain the A&E standard in 2017/18.

iii. **Deliver on finance and targets to receive STF funding** – with 70% of the £17.9m STF funding linked to delivery of financial targets, and the remaining 30% linked to delivery of core targets.

iv. **Reconcile between Commissioners and Providers** – we are expected to ensure all our plans reconcile to each other and the STP, and are agreed locally prior to submission

v. **Be developed in an open and transparent way** - The guidance is clear that certain submissions, e.g. the Provider activity plan template, need to be developed in an "open book" style with commissioners and potentially other providers (this element in part subject to the interest taken in individual organisation submissions by the STP).

vi. **In relation to workforce and quality** – demonstrate that providers must develop and implement an affordable plan to make improvements in quality, particularly for providers in special measures

vii. **Triangulate –** NHSI has put in a number of requirements about internal triangulation of the plan, so that finance, activity and workforce plans tell the same story

2.4 In addition they must be:

- "Realistic and deliverable"
- Meet the requirements of the new Single Oversight Framework
- Address the Carter Review opportunities
- Meet the agency cap (for St. George's £24.5m)
- Have capital programmes for the delivery of "*safe, productive services*.."*
- Deliver the "must-do's" that relate to acute providers:
  - Implement agreed STP milestones and achieve agreed trajectories
  - Deliver financial balance
  - Deliver A&E targets and seven day services
  - Meet RTT and cancer targets
  - Improve mental health care delivery
  - Improve care for people with learning disabilities
  - Improve quality
- Confirm how risks have been jointly identified and mitigated through an agreed contingency plan

2.5 The clear expectation in the guidance is that the plan will only be 16 pages long. It is extremely difficult to describe a trust of the complexity of St. George's, with the challenges it faces, addressing all the requirements of the guidance, as well as taking the opportunity to give some of the messages that the organisation wants to give up the line. The initial version is 27 pages long, and it is unlikely that the length will reduce significantly.

2.6 The following outlines the sections the plan is required to address (with the suggested number of pages it should cover), and the current status of the plan.

Section (number of pages)	To cover the following:	Current status of development
Activity Planning (2)	Activity plan, triangulated with commissioners, supported by Demand & Capacity modelling, with agreed activity assumptions (and comparison to 16/17), which the trust has sufficient capacity to deliver. Finally, the plans need to show how they deliver all operational standards	Limited change in the position, with there remaining a significant gap between the trust and commissioners. Current status of negotiations is covered in a separate paper for F&P. The section in the plan will be updated in line with the outcome of those negotiations.
Workforce Planning (2)	Including description of workforce strategy, planning methodology, well aligned with the activity and financial plans of the trust. Detail also required on workforce efficiency and productivity programmes and associated CIPs.	Currently unchanged wording. Tom Ellis meeting with Mark Gammage to discuss and agree nature and extent of further work Monday 12th December.
Quality Planning (4)	To include the trust response to CQC as part of addressing the following requirements:	Section with Paul Moore for updating, in light of the finalised Quality Improvement Plan.

	▪ Approach to quality governance and improvement – to include *"a description of the organisation wide improvement approach to achieving a good or outstanding CQC rating".* ▪ Summary of quality improvement plan – to include meeting four priority standards for 7 day services, safe staffing, infection control etc. ▪ Summary of quality impact assessment process ▪ Summary of triangulation of quality with workforce and finance	Updated section to be available from 16th December
Financial Planning (6)	stretching plans from providers are required that do the following: ▪ Meet the control total ▪ Clearly show how they are internally consistent with other aspects of the plan e.g. quality or activity ▪ Two year financial projections based on robust modelling, clearly explaining how control totals will be delivered. ▪ Particular focus requested on the performance against the Single Oversight Framework finance metrics ▪ CIP savings plans, with particular reference to delivery of Carter related savings ▪ How the trust will meet its agency ceiling ▪ Capital planning	Work on-going to finalise the trust proposed position for the next two years. This paper poses further questions for F&P to consider and decide upon.
Link to the local STP (2)	The plan needs to reflect at a trust level the implementation of the vision and detail, where known, of the local STP, and how the 3 -5 critical transformation programmes impact on our own operational plan	Unlikely to be any further change to what has currently been written.

2.7 The trust still awaits feedback from NHSI on its first submission, which also has the potential to change or alter the current content of the plan and templates.

3.0 GOVERNANCE UNDERPINNING SUBMISSION

3.1 The very short timescales for the production of the annual plan present a challenge in terms of governance. The following timetable is proposed to ensure that the trust submission on the 23 December has been scrutinised by the Board and had input from the Governors.

Date in December	Forum / Audience	Action
9	Governors	Circulate current iteration of plan to Governors, in advance of Governor session on 15 December, with accompanying short process paper
12	Governors	Circulate updated version of plan to Governors, if sufficiently

S		changed at that point to warrant
u15	Governors	Governor session to discuss annual plan
b16 m	Board / Governors	Circulation of same iteration to NEDs and Governors, inviting final comments
19	EMT	Discussion and approval of draft plan
19 – 21	Board / Governors	Window of opportunity for NED/Governor comment
20 – 21	-	Updating of plan and templates based on any final instructions from EMT, NEDs and Governors, and completion of final drafting
21 p.m.	Chair/CEO	Chair and CEO delegated sign-off of submission, with sufficient time built in to address any final concerns they have
23	NHSI	Submission

3.2 Attached as an appendix is the current version of the plan, as submitted to NHSI on 24 November.

3.3 A significant amount of work is still being done on the plan and therefore the Governors will receive an updated version of the plan on 13 December. The sections which are likely to change significantly are:

i. Section 3 – Workforce Planning
ii. Section 4 – Quality Planning
iii. Section 5 – Financial Planning

3.4 Governors are therefore asked to review the annual plan presented, especially sections 1, 2 and 6 which are least likely to change significantly, and receive a further version of the plan on 13 December 2016 for review.

3.5 For the meeting on 15 December 2016, Governors are asked to identify any particular areas requiring further work, noting the timeframe for action and the mandated requirements as laid out in the guidance for the content of the annual plan

4.0 RECOMMENDATION

4.1 It is recommended that the Council of Governors:

i. notes the content of the paper, and the required process that underpins the development of the annual plan
ii. reviews the current version of the annual plan and receives a more updated version on 13 December 2016
iii. participates fully in a discussion on the annual plan at the meeting on 15 December 2016 so that the Trust can take due regard to the Governors' views when finalising the plan.

Author: **Tom Ellis, Head of Business Planning**
Date: **9 December 2016**

*Technical guidance for NHS planning 2017/18 and 2018/19 – Annex F: NHSI Improvement guidance for operational and activity plans