

### Business Planning 2016/17

<b>Trust Board</b>	<b>Item: 13</b>
<b>Date: 13<sup>th</sup> October 2015</b>	<b>Enclosure: I</b>
<b>Purpose of the Report:</b> To set out the approach and timetable for business planning for 2016/17.	
<b>For: Information</b> <input checked="" type="checkbox"/> <b>Assurance</b> <input type="checkbox"/> <b>Discussion and input</b> <input type="checkbox"/> <b>Decision/approval</b> <input checked="" type="checkbox"/>	
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<b>Risk Implications – Link to Assurance Framework or Corporate Risk Register:</b>	N/A
<b>Legal / Regulatory / Reputation Implications:</b>	
<b>Link to Relevant CQC Domain:</b> Safe <input type="checkbox"/> Effective <input type="checkbox"/> Caring <input type="checkbox"/> Responsive <input type="checkbox"/> Well Led <input checked="" type="checkbox"/>	
<b>Link to Relevant Corporate Objective:</b>	Strategic Objective 4 – To deliver sustainable, well-managed, value for money services
<b>Document Previously Considered By:</b>	Annual Planning Steering Group 21 <sup>st</sup> September 2015 Executive Management Committee 30 <sup>th</sup> September 2015
<b>Recommendations:</b>  The board is asked: a) To note the approach and timetable for business planning for 2016/17 b) To agree that detailed budget setting guidance and parameters for the budget setting process 2016/17 can be delegated to Finance and Investment Committee (FIC) for agreement in October 2015	

## **Kingston Hospital NHS Foundation Trust**

### **Approach to Business Planning - 2016/17**

#### **Introduction**

1. This paper sets out the overarching approach and timetable for business planning for 2016/17.

#### **Approach and Timetable**

2. Pending confirmation from Monitor, the current working assumption is that the Trust will be required to submit its Annual Plan for 2016/17 in April 2016. To enable this and to ensure that an agreed plan is in place for 1<sup>st</sup> April 2016, it is planned to bring the Annual Plan to the Board for approval in March 2016. A programme of work has been developed to support this as described below.
3. Detailed budget setting guidance and parameters for the budget setting process 2016/17 is being prepared for review at the Finance and Investment Committee on 22<sup>nd</sup> October 2015. This will reflect draft tariff guidance and an estimate of the scope for recovery in 2016/17. This guidance may need refinement later in the year as further national and London guidance becomes available.
4. Following agreement at the Finance and Investment Committee, budget setting guidance will be issued to service lines and corporate directorates to inform the development of their detailed plans. Divisional and Associate Directors will meet with each service line on a regular basis to support this process. The Director of Finance and Chief Operating Officer will hold three budget setting meetings with each Division between November 2015 and January 2016 to review progress and identify cross-cutting issues and risks. The Director of Finance will also hold two review meetings with each corporate directorate over this period. The Executive Management Committee will be kept updated of progress and any high priority issues for resolution.
5. A peer review and challenge session with all service lines is planned for December 2015. This will be an interactive planning workshop, which will be run as a 'marketplace' type event, with each service line and department preparing a display which will include information about their draft budget, proposed CIPs and plans for next year.
6. Service lines have already begun productivity planning following the distribution of supporting information packs in August 2015. These set out profit and loss, utilisation and benchmarking data to help flag opportunities for improvement. Data has been presented at a more granular level than in previous years including at consultant and HRG subchapter where possible. Members of the Strategic Development and Finance teams will meet with the Service lines on a regular basis between September and December 2015 to support them in interpreting the data and identifying opportunities at both service line and trust level.
7. Through the above activities it is expected that budgets will be finalised and signed off in February 2016. It is anticipated that some revisions may need to be made subsequently to reflect SLA negotiations and tariff agreements which may not conclude until March 2016.

8. Further context for the business planning process will be provided through the agreement of corporate objectives for 2016/17. A first draft will be shared with the Board in November 2016 prior to further refinement following a horizon scanning event with external stakeholders in December 2015 and discussions with the Council of Governors in December 2015 and January 2016. It is planned to sign off final corporate objectives in January 2016.
9. Further details of the business planning 2015/16 timetable are shown in **Table 1** below and **Appendix 1**. This timetable is subject to amendment in line with any changes to national and local guidance.

**Table 1: Timetable for Annual Planning 2015/16**

<b>SEPTEMBER 2015</b>		
	High level approach and indicative timetable agreed at Executive Management Committee	Director of Strategic Development
	Notice to commissioners served around proposed contract changes for 2016/17	Director of Finance
	Productivity planning commenced with service lines following distribution of supporting data packs in August 2015	Director of Strategic Development
<b>OCTOBER 2015</b>		
	Approval of detailed budget setting guidance and approach at Finance and Investment Committee	Director of Finance
	Guidance issued and budget setting process commences	Director of Finance
	Consultant job planning guidance issued for 2016/17	Director of Workforce
<b>NOVEMBER 2015</b>		
	Budget Setting Review Meeting 1 – Director of Finance and Chief Operating Officer with Divisional and Associate Director	Director of Finance Chief Operating Officer
	Draft Corporate objectives reviewed at Trust Board	Chief Executive
	Consultant job planning process initiated; Divisional Directors to ensure a process is in place for job planning within respective divisions	Director of Workforce
<b>DECEMBER 2015</b>		
	Budget Setting Review Meeting 2 – Director of Finance and Chief Operating Officer with Divisional and Associate Director	Director of Finance Chief Operating Officer
	Corporate Budget Setting Review Meeting 1 – Director of Finance with Corporate Directors	Director of Finance
	Horizon scanning with Board and external stakeholders	Director of Strategic Development
	Peer review and stock take of plans with service lines through 'market place' event	Director of Finance Director of Strategic Development
	Planning assumptions revised if required upon receipt of London Planning Guidance, tariff revisions, Operating Framework and Commissioner Strategy Plans	Director of Finance
	SLA negotiations with commissioners initiated	Director of Finance
<b>JANUARY 2016</b>		
	Budget Setting Review Meeting 3 – Director of Finance and Chief Operating Officer with Divisional and Associate Director	Director of Finance Chief Operating Officer
	Corporate Budget Setting Review Meeting 2 – Director of Finance with Corporate Directors	Director of Finance
	Productivity plans finalised (including quality and impact assessments) and 1 pagers complete	Director of Strategic Development
	Draft capital programme produced	Director of Finance
	Draft corporate objectives shared with COG	Director of Strategic Development
	Final corporate objectives signed off at Trust Board	Chief Executive

<b>FEBRUARY 2016</b>		
	Consolidation of budgets	Director of Finance
	Sign off budgets	Chief Operating Officer Director of Finance
	Workforce plan finalised	Director of Workforce
	Appraisal process launched	Director of Workforce
	Final capital plan developed	Director of Finance
<b>MARCH 2016</b>		
	Final adjustments made to budgets and operational plans (if required) in light of SLA position	Director of Finance
	Sign off operational plans including activity / capacity, workforce plans and service line objectives	Chief Executive
	Consultant job planning completed (subject to appeals)	Director of Workforce
	Final capital plan signed off by Board	Director of Finance
	Budgets sign off by Board	Director of Finance
	SLA signed off with commissioners	Director of Finance
	Job planning completed	Director of Workforce
	Council of Governors views sought on draft Annual Plan	Director of Strategic Development
	Draft Annual Plan signed off by Board	Director of Strategic Development
<b>APRIL 2016</b>		
	Final Annual Plan and accompanying submissions signed off by Board and submitted to Monitor, pending Monitor guidance	Director of Strategic Development
<b>JULY 2016</b>		
	Objectives agreed for all staff groups	Director of Workforce
	Q1 submissions to Monitor	Company Secretary
<b>OCTOBER 2016</b>		
	Q2 submissions to Monitor	Company Secretary
<b>JANUARY 2017</b>		
	Q3 submissions to Monitor	Company Secretary
<b>APRIL 2017</b>		
	Q4 submissions to Monitor	Company Secretary

10. Business planning activities will be co-ordinated through the Annual Planning Steering Group which is chaired by the Director of Strategic Development and reports to the Executive Management Committee.

### Recommendations

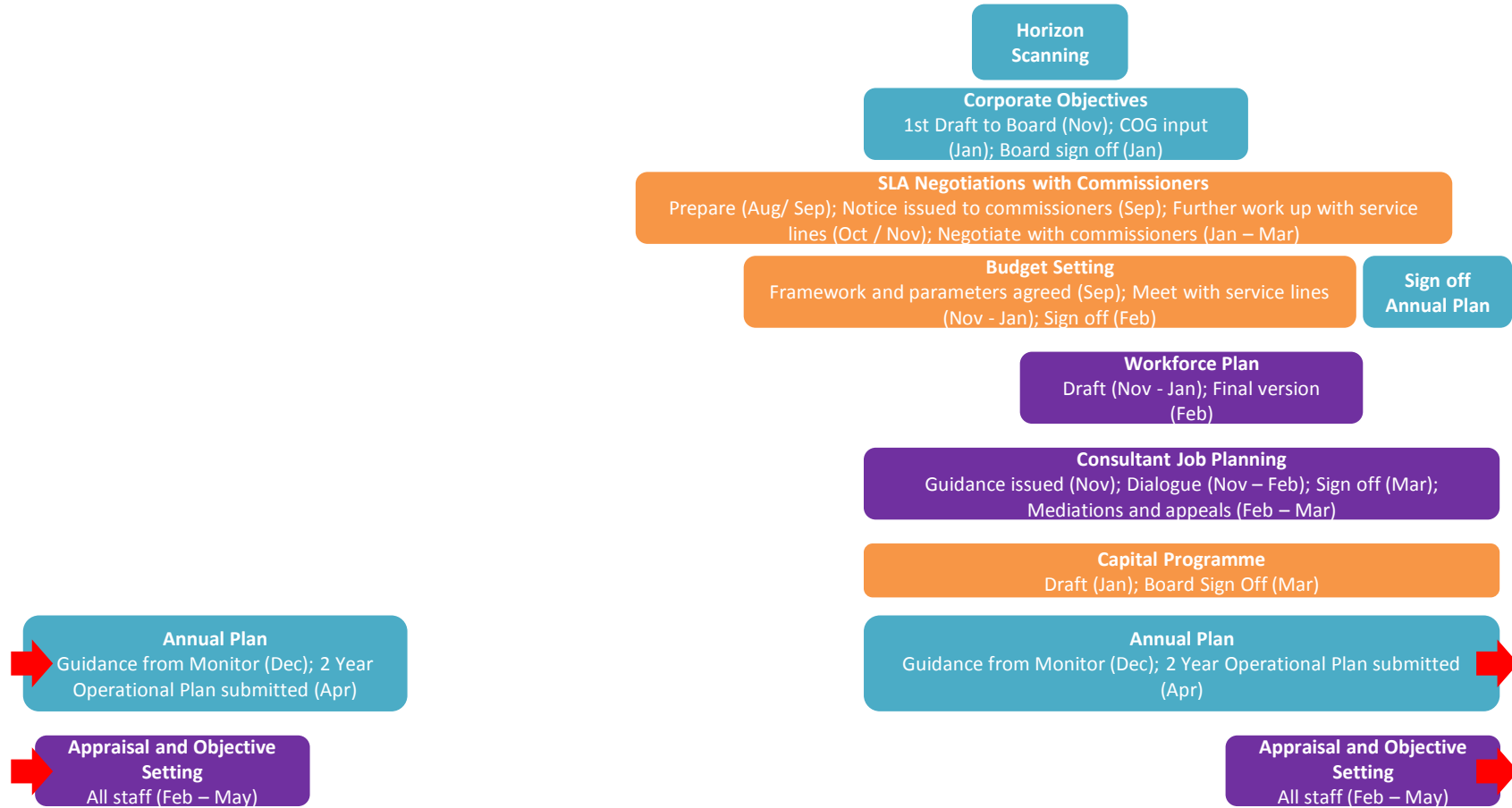
11. The Board is asked to:

- Note the approach and timetable for business planning for 2016/17
- Agree that detailed budget setting guidance and parameters for the budget setting process 2016/17 can be delegated to Finance and Investment Committee for agreement in October 2015

# Appendix 1 - Business Planning 2016/17 Programme Overview



5 Year Service Line Strategies – Developed to support accreditation and provide context for planning



Kings

KEY:

Coordinated through Finance

Coordinated through Strategic Development

Coordinated through Workforce