

## **Developing the annual plan for 2015/16: Progress update**

### **Background**

1. At the December Board meeting, a presentation was given outlining the process and timescales for developing the 2015/16 annual plan. Since the Board meeting, further progress has been made and guidance on the 2015/16 annual planning round has been issued by Monitor.

### **Requirements and timescales**

2. The Monitor guidance outlined a number of changes to the approach that had previously been communicated to Foundation Trusts. Firstly, rather than a plan covering 2 years, Monitor are now asking for the plan to cover 2015/16 only, with a suggestion that a request for a refreshed five year strategic plan may follow later in 2015/16.
3. Secondly, an interim submission has been requested of all Foundation Trusts, to give Monitor early foresight of the potential risks and challenges across the sector. The requirement for the interim submission includes a high-level draft financial plan with accompanying narrative. This must be submitted by midday on 27 February 2015.
4. The deadline for the final detailed plan is midday on 10 April 2015. This will consist of a detailed template, covering activity, workforce and finance, and an accompanying narrative. In their guidance, Monitor have emphasised the need for providers' plans to align with commissioners'. The importance of this has already been discussed with commissioners as part of the 15/16 contract discussions that are underway. Many aspects of the Trust's annual plan will need to be finalised in advance of the Monitor deadline, as a result of the timetable currently being worked to with commissioners for contract signature.

### **Approach to developing the annual plan**

5. As reported at the previous Board meeting, a programme of meetings with divisions and service lines to discuss their plans for 15/16 has been initiated, following a wider leadership session in November and the issuing of a template in early December. The majority of meetings have now taken place, with service line plans due for completion by the end of January.
6. In considering their plans for 2015/16, service lines and teams across the Trust have been asked to identify their key objectives, workforce plans and cost improvement / income generation ideas, in the context of the strategic priorities outlined in the diagram at Appendix 1 (which is an illustrative overview of the Trust's five year plan).
7. In parallel, the Finance department has been working with divisions and corporate teams on budgets for 2015/16, and service line activity plans have been produced. These

exercises will inform the ongoing negotiations with commissioners, as well as the Trust's annual plan.

8. Coordination across the different elements of the annual plan (objectives, activity, capacity, finance, and workforce) is being supported by an annual planning working group. Whilst this group will meet throughout the year to improve our approach to planning and implementation, the focus in January to March will be on producing a coordinated annual plan, consistent with the Trust's strategic direction. To this end, responsibilities for delivering the various elements of the plan have been agreed.
9. The Monitor guidance sets out a proposed structure for the plan's narrative, as follows:
  - Strategic context
  - Progress against delivery of the strategy
  - Plan for short term resilience:
    - Quality priorities
    - Operational requirements
    - Financial forecasts
  - A Board declaration for sustainability and resilience
10. We intend to use this structure, shaping our review of 2014/15 and plans for 2015/16 around the strategic priorities and objectives captured in the diagram at Appendix 1. An early draft of the annual plan will be provided at the February Board meeting, with the final version to be presented for sign off at the March Board meeting. Draft iterations of the plan will also be taken to the Trust Management Board and through the committee structure, as part of the development and assurance process.

## **Recommendation**

11. In light of the progress made to date and the engagement across the organisation in the annual planning process, the Board is asked to receive assurance that delivery of the annual plan is on track.

**Appendix 1: Strategic Plan overview**

