Buckinghamshire Healthcare NHS
NHS Trust

Meeting the general equality duty

Title: Business Planning

Which of the three aims is this information relevant to?

Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.

Advance equality of opportunity between people who share a protected characteristic and those who do not.

Foster good relations between people who share a protected characteristic and those who do not.

How does this information help us to show we are paying due regards to advancing equality?

This information is relevant to all three aims. Staff engaged in the business planning process are reminded that:-

- An Equality Impact Assessment (EQIA) should be undertaken for all service changes. The attached briefing and guidance issued in October 2016 drew attention (page 3) to the need for an EIA assessment to be undertaken for all service developments and included links to the EIA process flow chart and EIA assessment toolkit.

- Equality Impact Assessments helps us to promote equality and assess the impact on any particular groups as a result of planned changes and so helping us to check for and prevent disadvantage or discrimination.

- It is equally important that when making service changes the views of the patients, service users, the public and stakeholders are taken into account and this document highlights the need for patient engagement and involvement to be taken into consideration.

- This message is strengthened in the Strategic Service Reviews programme that has been launched. The framework (attached) outlines the process for each service's review, draws attention to the need for EIA assessments to be undertaken and contains links to the process flow chart and assessment toolkit (section 5) .

Buckinghamshire Healthcare NHS
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BUSINESS PLANNING 2017/18 & 2018/19

National Context

1. NHS England and NHS Improvement (NHSI) have published the national business planning guidance, which has several fundamental changes from previous years.

- The process has been brought forward, and trusts are required to submit their final plans to NHSI by 23rd December
- Plans must cover the next two financial years i.e. 2017/18 and 2018/19
- Trust plans must follow from and be consistent with their local Sustainability and Transformation Plans (STP), and planning needs to be more system-based.

2. The plans will be stepping stones on the journey to implement the Five Year Forward View (FYFV), with the following themes to the fore:

- Improving and investing in preventative, primary and community-based care
- Developing new care models to break down the boundaries and foster stronger collaboration between organisations
- Creating new relationships with patients and communities, using social care and wider services to support improved productivity, quality and people's wellbeing.
- Spending less time on transactional relationships and more time on system-wide planning,

BHT Context and Strategy

BHT's strategy is aligned with the local and regional plans and has been developed by the Board and senior leaders in the organisation, supported by staff sessions and workshops with patients, stakeholders and special interest groups.

Three strategic priorities guide the development of the Trust – Quality and Safety, People, Financial Stability.

The 2016/17 Operating Plan is delivering the following outcomes, which will be reviewed for 17/18 and 18/19 and, where appropriate, re-set.

Quality and Safety	People
1.1 Sustain HSMR at 92 or below 1.2 Achieve a further 25% reduction in avoidable harm in pressure ulcers and falls 1.3 Meet infection control targets of zero MRSA and 32 maximum C.diff cases 1.4 Sustain 95% Friends and Family approval rating and increase the response rate to 30% 1.5 Consistently meet the NHS Constitution standards	2.1 Improve staff engagement score from 3.76 to 3.90 2.2 Reduce total agency spend to £12m 2.3 Reach and maintain 90% statutory training and appraisal completion 2.4 Reduce nurse vacancy levels to 7%

Financial Stability
3.1 Deliver an agreed £5.2m surplus 3.2 Deliver a CIP programme of £20m 3.3 Deliver an £10m capital programme to ensure safe services, progress digital interoperability and improve our estate 3.4 Agree a Five Year Sustainability and Transformation plan for Buckinghamshire and the Thames Valley health communities

These priorities are supported by six strategic drivers each of which has a series of milestones.

Appendix A contains the milestones (and progress) for the current financial year;

Appendix A - Milestones 16-17.ppt

Appendix B contains the milestones for the following two years.

Appendix B - Milestones 17-18 to 2

Divisions and Corporate areas are asked to review these milestones (including the current year 16/17) and resubmit your priorities for the next two years which can be included in the Trust's overall Operating Plan.

N.B.

- It is important to remember that an Equality Impact Assessment should be undertaken for all service developments; please see toolkit and process flowchart -
- Equality Impact Assessment Toolkit

Equality Impact Assessment Flow process chart

Timetable

Key dates are as follows.

October 7th	Business Planning launched, and STP details shared
October 13th	Deep dives – discuss key issues
October 26th	Board to consider final STP submission (21/10)
November 11th	Strategic Leadership Forum – Divisions present plans CIP plans finalised
November 17th	Finance & Business Performance committee consider draft Operating Plan
November 24th	Submission of draft Operating Plan to NHSI
November 30th	Board consider draft Operating Plan
December 14th	Board (seminar) review NHSI feedback and revised Operating Plan
December 22nd	Finance & Business Performance committee approve final (provisional) Plan
December 23rd	Final Operating Plan (provisional pending contract and tariff agreements) submitted to NHSI

This timetable sits alongside the detailed budget-setting timetable contained in the Finance guidance below.

Business Planning 2017/18 & 2018/19
Budget Setting Guidance

The budget setting and workforce planning processes for 2017/18 and 2018/19 will run in parallel to the overall business planning and contracting processes, ensuring congruence between the strategic direction of the Trust, and the financial, activity and workforce plans. Full detail plans are required for the next two financial years.
Budgets and CIP targets will remain draft and subject to affordability until the Trust contracting position for 2017/18 and 2018/19 is finalised.

1. Budget Setting Process

The budget setting process is set against the backdrop of nationally expected efficiency gains, the expectation of reductions to commissioner contracts, the Operating Framework requirement for two year plans and alignment with years 1 and 2 of the STP 5 year plan.

This means the Trust continues to have a significant savings requirement, whilst challenged to ensure budgets remain realistic and adequate to deliver safe, high quality clinical care.

In order to establish divisional budgets, historical and future budget pressures need collating and divisional CIP plans need to be constructed.

A). Baseline divisional budgets and workforce establishments will be constructed as follows:

Start Point: Recurrent Budgets as at month 6 (September 16) including workforce establishments and activity plans.

Plus / Less Reversal of the impact of any non-recurrent adjustments in 2016-17
Agreed developments/adjustments impacting on the remainder of 2016/17
Full Year Effect of 2016/17 savings

Gives: Recurrent roll forward position

Plus / Less
Known NHS contract income adjustments

Plus
Agreed Trust wide cost pressures (See section C below)
Agreed Non Pay activity rebasing pressures
Agreed future service developments & growth (2017/18 & 2018/19)
Agreed divisional historical budget pressures

Less:

Savings plans 2017/18 & 2018-19
Agreed Non Pay activity rebasing reductions

Gives: Divisional Budgets for 2017/18 and 2018/19

Plus / Less

Any recurrent budget changes relating to month 7 to 12

Gives: Baseline Budgets for 2017/18 and Draft Budgets for 2018/19

B). CIP Requirement

The Trust will set the final CIP target in line with national guidance, which is due from the NHSI on the 22nd September, and building in any local variations. As a working assumption for draft budget setting, a target of 4% of trust turnover is required. The allocation of the target at divisional level is based on recurrent pay / non-pay budgets (as at month 5) excluding the following fixed costs:

Interest Payable
PDC
CNST
PFI Interest
Depreciation & Loan Repayments
Internal / External Audit Charges
All staff Training / Research and Development

Fully coded CIP schemes with the appropriate documentation must be submitted during the budget setting process to enable budgets to be removed and no unallocated CIP targets reported within the finalised budgets. All CIP schemes must be budget reduction schemes and reduce expenditure in pay or non-pay. Any cost avoidance CIP schemes will be above the CIP targets given.

Please currently work with an expectation that expenditure budgets will need to be reduced in line with the targets above, but please be aware that this target may change as the final Trust-wide financial position becomes clearer.

Division	Recurrent Pay / Non Budget used for CIP Calculation (without excluded items)	Savings Target
Chief Operating Officer		
Integrated Medicine	63,421,122	2,940,686
Integrated Elderly Care	33,941,875	1,573,804
Surgery & Critical Care	81,542,315	3,780,922
Women & Children	41,081,248	1,904,839
Specialist Services	65,625,413	3,042,894
Corporate		
Human Resources	5,994,186	277,936
Medical Director	142,700	6,617
Nursing Director	2,886,308	133,831
Strategy and Business Dev	705,924	32,732
Finance	3,938,101	182,600
Information Technology	3,679,622	170,615
Performance & Delivery	3,235,157	150,007
Property Services	38,874,492	1,802,517

2017-18 Draft CIP Target	**16,000,000**

2018-19 Draft CIP Target	**16,000,000**

c). Budget Setting Principles

The following items will automatically be adjusted for:

- CNST premiums (Assumed National uplift)
- Depreciation
- PDC
- PFI interest charges
- National wage award
- Loan Repayments
- NHSI Contingency Reserve Requirement
- Apprenticeship levy

Funding of any additional pressures identified will be subject to debate and decision through the Executive Directors as part of the budget setting process. At all times numbers are draft pending the publication of national tariffs and final contract closure with commissioners.

i). Staff Costing

Staff costings will be based on staff in post as at month 6 (September) and the following principles will be used to calculate the requirement:

- Medical Staff will be funded at post holder level
- Band 7 and above will be funded at post holder level
- All other staff costs will be funded at mid-point of grade
- Ward Budgets will be based on the current agreed establishment numbers
- It is assumed all staff are in the NHS pension scheme

ii). Divisional budget pressures
Budgetary cost pressures currently being incurred, plus additional pressures anticipated in 2017/18 and 2018/19 in addition to any requirements to rebase non pay budgets linked to activity changes must be submitted to your Divisional Accountant by email completing the budget pressure request form (Please see a copy of this below – appendix 1).
The Trust does not receive additional cost pressure funding so it is expected that cost pressures will be managed internally by the divisions unless very exceptional circumstances apply. **Only items which have been submitted via this route within the required timescales will be included for Executive Director review.**

Funding of such pressures will be subject to debate and decision through the Executive Directors as part of the overall development of a trust-wide balanced budget plan. If funding is approved this could affect the level of CIP required.

For clarity the definition of a cost pressure is as follows:-

A **cost variance** that is being / will be incurred as a direct result of compliance with:

a) A legal requirement – Child Protection Legislation, etc.

b) A requirement driven by an outside organisation – Utility Costs etc.

c) An agreed internal capacity requirement – additional beds, clinics, etc.

d) An unavoidable reduction in income unconnected with associated costs

e) Contract Inflation e.g. on maintenance / service contracts etc.

iii). **Drugs Budgets**

All PBR drugs Budgets will be based on 16-17 outturn (Month 6 YTD actuals forecasted to the end of the year).

All PBR excluded drugs budget will be based on horizon scanning numbers / pharmacy forecasts.

Any requirement for drugs budgets above these levels should be through the divisional budget pressure process (section ii above).

iv). Income Carry Forwards/Deferrals
If a division has received specific income for a specific purpose in 2016/17, where some of the expenditure is unlikely to occur until 2017/18, please inform your Divisional Accountant of the issue giving a detailed plan of when expenditure will occur. For income to be deferred, the agreement of the funding body is also required.

v). Service Developments
Service developments will only be funded subject to SLF approval, and if commissioner support is confirmed and evidenced.

2. Timescale

The timetable is set to ensure budget setting is completed in time to enable Trust Board approval in March 2017.

Budget Setting Timetable	
National Guidance Distributed	22nd September, 2016
Budget Setting begins	Post month 6 reporting
Final STP Submission	21st October, 2016
Pay Budgets Calculated (Divisional Accountants)	28th October 2016
Draft Activity Levels	28th October 2016
Budget Pressures collated Division's to submit cost pressure requests to Divisional Accountants	28th October 2016
Weekly contract tracker introduction	11th November, 2016
CIP Plan 2017/18	11th November, 2016
CIP Plan 2018/19	11th November, 2016
Draft Operating Plan Submission	24th November, 2016
Cost Centre budget sign off sheets issued to divisions by finance	25th November, 2016
Draft Budgets to EMC	2nd December, 2016
Cost centre level sign off completion	9th December, 2016
Budgets to EMC for sign off & SLF	9th December, 2016
Budgets submitted to finance committee for approval	15th December, 2016
Draft divisional budgets issued to divisional management teams for sign off	14th December, 2016
All contracts signed	23rd December, 2016
Final Operating plan submission to NHSi	23rd December, 2016

3. Next Steps

All pressures, developments and CIPs need to tie in with the divisional business planning work currently being undertaken and led by the Strategy department.

The Finance teams are keen to work with you to support you in this process. If you have any queries on the above, please initially contact your Divisional Accountant. If you have any queries relating to workforce and changes in staffing please contact your HR business partner.

Wayne Preston
Deputy Director of Finance

Appendix C – Cost Pressure Request Form

2017-18 & 2018-19
Business Planning Cos

Buckinghamshire Healthcare NHS
NHS Trust

STRATEGIC SERVICE REVIEWS – A FRAMEWORK

BHT has a clear mission and vision to be one of the safest healthcare systems in the country delivering safe and compassionate care for every patient.

We will achieve this by focussing on our Trust priorities of Quality, People and Money in every service of the Trust.

We need to develop strategies and plans for each speciality so all your teams have a clear direction for service for the future and we can support your ambitions and aspirations for your services and patients.

1. Process

The process for developing Strategic Service Reviews for key services falls into six main phases, and will generally be preceded by a meeting between the Chief Executive, the Director of Strategy, the SDU Lead and members of the SDU team.

Phase 1 – evidence gathering, data collection, workshop set-up, strategic thinking supported by templates Annexes A and B.

Phase 2 – **Workshop #1** to discuss the service's issues and opportunities. The format will typically be:

- Introduction to the process
- Overview of healthcare trends and BHT strategy
- Service overview – key trends, issues and sub-specialties
- PEST (Political, Economic, Social, Technological) analysis
- SWOT analysis

Phase 3 – Analyse outputs from the workshop and develop strategic options with clinicians and service leads.

Phase 4 – **Workshop #2** to review options and agree strategic direction for the service. The format will typically be:

- Key points from the first workshop
- Feedback & implications from the PEST & SWOT
- Vision – the future state
- How do we get there?
- What do we need to do in year1 and year 2?
- Enablers and barriers

Phase 5 – Develop strategy

Phase 6 –- Strategic Leadership Forum Review and Approval.

The process will include consultation and engagement with internal and external stakeholders throughout the process to shape the final service strategy.

2. Outcome

We will only deliver our vision to become one of the safest healthcare systems in the country by focussing and supporting transformation and change at every level of the Trust. Delivery of the strategies will be an important part of the transformation required to deliver our priorities of quality, people and money.

The strategies that emerge from this process will form a roadmap for each service, with milestones that indicate the key developments and deliverables along the way.

The process will culminate in a presentation to Divisional Boards and the Strategic Leadership Forum on the vision, ambition and key milestones to delivery for individual specialties.

Progress against the approved strategy will be reviewed regularly at EMC and Divisional Boards meetings and will form the basis of our planning and delivery for the future.

3. Attached Annexes

Annex A – Strategic Service Assessment

Annex A - strategy prompt.docx

This template will help identify the evidence/data required and analyse the main issues that will be considered at the first workshop.

Annex B – Draft timeline

Strategic Reviews - Timeline.docx

4. Evidence/data gathering - the following evidence will be gathered and sent out a week or two before the first workshop:

- Patient experience
- SDU performance dashboard inc outcomes, activity trends, KPIs etc.
- Service specific issues re quality, workforce, governance.
- Stakeholder analysis including internal and external surveys where relevant
- National benchmarks
- SLR position
- Market shares and competitors' positions
- National reports/guidelines
- Commissioning perspective

5. Equality Impact Assessment

The strategies that are developed and the service changes that result need to take into account the impact on **all** patient groups (as per the annual Business Planning guidance), and need to consider how proposed changes impact (positively or negatively) on various patient groups.

It is important to remember that an Equality Impact Assessment should be undertaken for all service changes; please see toolkit and process flowchart –
Equality Impact Assessment Toolkit
Equality Impact Assessment Flow process chart

Kingsley Grimble
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March 2017