

Chief Executive's Report March 2010

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- Where are we now?
- Where do we need to get to?
- How and when will we get there?
- What do we need to get there?
- What are the risks?



Where are we now?

Financial deficit 2009/10 FOT £11.8m (with risks)

- Cost pressures from service volume increases
- Incomplete achievement of planned savings
- Limited delivery of financial recovery plan
- Change in forecast deficit
- Forecast failure to achieve statutory duty to breakeven.



Where do we need to get to?

- Improving the health of the people of Peterborough, **within our allocation**
- Financial challenge 2010/11 – deliver breakeven and repay debt – c £27m
- Achieve statutory duties
- “Flat cash” scenario 2011/12 onwards
- Deliver QIPP – system challenge.



Baseline financial position 2010/11

Key elements:

- | | |
|------------------------------------|--------|
| • Forecast revenue deficit 2009/10 | £11.8m |
| • Recurrent impact of deficit | £16.5m |
| • Management action required | £27.0m |
| • 2010/11 planned surplus | £ 0.5m |



How and when will we get there?

- Review existing plans March / April 2010:
 - Financial Recovery Plan 2009/10
 - Financial Plan 2010/11
 - 5 year Strategic Plan – *Living longer, Living well*
 - Operational Plan 2010/11
 - Organisational Development Plan
- Deliver revised high-level plans April/May 2010 for Board and SHA approval
- Detailed implementation plans May/June 2010.



What do we need to get there?

- Turnaround expertise and capacity (April 2010)
- External and internal review
 - External Governance Review (April 2010)
 - Internal Audit (April 2010)
 - Peer Review (March/April 2010)
 - others
- Revised governance/accountability arrangements
- Programme management for delivery
- ‘Organisational health’
- System engagement for transformation.



What are the risks?

- 2009/10 FOT £11.8m
- Financial Plan 2010/11
- Capacity and capability
- Balance of Turnaround and Transformation
- 'Organisational health'
- Sustained stakeholder buy-in for transformational change.



Recommendations

The Board is asked to approve:

- The approach
- Turnaround expertise and capacity
- Monthly Board meetings in public.

