

# MANCHESTER UNIVERSITY NHS FOUNDATION TRUST

## BOARD OF DIRECTORS

<b>Report of:</b>	Group Chief Finance Officer and Group Chief Operating Officer
<b>Paper prepared by:</b>	Matthew Swanborough, Turnaround Director
<b>Date of paper:</b>	31 <sup>st</sup> October 2017
<b>Subject:</b>	Update Report on the 17/18 Turnaround Programme to Month 6
<b>Purpose of Report:</b>	<p>Indicate which by ✓</p> <ul style="list-style-type: none"> <li>• Information to note ✓</li> <li>• Support</li> <li>• Resolution</li> <li>• Approval</li> </ul>
<b>Consideration of Risk against Key Priorities:</b>	<b>This papers provides an update of the progress with the 17/18 Internal Turnaround Programme, which supports the delivery of financial sustainability across 2017/18</b>
<b>Recommendations:</b>	<p>The Board to note the update report.</p> <p>Finance Scrutiny Committee to continue to review progress of the Turnaround Programme and delivery of actions to improve performance</p>
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# **MANCHESTER UNIVERSITY NHS FOUNDATION TRUST**

## **Update Report on the 17/18 Turnaround Programme (Month 6)**

### **1. Introduction**

As part of the merger of Central Manchester University Hospitals NHS Foundation Trust (CMFT) and University Hospitals of South Manchester NHS Foundation Trust (UHSM), the Trust has combined the turnaround/CIP programmes. This now includes a single monitoring and reporting structure and approach to delivery.

This paper details the progress made with the Trust's Turnaround Programme for the 2017/18 financial year. The programme focusses on four key areas for cost improvement and income generation, including run rate projects, management spend controls, cross cutting workstreams and divisional trading gap projects.

### **2. 2017/18 trading gap**

For 2017/18, MFT has a trading gap target of £80m, with the full year effect of prior year schemes contributing £18m to this target. This leaves a net trading gap target of £62m for 2017/18.

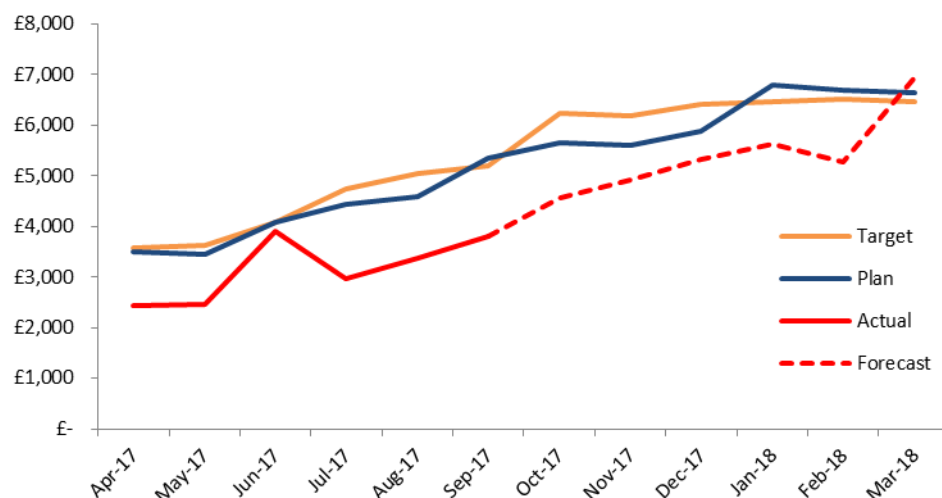
At present, the Turnaround Programme has plans to the value of £62m, all of which are recorded and tracked through the Trust's on-line programme management tool known as Wave. However, there are a number of hospitals with gaps between trading gap targets and identified plans, including across Manchester Royal Infirmary (MRI), Saint Mary's Hospital and Trafford Hospitals. The Turnaround and Transformation Team are supporting these Hospitals in the identification of new opportunities and development of plans.

### **3. Turnaround performance at Month 6**

At month 6, the internal turnaround programme has delivered £19m of cost savings and additional income against a plan of £26m. This shows a negative variance to plan of £7.6m.

This slippage to plan has been primarily due to underperformance of elective and outpatient projects as well as the medical and nursing workforce projects, across the MRI, RMCH, Saint Mary's and Trafford Hospitals. Based on current performance, the Turnaround Programme is forecasting to deliver £51m across 2017/18 (excluding FYE of prior year schemes), leaving a gap of up to £11m.

**MFT Turnaround Performance – Trading Gap Target, Turnaround Plan and Actual/Forecast (£'000) – Monthly Comparison**



The Executive and senior management teams have put in place a level of intervention and support to Hospitals and workstreams to improve turnaround performance and recover slippages. This includes Executive leadership and daily presence on site at RMCH, MRI and Trafford Hospitals, leading and supporting weekly theatre and outpatient scheduling processes and meetings, tracking activity levels on a daily basis and reviewing under-performing clinical services.

In addition, weekly Turnaround progress updates are continuing to be held across all Divisions as well as Run Rate projects, led by a Divisional Director. These have assisted with project and milestone delivery as well as mitigation of risks. As part of this process, additional internal and external support has been provided to a number of projects, to improve progress and boost delivery.

The Finance Scrutiny Committee has continued to review progress of the Turnaround Programme and delivery of the additional actions and interventions, noted above. As part of this process, the Committee is convening an additional meeting on the 10<sup>th</sup> November 2017, to scrutinise progress over the last six week period and understand next steps to improve turnaround delivery.

#### **4. Actions/recommendations**

To note the turnaround paper.

The Board Finance Scrutiny Committee is asked to review progress of the Turnaround Programme and delivery of actions to improve performance at forthcoming meetings