# Annual Plan 2013/2014

## Executive Summary

The board of Yeovil District Hospital NHS Foundation Trust has considered carefully the future direction of the hospital and this plan sets out the key priorities for the next twelve months as well as indicating the direction of travel for the trust in the two following years.

The trust board is fully aware of the pressures facing the organisation and the need to ensure that we maintain a strong focus on the quality of care we provide to our patients, the continued improvement of our clinical services and the need to deliver a sustainable financial performance. The board has undertaken considerable work to assess the future direction of the trust, particularly given its size, rural location and the demographic changes which are already being experienced in the hospital.

The board is therefore clear that to maintain a successful and sustainable future for the organisation there will have to be a radical development to position us at the heart of an integrated system of care for the local community working closely with partners in primary care, community services and social care. We will not be able to care for the increasingly elderly population in our community if we do not redesign the way in which the hospital delivers services, nor will it be financially or operationally sustainable to continue to admit these patients to acute hospital care as the default solution. For this reason the trust has already begun a significant programme of work to redesign the care system for urgent care and long term conditions working closely with the Clinical Commissioning Groups. This work will underpin our approach to managing these patients in the coming years and our clinical, workforce and financial strategies will support this integrated model of care.

The board also recognises the financial importance to the trust of high quality elective services particularly for the diseases associated with old age. The ambition in this area is for the trust to be a provider of choice for the local community delivering high quality and efficient elective services. This work remains a key focus for the organisation moving forward and we will continue to develop and innovate in our approach to the elective services we provide.

The trust has seen significant change in the past twelve months and is now well positioned to take forward the strategy described in this plan. Our Chief Executive has experience of working in Torbay – the best example in the UK of integrated care and brings considerable experience and networks to our developments locally. The new Chief Finance and Commercial Officer joins us from the private sector with a detailed understanding of commercial strategies, partnerships and joint ventures as well as expertise in leading large scale change to drive financial benefit. To develop the clinical leadership of the organisation the Medical Director has been appointed Deputy Chief Executive, thus ensuring a strong clinical perspective on the strategic development of the organisation. Our Director of Nursing maintains her clinical practice on a weekly basis across the trust overseeing and monitoring clinical standards.

The trust is also fortunate to have appointed new NEDs with significant experience and expertise from both the private and public sector and this provides a significant benefit and challenge to board discussions. Finally our CIP programme has developed significantly with the appointment of a PMO Director with experience at McKinsey and other consultancy groups and the PMO is now well established to lead and drive forward the trust's development activity.

The trust board is fully aware of the financial challenge facing the NHS and our organisation. We have had detailed discussions regarding the future financial plans of the trust with our commissioners and have agreed to work jointly on developing a three year plan which builds on the service strategy for the trust which is supported by commissioners as well as develops a financial strategy for the organisation bearing in mind the impact of future funding changes linked to activity.

The Trust delivered a surplus of £0.4m in 2012/13 which was marginally less than the annual plan but still delivered a risk rating of 3. The financial plans for the next three years are to maintain a strong financial performance and deliver an income and expenditure surplus of between £0.2 million and £0.4 million, before technical adjustments, resulting in a financial risk rating of 3. The plans assume a steady state scenario, in which the hospital continues to operates as now, as a rural DGH, as it is too early to predict the on-going financial impact of being an integrated health care provider.

The funding challenge will be supported by a strategic CIP programme focussing on corporate overhead and key clinical areas including average length of stay, theatre productivity, day case rate, outpatient first to follow up ratios and emergency readmissions. To ensure the delivery of efficient, safe and quality care we have adopted a set of care first indicators for all CIP activity measuring: patient experience, CQC hospital standards, quality, staff morale and wellbeing, delivery capacity and cost.

Despite the challenges facing the trust we are confident that the organisation is well positioned to make the transformational changes required to secure the future for the organisation. At the heart of the organisation is the iCARE philosophy which underpins the care we deliver to our patients on a daily basis. We are committed to improving the quality of our care and delivering a sustainable future for the hospital for the benefit of our local community.

# Strategic Context and Direction

2012/13 has been a significant year of change for Yeovil District Hospital NHS Foundation Trust (YDH). In May 2012 our new Chief Executive, Paul Mears, joined the trust and in June 2013 three new Non-Executive Directors were appointed to the Board following the retirement of previous NEDs. Since the new Chief Executive's arrival there has been an opportunity to review the strategic direction of the organisation and a further focus on the development of the hospital as a key part of the local healthcare system.

Following on from the strategy of previous years to move from 'Hospital to Healthcare' the board has taken considerable time to consider how best to reposition YDH as a small, local DGH taking into account changes in the demographic profile of the local population, the new commissioning landscape, the challenging financial climate in which we operate and the rising expectations of the public.

The board is clear that the future sustainability of the trust will require us to radically redesign the way we work locally: caring for the population as part of an integrated health system that ensures continued hospital services of the highest quality.

The board is very aware that the changes which have come about as a result of the Health and Social Care Act bring both challenges and opportunities for the organisation as the new Clinical Commissioning Groups and Area Team take up their full responsibilities. In addition the continued developing market in healthcare with new entrants coming into the healthcare space provides a challenge to incumbent local providers who can see their market leading positions eroded in certain service areas.

As well as the changes to the NHS architecture the board has been considering carefully how the trust responds to the challenges following the publication of the Francis report. The board is committed to continuous improvement of the care we provide to patients and is developing a range of measures on the key areas of Francis as well as developing our own improvement programme centred around our existing iCARE values and philosophy.

The board has undertaken a comprehensive review of the strengths, weaknesses, opportunities and threats facing the organisation as part of its planning process for this year. A summary of these is below:

| **Strengths** | **Weaknesses** |
|---|---|
| Historical strong performance in operational activity<br><br>Track record of delivery of financial targets<br><br>Committed workforce with high loyalty to the organisation and low turnover rates<br><br>Strong relationship with FT governors and members and good reputation within the local community<br><br>iCARE values and philosophy which underpin care provided<br><br>Good external assessments of quality of care from regulators<br><br>Strong and commercially focussed board<br><br>New, dynamic executive leadership team with broad range of experience in both NHS and private sector<br><br>Good relationships with new CCGs in Somerset and Dorset and strong levels of engagement and support for YDH from these groups | Challenge of delivering CIPs in a recurrent way underpinned by service redesign<br><br>Size of organisation provides challenges in delivering new clinical standards and professional requirements<br><br>Historic challenge in delivering change at scale and pace within the trust<br><br>Scale of opportunity to reduce cost base in a small organisation<br><br>Capacity and capability gap in some key areas to deliver change required<br><br>Historic lack of longer term strategic planning<br><br>Challenge to recruiting in key areas e.g. nursing and consultants in certain specialties (e.g. Emergency Department)<br><br>Some small departments with insufficient size to meet longer term service expectations |
| **Opportunities** | **Threats** |

| | |
|---|---|
| Develop a new model of integrated care for the local health system in South Somerset which presents commissioners with a solution to the collective challenges<br><br>Develop positive new relationships with GP Commissioners building on the existing positive relationships<br><br>Small size is an opportunity for the trust to innovate and respond quickly to opportunities and make service change happen at pace<br><br>Trust is a relatively stable part of the local health system when the commissioning landscape is in a period of change<br><br>Tender in 2014 of GP Out of Hours contract<br><br>Tender in 2014 of ISTC contract<br><br>Tender in 2014 of 8-8 GP centre contract and opportunity to co-locate with DGH<br><br>Land on hospital site to develop as a Health Campus to support a new model of care delivery<br><br>Commercial Opportunities such as pharmacy contract for Somerset, Eye Care unit as well as further development of private patient unit<br><br>Opportunities as an FT to develop joint venture partnerships with other providers building on the success of the pathology JV<br><br>Potential new Electronic Health Record system presents significant opportunity to transform care delivery and make hospital more efficient | Establishment of the new commissioning groups poses a significant threat to YDH in terms of building new relationships with the commissioners.<br><br>Changes in local acute hospital configurations e.g. merger of RBHT/Poole and collaboration between Taunton and Exeter<br><br>Increase in activity (especially non-elective) due to increasing age of population and demographic shift<br><br>Decrease in income and the increased pressure on cost base<br><br>Quality Standards – increasing demands placed on the Trust from regulators and professional bodies (e.g. Royal Colleges)<br><br>Inability to recruit to key clinical posts (e.g. Consultants in Emergency Medicine, registered nurses)<br><br>Internal resistance to change in ways of working, service models, redesign etc<br><br>Silo thinking where the Trust looks to protect itself and becomes introspective.<br><br>Potential gap between the views of the board and the wider workforce at a time where significant change and support within the organisation is required |

The key theme from this SWOT analysis is the need for the organisation to build on its previous strategy of 'Hospital to Healthcare' and deliver its plans to redesign the model of a local DGH serving a rural population. The board is clear that the trust cannot continue to survive in its current form and will need to radically reshape the way in which services are delivered from this site to ensure a sustainable future. This forms the key part of the strategy for the organisation.

**The Demographic Context**

YDH delivers services to a population of c200,000 in the mainly rural areas of South Somerset and North Dorset. The population of this area is characterised by a larger than average number of people over retirement age and in particular a higher than average number of people over 80. This demographic profile puts particular challenges on the local health and care system and we are already seeing the effects of the number of older people living with long term conditions and in particular an increasing prevalence of patients coming to hospital who suffer from dementia. Figures 1 and 2 show the current and forecast demographic for the area.

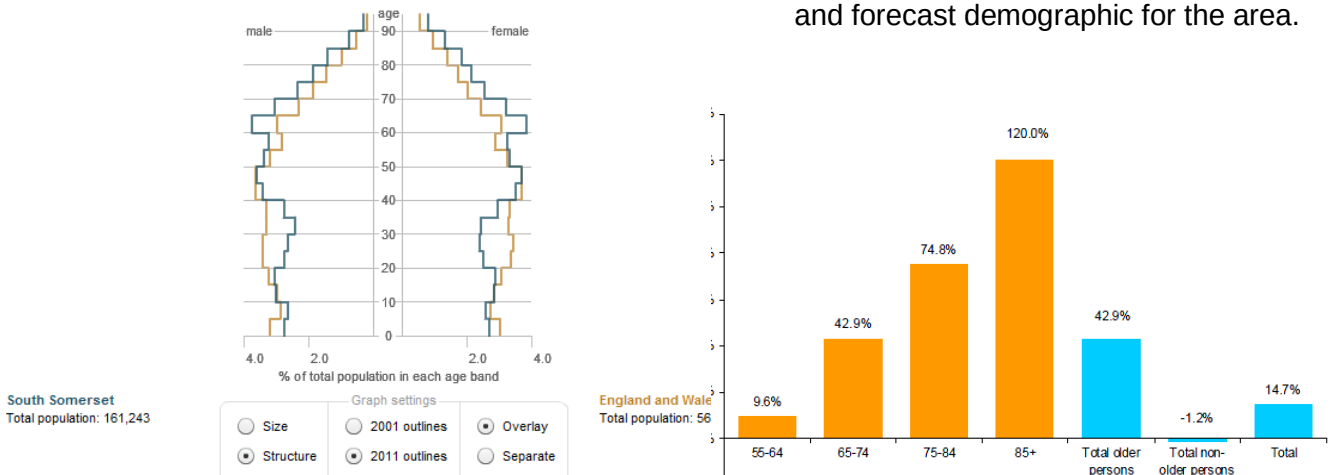


Fig 2: Forecast Population Increase in South Somerset, 2010-2030

Source: ONS 2008 Population Based Statistics

Figure 3 illustrates the major challenge the local health and care system faces in dealing with an increasing elderly population who have multiple co-morbidities and who often live alone or without family locally having retired to Somerset. The management of the care of these people is one of the key priorities for this trust moving forward and underpins our strategy as an organisation.

| South Somerset | 2010 | 2015 | 2030 |
|---|---|---|---|
| People >65 with dementia | 2,537 (7.2%) | 2,922 (7%) | 4,852 (8.4%) |
| People>65 with a limiting long-term illness | 14,875 (42.4%) | 17,495 (42.1%) | 25,239 (43.7%) |

Figure 3: Projections of increase in long term conditions and dementia in people over 65 in South Somerset

Source: POPPI - Projecting Older People Population Information System, Institute of Public Care

## Competitor Analysis

The trust is in a strong position given its geographical location and the strong commitment to the hospital from the local community and GPs. However the neighbouring acute hospitals are considering their strategic directions and thinking through how their organisations will respond to the challenges of increasing demand for healthcare with a decrease in funding. This means that YDH needs to look carefully at how it faces the competitive threats from neighbouring organisations whilst continuing to work closely with these providers with whom we deliver care in partnership at YDH.

The key competitors of the trust can be summarised as follows:

| Competitor | Assessment of Strengths in relation to YDH | Assessment of Weaknesses in relation to YDH |
|---|---|---|
| Taunton and Somerset NHS Foundation Trust | • Larger DGH with greater resources in key specialties<br>• New surgical block under construction with improved single room provision<br>• Investment ambitions for new ITU<br>• Provides specialist services for Somerset population (e.g. Primary PCI, Vascular, Radiotherapy) | • Distance to travel for people local to YDH (between 50 mins – 1 hour)<br>• Not seen as a 'local' provider for South Somerset community<br>• Waiting times at T&S are currently higher for elective care than the waiting times at YDH<br>• Cost pressures to T&S associated with providing more specialist services |
| Shepton Mallet Independent Treatment Centre (run by Care UK) | • Relatively new facility proving good quality environment for patients<br>• Good waiting times for treatment for range of elective procedures<br>• High rates of day case procedures<br>• Focus on Enhanced Recovery and short length of stay for inpatients<br>• Strong marketing approach supported by large national healthcare provider | • ISTC only deals with 'simpler' elective cases with more complex cases being referred to NHS providers<br>• Some challenges for patients in terms of access and travel time<br>Could be perceived as 'disconnected' from whole NHS system when patients require on-going care or follow up post operatively which cannot be provided at ISTC |

| Competitor | Assessment of Strengths in relation to YDH | Assessment of Weaknesses in relation to YDH |
|---|---|---|
| Dorset County Hospital NHS Foundation Trust | • Geographically more convenient for patients living in North Dorset who can choose either YDH or DCH<br>• More comprehensive range of services in some specialties<br>• Higher dependency neonatal unit than YDH | • Distance to travel for patients living in Somerset<br>• Referrals for specialist treatments can involve travel to Poole or Bournemouth which is less convenient for patients than Taunton or Bristol<br>• Waiting times not as low for elective care as those at YDH<br>• No discernible differences in quality of environment for patients (e.g. single room provision) |
| Somerset Partnership NHS Foundation Trust | • Community provider delivering services to patients in local community hospitals which are convenient for patients<br>• Provision of home based care services (eg rehabilitation, district nursing) which could replace care currently being provided in YDH<br>• As an integrated community and mental health provider can provide specialist input especially for patients with dementia<br>• Close links with GPs | • Will not be able to provide specialist acute services currently provided in YDH<br>• Organisation still managing the integration of community services into the trust<br>• Much of the specialist expertise required to support care in community is within YDH necessitating a joint approach to service redesign |
| Primary Care Providers | • Established group of primary care providers locally who run existing services (e.g. Walk-In Centre, MSK)<br>• GPs well regarded by local community and services can be more convenient in rural communities than in YDH<br>• Policy drive to shift care to community settings supports primary care provider options<br>• AQP opportunities for primary care providers | • Challenge of developing primary care provider options across large number of practices<br>• Challenge of managing conflict of interest in new commissioning regime<br>• Do not have specialist expertise which currently sits within acute provider |

## Commissioner Strategy and Intentions

We have established strong links with the local Clinical Commissioning Groups. 85% of the trust's activity is commissioned from the Somerset CCG and 15% from the Dorset CCG. There are regular bi-monthly meeting between the Chief Executives and Medical Directors of the three provider organisations with the Managing Director and Chair of the CCG to oversee the development of the care system in Somerset and this provides a helpful forum at which to discuss commissioner strategy and impact on the local providers.

Locally at YDH we have had presentations from the CCG to the board and have recently agreed to ask for two appointed governors from the CCG on the Foundation Trust Council of Governors. We plan to appoint an Associate Medical Director for Primary Care in the coming months.

The strong relationships with the CCG ensure that we are aware of the strategy of the CCG and are able to help shape how this strategy develops thus ensuring we are aware at an early stage of the potential impact on this trust.

The Somerset CCG has begun the development of a five year plan and has confirmed their ambitions for the coming year as part of the plan's development:

*The purpose of the Somerset CCG is to improve the experience of health and wellbeing of our local population:*

- *by fostering an environment that promotes people, families and communities taking responsibility for their own health and wellbeing and tackles inequalities*
- *by ensuring everyone can access integrated services which are flexible and responsive to their needs*

- *by commissioning services which deliver high quality, timely, efficient and cost effective care*

*We are currently developing our five year strategy that is aimed at a whole system approach to services, including primary, secondary and social care which will provide:*

- *care that is seamless and integrated*
- *care that is flexed around the person and not the clinician or organisation*
- *clarity for patients about when and how to access services*
- *extensive collaboration across care pathways*

Source: Plan on a Page 2013-14, Somerset Clinical Commissioning Group

The stated intentions in the CCG plan for 2013/14 and the longer term ambitions for the next five years evidence the clear direction of commissioners to move away from a reliance on acute care delivered solely in hospital buildings but to an integrated model of care which is focussed around the needs of the patient rather than individual organisations or buildings.

### Older People and Long Term Conditions

There is an alignment between the CCG and YDH strategies to develop an integrated model of care to support the care of older people and those with complex long term conditions. The leaders of both the acute trust and the CCG have therefore begun a plan to develop an integrated model of care for these patients through the Symphony project. This project has at its heart the ambition to improve the coordination of care for the most complex older people in our community to reduce their reliance on hospital services and unplanned admissions and support these patients to live independently in the community. The Symphony steering board is chaired by one of the GP commissioners from the CCG and membership includes the CEO, CFO and Medical Director of YDH with other key leaders from Somerset Partnership NHS FT (community and mental health provider), South Somerset GP Federation, Adult Social Care from Somerset County Council as well as the Managing Director and Director of Finance from the CCG. The Area Team have also agreed to join the steering board given the importance of primary care commissioning as part of any integrated care development. The Symphony project is supported by a full time project director who has been seconded from YDH to work jointly with the CCG on this project as well as a practice manager from primary care who is working part time on this project.

The Symphony board has been in existence for nine months and has spent much time developing the common shared purpose and agreement on the scale of the challenge, the approach we wish to take as a health community and building the business case for supporting a radical redesign of care for these patients. The group has commissioned detailed cost and activity analysis which has been led by the Commissioning Support Unit to understand the total spend for this group of patients across acute services, community services, social care and primary care. This data is now being formed into a business case to present to each constituent organisation the case for change and how a redesign of services will need a redesign of the commissioning and contracting model.

The board of YDH has been very supportive of the Symphony project and it is a key part of the strategy for the organisation over the next three years. We believe that the only way in which the hospital will be able to manage the increasing demographic pressures facing the local health and care system is through an integrated model of care and it is this that is driving this agenda very clearly within the acute trust.

The trust is also very aware that with a focus on redesign of services to be delivered in the community nearer to patients' homes there is a risk to the activity and income for YDH. In the current financial year the CCG is not planning to make any significant changes to the contracted levels of activity and income for the trust but are keen to develop a new model of contract for older people and long term conditions in the next financial year. We are working closely with the CCG to review how this contracting model could be implemented which focusses more on clinical outcomes for a defined group of patients rather than the traditional PBR contracting model.

### Elective Care

The trust has a clear ambition to deliver high quality elective care to the local population which is safe and provides good clinical outcomes for patients. The trust works closely with neighbouring acute providers in a number of key specialties and we expect that these collaborations will develop over the coming years as changes to clinical practice and standards evolve.

Currently the trust works with the following trusts in elective care:

Taunton and Somerset NHS FT

- Oral and Maxillofacial Surgery
- Dermatology
- Vascular Surgery

Dorset County Hospital NHS FT

- Ear, Nose and Throat Surgery

Royal Devon and Exeter NHS FT

- Plastic Surgery

The key priorities for our Elective Care services will be to continue to develop the quality of the care we provide to our patients and to ensure we develop services which are efficient and effective and make the most of our resources.

As part of our service transformation programme we have begun a significant programme of work developing the scheduling and efficiency of our operating theatres supported by mathematical demand forecasting. This work is being supported by the Operational Research function of the local CLARCH at the Peninsula Medical School and aims to understand historic patterns of utilisation and to use this data to help model theatre scheduling scenarios to make best use of the theatre resources.

**Commercial Development**

The trust has begun a period of development of the commercial activities we are engaged in. Last year a Commercial Manager was recruited from the private sector to support the development of new business opportunities and he has been very engaged in the development of the new ophthalmology business model.

To ensure a greater focus on the commercial activities a new post of Chief Finance and Commercial Officer was created bringing together finance, commercial development, procurement, property and IT. This will ensure that these areas are all aligned to support the clinical service developments as well as providing a more commercial focus in the way these services support the trust. The board were very pleased to recruit an experienced CFO from the private sector into this role in February 2013 who brings significant experience in operating in commercial service industries.

The trust has developed a strong commercial focus within its pharmacy service having won an external contract in 2012 to provide pharmacy support to the Dorset community hospitals. The trust has recently won the contract to provide a similar service to the community hospitals in Somerset which secures a further income stream and grows our position as a key provider of pharmacy support services. It is particularly pleasing that we have won these bids through an open tender process in competition with commercial pharmacy companies. We do however see an opportunity to work in partnership with commercial pharmacy and the board is considering the options for developing a stronger partnership with a pharmacy company to develop the commercial opportunities in this market.

The trust plans to continue to develop its private patient income and a development group is bringing together clinical teams working in the private wing with the CFO and external marketing experts. The group are developing a three year business plan to grow the private market and are in the process of reviewing market research undertaken by Experian to assess options for growth.

Our Research and Development team remains core to developing our reputation as an innovative organisation focussed on clinical improvement. We have recently been recognised in the top 3 small hospitals for research activity and we are working closely with the new Peninsula Academic Health Sciences Network to develop further.

The Trust has put in place robust mechanisms to respond to commercial opportunities with the new Chief Finance and Commercial Officer supported by the Commercial Manager. Currently there are no live AQP tenders in place in Somerset and the planned AQPs in Somerset are focussed on Podiatry and Wheelchair services which are not currently services YDH provides.

### Partnerships

The organisation has a key ambition to develop partnerships with other providers in the delivery of clinical services. We are also developing a number of partnerships with other providers to support the back office and infrastructure of the trust.

Dorset County Hospital Foundation Trust and YDH have engaged in a series of partnerships:

Following the departure of our previous Director of HR, the board agreed to trial the sharing of their Director of Workforce and HR. This trial began in November 2012 and continues to be successful in providing a much improved HR service to the trust whilst making efficiencies in director pay costs.

Our Associate Director of Estates and Facilities will work across both trusts allowing us to share the costs of a senior manager and look for opportunities for further shared EFM services.

Finally we agreed in 2012 to share Procurement services and we now have a shared Head of Procurement and integrated procurement team. The new integrated team has also won the tender for procurement services for all of Somerset Partnership NHS FT.

The board are keen to explore further opportunities for partnerships with both local NHS and other healthcare providers. We are working closely with Circle on our new ophthalmology service and are seeing the benefits of the Joint Venture we have established for pathology services with Taunton and Somerset NHS FT and our private sector partner Integrated Pathology Partnership (iPP). The new pathology Hub laboratory has opened in Taunton enabling all overnight samples to be processed there whilst an essential services laboratory is maintained at Yeovil. Staff from YDH transferred under TUPE to the Joint Venture last summer and this has delivered efficiencies to the trust. We are working with iPP to build the business to attract other customers from hospitals in the region generating further income opportunities for YDH as a partner.

## Improving Quality and Patient Experience

### External Assessments

The Trust was pleased to receive a positive report from the Care Quality Commission following their un-announced inspection in September 2012. The inspectors commented on the positive feedback they had received from patients and relatives during their stay and judged the trust to be compliant with all the essential standards against which we were inspected.

There were no material concerns from the inspection but the trust has taken on board the feedback we received and is using this as an opportunity to further improve our care.

We have also recently received positive feedback from our CNST Maternity inspection which resulted in us retaining level 2. There were some areas where the assessors recommended improvements and these are in the process of being actioned, led by the Head of Midwifery.

### Board Assurance on Quality of Services and Patient Safety

The board takes seriously its ultimate responsibility for patient safety and quality and has robust mechanisms in place to ensure it is updated and assured. The board receives monthly updates from the Medical Director and Director of Nursing covering:

- Latest HSMR
- Patient safety data (e.g. clinical incident reports, patient falls data, pressure ulcer information, VTE compliance)
- Infection control performance
- Compliance with latest NICE guidance
- Trends in patient complaints and PALS inquiries
- Patient experience reports (Friends and Family Test and local survey data)

In addition the Clinical Governance Assurance committee (a formal sub-committee chaired by an NED) sees the detailed information relating to Patient Safety and Quality and ensures that the appropriate reporting on areas of concern is monitored and improvements identified. Finally the Clinical Governance Delivery Group focuses on particular clinical governance concerns and holds clinical leaders to account for improvements in a particular area.

The board receives every month a Patient Story where a patient, relative or staff member is invited to come and talk to the board about a positive or negative experience of care in the hospital. Recent examples have included a patient with learning difficulties talking about their experience of maternity care and an endoscopy nurse describing the challenges of getting in-patients booked onto endoscopy lists in a timely manner. These Patient Stories provide a valuable opportunity for the board to hear first-hand the experiences of our patients and staff and to challenge the executives where improvements to care are required.

Executive Directors undertake regular patient safety visits to ward areas. These will shortly include an NED to ensure that the NEDs are able to see and hear first-hand how patient safety is being led at ward/service level and to ensure that they can correlate the reports heard in the board meeting with the experience of staff and patients at the frontline.

Amongst the key measures for quality improvement in 2013/14 are:

- To further reduce HSMR
- To reduce SHMI
- To continue work to reduce patient falls, particularly the number of patients who fall more than once and those where the fall results in harm
- To reduce healthcare associated infections – in line with the local targets (MRSA, Clostridium difficile & MSSA)
- To continue the use of the safety thermometer as a tool to measure harm across the Trust
- Improvement in care for patients with dementia and patients with learning disabilities
- To identify and monitor incidence of venous thrombosis events including assessment and treatment of patients at risk to ensure all patients receive appropriate and timely assessment
- To reduce the number of avoidable hospital acquired pressure ulcers (grade 3 or 4)

# Clinical Strategy

Key to the clinical strategy is the focus on a sustainable future for the organisation recognising that the existing model of the DGH services will need radical redesign to meet the financial and demand challenge facing the trust.

The board has reviewed the organisational strategy and agreed that there will need to be a clear focus on our core business providing a range of local services to our community. The way we approach this will need to recognise the different challenges facing us in our two main areas of urgent care/long term conditions and elective care. The board has recognised that the operating models required for these two areas are very different based on the markets in which they operate, the types of patients using the services and the differing requirements for an integrated approach with primary care.

Therefore, the trust board has agreed a focus on two key themes underpinning our clinical strategy over the coming three years:

- Developing integrated care for urgent care and long term conditions

- Proving high quality elective care as a provider of choice

**Urgent Care and Long Term Conditions**

The clinical strategy focusses on the development of an integrated model of care for the long term conditions specialties including diabetes, respiratory medicine, care of the elderly, cardiology, neurology and rheumatology.

As a trust we believe that the only way of managing the demand growth in long term conditions described above is to work collaboratively with primary care and community services to proactively manage these patients and reduce their traditional reliance on face-to-face hospital follow ups, moving to upper quartile performance in new to follow up ratios

We will be working with the CCG to develop a new model of care to manage these patients through an integrated care system supported by telehealth that will truly see the trust moving from a hospital to a healthcare provider focussed on supporting the patient wherever they may be cared for. This will require a new commissioning and contracting model and we are in discussions with the CCG on how this will be developed and delivered for 14/15.

Our current Emergency Department is seeing demand increases which are unsustainable with the current infrastructure. Comparing data for the winter period from December 2012 to April 2013 with the same period last year we have seen a 9% increase in ambulance arrivals, a 4% increase in emergency department attendances and a 12% increase in emergency admissions. We are working closely with the CCG to look at the options for our Emergency Department and believe strongly that the solution is for our department to work as part of an integrated urgent care system locally. We have an ideal opportunity to make this a reality as the CCG are planning to tender the GP out of hours service in 14/15. We are planning to work closely with the GPs locally and the Ambulance Service (the current OOH provider) to look at the potential to include this trust as a component of an integrated urgent care proposal. In the meantime we are also pursuing a recruitment campaign to fill the current consultant vacancies now that we have a fully staffed middle grade medical rota and emergency nurse practitioner rota.

Our focus on Acute Care will be linked to our strategy for developing integrated care with a development of a frail elderly assessment unit where GP referred patients care be seen in a dedicated area led by a Care of the Elderly physician supported by a multi-disciplinary team. In addition our Emergency Assessment Unit will be developed further with increased Acute Physician capacity and the development of an ambulatory area where patients will be assessed, diagnosed and treated without the requirement to be admitted. This will be developed with our plans for integrated services delivered in the community using community hospitals and working with primary care and community services.

From 1st August 2013 we will be operating a 12 hour, 7 day a week consultant physician service to ensure that patients are provided with consultant led care and to ensure a consistent clinical service at weekends as well as weekdays. This is supported by 7 day diagnostic and therapy services.

The aim of our work is to reduce the length of stay for emergency medical admissions to upper quartile performance for a small/medium sized hospital, thus delivering efficiency savings and enabling the Trust to continue to perform strongly against key performance and quality indictors in the face of the predicted continuing increase in demand.

**Paediatrics**

The trust currently provides a full paediatric service including emergency assessment and inpatient beds. The trust recognises the challenges of continuing to provide this service with increasing clinical standards, challenge in recruitment of consultants and middle grades as detailed in the policy document from the Royal College of Paediatrics and Child Health – Facing the Future (2011). The trust is currently involved in discussions with our neighbouring acute providers to explore the options for future paediatric services and we plan to develop these discussions with commissioners in 14/15.

**Radiology**

Radiology continues to develop within the trust and is now operational 7 days a week for all modalities. We anticipate that the demand for diagnostic services will continue to rise over the coming years and we will be considering how we manage this projected growth as part of our workforce and capital plans in the next two years. The trust already has an arrangement with an external radiology partner, Medica Nighthawk, for the reading of emergency scans after midnight to ensure we are able to maintain rapid reporting as well as maintaining a sustainable consultant rota.

We will examine further opportunities for radiology services in partnership with other NHS and private sector providers in 14/15 to enable the trust to maintain a full range of 7 day diagnostic services to meet the increasing demand for the service.

### Urgent Care and Long Term Conditions 3 year plan

| Service | 13/14 | 14/15 | 15/16 |
|---|---|---|---|
| Urgent Care | Complete consultant appointments<br><br>Review process for emergency ambulance admissions<br><br>Implement recommendations of ECIST review<br><br>Develop bid in partnership with GPs, SWAST for Urgent Care tender<br><br>Review opportunity to move Walk-In Centre to ED<br><br>New minor treatments area with ENP/Physio in place<br><br>Continue to improve performance in stroke care and participate in Somerset Stroke Review follow up | Implement changes to Urgent Care pathway in the light of the tender process<br><br>Review accommodation for ED in the light of development of Walk-In Centre pending outcome of re-procurement and potential move of EAU<br><br>Change process of GP referred patients in the light of implementation of Frail Elderly pathway<br><br>Review options for collaboration with other acute providers to provide sustainable rota | Develop integrated urgent care centre as part of Health Campus development<br><br>New model of clinical care in place with ED/T&O/COTE working at front door<br><br>YDH has fully integrated model of urgent care including primary care and community services |
| Long Term Conditions | New Frail Elderly Assessment Unit in place to manage GP referred patients<br><br>Day Hospital Services to move to South Petherton Community Hospital<br><br>Trial of telehealth in cardiology<br><br>Further development of ambulatory care in EAU<br><br>Proactive case management of long term conditions patients at risk of admission to acute trust | Implementation of new contracting model from CCG for long-term conditions/frail elderly<br><br>Develop provider 'Joint Venture' with primary care and community services to deliver integrated service for defined group of patients<br><br>Redesign of inpatient activity to maximise use of community services linked to integrated care work | Consolidation of integrated care approach with reducing number of inpatient bed days and length of stay |
| Diagnostics | Consolidation of new Pathology JV and generation of new business for joint venture<br><br>Further development of 7 day diagnostics | Opportunities for move of Essential Services Lab linked to new Hub to alternative location in hospital<br><br>Develop proposal for strategic partner for radiology services to include service and equipment partnership | Radiology partner in place and developing new and flexible offer of diagnostic services both in YDH and wider community |

| Service | 13/14 | 14/15 | 15/16 |
|---|---|---|---|
| Pharmacy | Develop market proposal for strategic partner for pharmacy<br><br>Implement new contract for community hospitals in Somerset<br><br>Further work on discharge TTO process as part of urgent care redesign | Implement new Outpatient pharmacy service<br><br>Relocate pharmacy within hospital campus to free up current strategic location | Embed pharmacy partnership and exploit further opportunities e.g. hospital at home services |

## Elective Care

The trust has succeeded in bringing down the waiting time for elective surgery to 15 weeks in all elective specialties with Trauma and Orthopaedics at 17 weeks. This puts the elective care business unit in a strong position for the coming three years.

The trust maintains a strong focus on its elective care activity and the recent management restructure has established the role of Director of Elective Care within the Executive team and the board to ensure that these services are appropriately represented and directed at a strategic level.

The trust continues to see growth in the elective services area particularly Trauma and Orthopaedics and has made investments in additional capacity to manage the increasing activity. The redesign of our elective pathways and the theatre efficiency programme are a key part of the plans for the elective specialties as we seek to drive additional activity from existing resources within the trust.

We continue to develop the procedures being carried out as day cases to improve our efficiency and use of capacity and are also seeking to move more day case procedures to outpatient settings where possible (e.g. gynaecology). This allows us to consider also providing these services in community hospitals, making our services more accessible and convenient for patients.

## Private Patients

We will continue to focus on our private patient unit - the Kingston Wing - and a business plan is currently in development to increase private patient and amenity patient income. The business plan will be supported by a marketing strategy that will identify business opportunities both in terms of expansion of current market areas and the development of new services within the portfolio.

Linked to this is a plan to refurbish and rebrand the Kingston Wing to improve patient experience and ensure the unit is fully able to compete with other local private providers. It is also planned to have a dedicated website for the Kingston Wing that will be tailored to the needs of the unit and will seek to attract new customers.

## Elective Care 3 year plan

| Service | 13/14 | 14/15 | 15/16 |
|---|---|---|---|

| | | | |
|---|---|---|---|
| Obstetric & Gynaecological Services | A full year of the Acorn Team providing specific support for vulnerable women.<br><br>Introduction of a water-birth service increasing choice for women in labour.<br><br>Successful introduction of the Vaginal Birth After Caesarean Clinic giving women who have had one previous C-section the opportunity to have a natural birth<br><br>Theatre improvement and redesign project started. | Full maternity services review in 14/15 with the commissioners.<br><br>Continue implementation of the theatre project. | Implementation of joint service review and recommendations<br><br>Reconciliation of theatre real estate. |
| Elective Care Services | Expansion of out-patient clinics at South Petherton Community Hospital.<br><br>Reconfiguration of the ophthalmology service through a competitive tendering process.<br><br>Dedicated ortho-geritrician service within the orthopaedic pathway.<br><br>Surgical Pathway and Theatre Transformation Project; this work will review theatre utilisation, patient scheduling tool and surgical pathways. | Align developments in patient pathways to Symphony Project to increase out of hospital care provision and integrated primary and secondary care services.<br><br>Review service portfolio and patient pathways exploiting opportunities to extend service delivery.<br><br>Review planned care pathways. | Further development of elective integrated services and outreach facilities. |
| Therapy services | Restructure of workforce – to provide seven day service and greater local access to therapy services.<br><br>Spring Project - The spring project provides group support, advice and exercise for cancer patients undergoing chemotherapy.<br><br>One year physiotherapy pilot in Emergency Department for the treatment of soft tissue injuries.<br><br>Occupational Health Physiotherapy Service – for staff.<br><br>Orthotics – Service Review | Implementation of seven day working service.<br><br>Implement service recommendations. | Engage with integrated service plans to deliver therapy support. |

| | | | |
|---|---|---|---|
| Kingston Wing | The key focus for the Kingston Wing is to support an increase in private and amenity income for the next year.<br><br>Develop a plan to expand market share and development of new service portfolio. | Rebrand the Kingston Wing to improve patient experience and ensure the unit is fully able to compete with other local private providers.<br><br>Promote the Kingston Wing and attract new customers. | Explore opportunity to set up a central referral and information line to provide a one-stop access point for all calls to private care.<br><br>Extend clinical services to include nurse led clinics to deliver health and wellbeing services. |

# Clinical Workforce Strategy

The aim is to ensure our clinicians support the delivery of the Trust's strategic goals, through optimising specialty and department skill mixes, increasing productivity, increasing the use of assistive technology, improving collaboration and, where appropriate, delegating local control and authority. Key themes and initiatives are:

- Medical staff recruitment Complete the planned recruitment of medical posts within Acute Medicine, Ophthalmology and Dermatology.

- Collaboration with other providers and clinical networks Seek opportunities to collaborate with other providers and expand our network arrangements, in particular with respect to maintaining the delivery of high quality services in areas where there is low volume.

- Promotion of consultant-led seven day working Develop and implement service models to provide:
  - seven day ward rounds for general medical admissions;
  - seven day acute cardiology service;
  - extended consultant radiology service;
  - extended chemotherapy service.

- Increased use of assistive technology Develop the application of telemedicine to support a move towards seven day working across a range of clinical specialties.

- Preparation for reduction in medical training posts In anticipation of the withdrawal of junior doctor posts in a number of specialties, assess the impact on consultant and middle grade roles.

- Implementation of medical staff revalidation Consolidate the work undertaken to ensure full readiness for all medical staff to participate in revalidation, including:

  - provision of further training for appraisers;
  - purchase of an on-line revalidation support system.

- Increased clinical leadership capacity and capability
  - Building on the success of the current leadership programme, provide further opportunities for clinical leadership development that supports the effective implementation of service line management.
  - Appoint to the supervisory Ward Leader role, across all specialties.

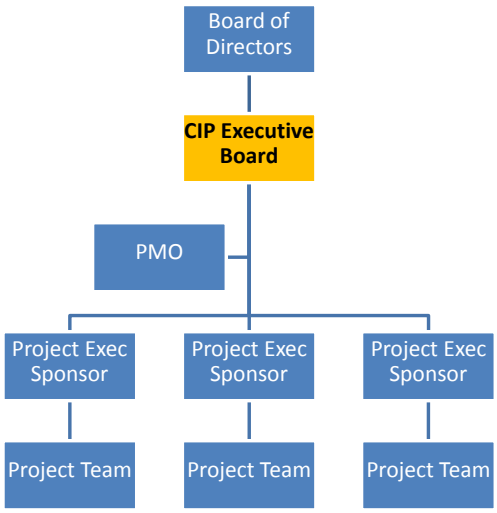
- Augmentation of ward staffing complements Continue with the current recruitment of trained nursing and healthcare assistant staff to:
  - strengthen ward complements;
  - facilitate the implementation of a supervisory Ward Leader role;
  - reduce agency spend;
  - improve the patient experience;
  - improve staff health and wellbeing.

- Skill Mix, Role Redesign and Job Plan Review Skill mix and role redesign continue to be important work themes, in helping to increase capacity, reduce clinical workload, extend the provision of services to patients, improve the quality of care and reduce costs. Initiatives which will have the greatest impact on skill mix and role redesign are as follows:
  - development of integrated care pathways;
  - review of the urgent care pathway;
  - theatre transformation;
  - review of nursing roles and associated support roles (with particular emphasis on bands 2, 3, 4 and 7);
  - continued review of medical staff job plans.

# Productivity and Efficiency

### CIP Governance

YDH has established a Programme Management Office (PMO) to provide project assurance and service improvement services. CIP schemes are delivered using the YDH 'PROACTIVE' approach (Propose, Review, Objective measurement, Analyse, Change, Test, Implement service-wide, Validate, Embrace) and each scheme is formally reviewed in a monthly cycle reporting to the board through a dashboard and highlight report system.




### CIP Profile and Enablers

The 3 year CIP plan links cost management to the trust's overall strategy and aims to deliver services at a performance level in the first quartile of small to medium hospitals in England. Benchmark data suggests that 5 productivity levers will deliver the required level of cost management and the Trust strategy to work closely with the whole health economy provides a contingency of further improvements. The productivity levers are:

- Average length of stay, delivered through the patient flow project
- Theatre productivity, delivered through the surgical pathway project
- Improvement in day case rate, delivered through the surgical pathway project
- Outpatient first to follow up improvement, delivered through the elective care project
- Reduction in emergency readmissions, delivered through the urgent care project

### Quality Impact of CIP

To ensure high standards of quality and care all CIP programmes are measured using YDH Care First indicators specifically listed in priority order: patient experience; CQC hospital standards; quality; morale; delivery and capacity; cost. The CIP pledge is to not negatively influence and endeavour to improve the 5 quality indicators while reducing cost. The care first indicators are defined at the "Objective measurement" stage of the PROACTIVE cycle and measured throughout the project.

An update on CIP is presented weekly at the Executive Directors meetings which include the Medical Director and Nursing Director. This ensures that the clinical impact of the Trust's schemes is reviewed by the senior clinicians on a regular basis. In addition the Trust's Hospital Management Team including Associate Medical Directors and Associate Directors of Nursing review all service redesign projects regularly which ensures that the focus of the project is centred around the improvements in quality as a priority whilst also balancing the need for financial efficiency.

### Workforce Impact of CIP

The workforce capacity released through the CIP programmes will be balanced by a combination of: offsetting agency, overtime and temporary staff costs; backfilling posts made available through normal staff turnover and redeploying staff into a more integrated care environment made possible by closer working with the whole health economy.

# Financial and Investment Strategy

### Income and Expenditure

### Summary

The Trust delivered a surplus of £0.4m in 2012/13 which was marginally less than the annual plan but still delivered a risk rating of 3. The financial plans for the next three years are to deliver an income and expenditure surplus of between £0.2 million and £0.3 million, before technical adjustments, resulting in a financial risk rating of 3. The plans assume a steady state scenario, in which the hospital continues to operates as now, as a rural DGH, as it is too early to predict the on-going financial impact of being an integrated health care provider.

### Income

The income in 2013/14 is expected to decrease below the 2012/13 level as a result of the tariff deflator and non-recurring income being received in 2012/13 to pump prime schemes to reduce waiting lists. Income levels are expected to continue to reduce in 2014/15 and 2015/16 due to the deflator applied to the National Tariff and reductions in non–recurrent income, partially offset by a higher level of activity. Activity growth is driven by demographic change i.e. an expected larger proportion of frail elderly patients reflecting local demographic trends, and a continuation of the current trend of increased demand for acute services.

Total income is predicted to reduce from £115.0 million in 2013/14 to £112.6 million in 2015/16.

The Trust's integrated healthcare strategy will necessitate working with our partner organisations to work through the detail. As these plans are still at an early stage of development the financial impact is not yet known and therefore is not modelled in the three year plan.

### Expenditure

During the plan period underlying costs are expected to continue to rise, mainly driven by pay inflation of approx. 2.2% – reflecting the impact of an assumed 1% pay award each year plus increment inflation, also about 1%. In addition general CPI inflation of 2.2% is assumed in most other cost lines in line with HM Treasury guidance. Some cost lines are predicted to see higher levels of inflation and growth, notably high cost drugs expected to grow by 8.7% and 6.6% during 2015/16 and 2016/17, although this category will be matched in the main by compensating revenue increases. Total costs are therefore expected to increase by about £3.3m each year.

Depreciation costs were £3.4 million in 2012/13 and these will remain static across the plan period.
The cost improvement section of the strategy outlines our plans to cut costs and improve efficiency. In order for the Trust to deliver the financial strategy, cash releasing cost improvement programmes of £3.5 million in 2013/14, £4.0 million in 2014/15 and £5.3 million in 2015/16 need to be achieved. Cost improvement has been given higher focus in 2103/14 than in previous years with an experienced dedicated team appointed to oversee the Trust's plans. This team sits with the executive directors to ensure a high profile and maximum understanding.

### Capital Investment

£3.6 million was invested in capital developments in 2012/13 which included £1.4 million spent on medical equipment and upgrading radiology equipment and £1.0 million spent on enhancing the quality of the building and estate.

Capital investment in 2013/14 is planned to be £6.3 million, which includes investment funded from donated funds and a £1.4m energy investment funded by a finance lease. Over the coming 3 years the Trust is planning to invest £15.3m into capital projects and to continue its investment into IT systems (£3.4 million). The majority of the IT spend relates to a planned implementation of electronic health records although this is dependent on government funding for the purchase of software and associated development. A business case has been approved and final HM Treasury sign off is expected shortly. In addition continued investment in medical equipment (£4.6 million) is planned which includes an upgrade to the MRI scanner. During this period the site's high and significant risk backlog is planned to fall from £15.9million to £11.2million.

**Liquidity**

The liquidity position remained strong at the end of 2012/13 with a £9.8 million cash balance. The planned cash balance for 2013/14 is £6.1 million, for 2014/15 £5.1 million and for 2015/16 £4.7 million. The reduction in cash is due to the completion of capital programmes funded through previous years' surpluses.