Strategic Plan Document for 2013-14

University Hospital of South Manchester NHS Foundation Trust

UHSM Annual Plan 2013/14 – Executive Summary

Our strategic vision defined through our strategy remains to be recognised as one of the best healthcare organisations in the NHS. In 2013/14 we will review this strategy in the context of a changing external climate to ensure that our strategic direction remains aligned with the views of our key stakeholders.

For 2013/14, our core priorities remain delivering the highest possible levels of quality, safety and patient experience, maintaining our financial stability and ensuring the highest possible levels of governance and engagement with our members, Governors, colleagues and partners as we continue to steer a path through challenging times. We will continue to develop our education and research offer in addition to continuing to invest to improve our infrastructure and environment. These priorities are at the core of our plan for 2013/14. Against all of these areas the Board has set ambitious in year objectives, but also challenged the organisation to ensure delivery of a trajectory of improvement to 2016.

To help us do this, in this plan we indicate that 2013/14 is a year of galvanising partnerships with other organisations to enable us to reap the potential clinical and financial benefits of them in future years. An important part of these plans is our developing Southern Sector collaboration across a number of NHS partners in the south of Greater Manchester with whom we share common values and aspirations to improve quality, develop new integrated out of hospital models and further develop our education and training offer, ensuring that we add the maximum possible value to our local communities, whilst at the same time reducing costs. We will work hard in 2013/14 to further define the possible benefits of this partnership, at the same time as pursuing alternative strategies for sustainability. We are clear that we will also take forward a variety of other partnerships including integrating with social care, working the private sector and partnership with other NHS organisations in Greater Manchester, the northwest and England.

From a strategic financial perspective, we have a strong track record of delivery, having delivered over £45 million in cost efficiencies over the past three years. Going forward, this challenge remains and we are assuming levels of operational efficiency of c.5% for each of the next three years. Planning for this challenge is codependent on our ability to deliver strategic and tactical service change in tandem with a range of partners – linked to the Healthier Together review of services in Greater Manchester.

Our summary financial information for the 3 year period of the plan is included in the table below -

	2012/13 (actual) £'m		**2013/14 Projected £'m**	**2014/15 Projected £'m**	**2015/16 Projected £'m**
Income	430.5		450.6	401.3	398.3
Expenditure	410.7		426.3	376.9	373.3
EBITDA	19.8		24.3	24.4	25.0
Net Surplus	0.5		2.0	2.1	2.4
EBITDA Margin %	4.6%		5.4%	6.1%	6.3%
Financial Risk Rating	2.65		2.65	2.65	2.65
FRR rounded/capped	3		3	3	3

In this plan we identify a number of risks to our performance in 2013/14 and how we are addressing them. The Board has a well established process for risk review which has fed into our self-certification process. There are a number of key risks for the Trust in the next twelve months. The highest risk areas are delivering on our financial plan, planning for ongoing efficiency savings as we drive forward our Southern Sector partnership and maintenance and delivery of the emergency access target, which despite the many improvements we have made, is also reliant on a whole system approach to pathway reform. The Board is confident that plans exist in both areas to ensure delivery.

Our Governors and members play an important part in the development of our plan and have had an active role in shaping and challenging our priorities for this year. As we go forward, our Governors and

members will play a crucial role in ensuring that our plans are aligned and understood by our local population – particularly given the challenges we face.

1) Introduction - UHSM Vision and Strategic Objectives to 2015/16

As we enter 2013/14, we are faced with a changing strategic climate. Changes in commissioning came into operation in April 2013 and commissioners are already looking at the strategic configuration of healthcare in Greater Manchester with their 'Healthier Together' review.

For the purposes of this plan, we have reaffirmed our overall vision to be recognised as one of the best healthcare organisations in the NHS, but acknowledge that in 2013/14 we will need to revisit our strategic priorities in light of the discussion and outcome of the 'Healthier Together' programme.

We want to do this by delivering on three core enablers which run through our strategic planning over the next three years –

i) Effective Board leadership of UHSM evidenced by maintenance of Monitor and CQC risk ratings; meeting all compliance standards and national standards, providing excellent patient care, delivering excellent 'Friends and Family' test ratings and confirming the effectiveness of the Board and Council of Governors

ii) Through our People and Organisational Development strategy, develop and deliver effective people processes which maximise colleague contribution and engagement

iii) Deliver the Trust's financial targets including an FRR Level 3, annual 5% efficiency programme and capital development plans

Within the context of 'Healthier Together', we agreed to develop with our Southern Sector partners in 2012/13 a collaborative approach to the strategic configuration of healthcare across East Cheshire, Stockport and South Manchester. In October 2012, we signed a Memorandum of Understanding with East Cheshire NHS Trust and Stockport NHS Foundation Trust to pursue a number of shared objectives, expected to be delivered over the next 3 years articulated below –

- Deliver an alternative and compelling vision for healthcare in the Southern Sector including the full integration of community and acute care
- Meet the challenge of 'Healthier Together' in all domains – stronger together – maintaining high quality community, secondary and tertiary services across the Southern sector.
- Linking into the Academic Health Science Network, Manchester Academic Health Science Centre and Local Education and Training Board to protect Teaching and Associate Teaching status, maximising research activity to the benefits of patients across the southern sector
- Sharing corporate functions to offer mutually beneficial financial efficiencies.

The three organisations are at the beginning of the collaboration journey which will be also shaped by the 'Healthier Together' review of healthcare across Greater Manchester. At present there is only a high level view, provided to UHSM by PWC, of the possible clinical and financial benefits of the collaboration, but we will work hard in 2013/14 to sharpen this view. All three Boards agree that this approach has the potential to offer significant strategic benefit for patient care, its effectiveness and affordability – but we are also aware that if it does not we must pursue alternative options. Early activity to support this work will include the articulation and definition of measurable outcomes to support these objectives, risk assessment and establishment of an overarching Programme Management Office to drive the collaboration. A Programme Director has already been appointed.

UHSM and Stockport NHS Foundation Trust have also commenced discussions with Tameside Hospital NHS Foundation Trust about collaboration across a number of corporate support and clinical support service lines. In May 2013, Tameside formally signed the Memorandum of Understanding which underpins our collaboration prinicples. Other Trusts in Greater Manchester have also expressed strong interest in joining our collaboration.

We are also clear that we and our partnerships need to be flexible to respond to the uncertain climate in which we are operating and that they need to include opportunities to exploit our specialist services across England and Wales. To this end we are already talking to a potentially significant partner about a national alliance.

We are very clear that our Southern Sector collaboration must also add to and build on our existing commitment to an open and honest culture of patient centred teamwork and leadership – emphasising the links to our own 'South Manchester Way'.

However, as we test our Southern Sector strategic objectives into our organisations over the next 12 months, we must maintain our own medium term objectives, which complement these.

These remain to deliver –

i) UHSM as the NHS Quality and Efficiency Leader

UHSM will constantly improve on our current position to become a Quality and Efficiency leader, improving the delivery of frontline patient care through an open culture of engagement with our colleagues and partners – 'The South Manchester Way'. UHSM has read the 'Francis Report' carefully and thoughtfully and it emphasises to us the absolute priority we already give in UHSM to the delivery of safe, high quality care, meeting all performance standards and abiding with the Terms of our Authorisation and registration with the Care Quality Commission. In 2013/14 and over the next three years we will take this further with a proactive and innovative approach to publishing our outcome data from across a number of specialty areas (UHSM is already leading the way with this with our publication regime for cardiac surgery).

Notwithstanding opportunities for collaboration in the Southern Sector, we are clear that we must maintain an ongoing approach to improving operational efficiency and productivity. Our efficiency programme for 2013/14 and onwards, will emphasise the wider gain we can deliver through constantly challenging and improving all of our processes. This approach will ensure that we continue to deliver financial stability (with a Financial Risk Rating of 3), whilst continung to enhance quality care and treatment. Our specific objectives for 2013/14 in this area are –

1) UHSM will make measurable improvements against a range of patient, colleagues, quality, safety and experience indicators
2) UHSM will make measureable improvements against a range of efficiency metrics
3) Deliver on service developments including vascular hybrid theatre, cardiac catheter lab replacement and IM&T investments, designed to enhance quality of care and affordability.

Each of these objectives has specific and measurable targets assigned to them as part of agreed Board Corporate Objectives.

ii) UHSM as a networked partner

UHSM recognises that our future security and independence will also rely on a series of networked partnerships with neighbouring, Greater Manchester and national organisations and partners who share our values, goals and ambitions. These are highlighted in our emerging Southern Sector partnership objectives, but also include our partnership objectives with the commercial sector through our MediPark development which we expect to crystallise in a joint venture with Manchester City Council and a private sector partner in 2013/14.

In addition we need to continue to work with our colleagues in Trafford as they move towards the implementation of a new model of care following the Consultation on a change to services in Trafford in 2012/13 – this will include ensuring that our strategy for integration of community health and social care services is aligned in both South Manchester, Trafford and across the southern sector to manage as many patients as possible outside of the hospital setting and to ensure that we work with GPs on the timely production of discharge and other correspondence to ensure GPs and patients and their carers have the full set of information available to them to ensure they can remain at home and not return to hospital. The integrated care work in Trafford is complemented by similar work in Manchester in which the Trust is a strong participant.

With expected changes in Trafford, UHSM is already seeing increases in non elective referrals and A&E attendances. Our response to the Consultation indicated that the capacity of our A&E department would need to be enhanced to ensure that the Trust could manage this increase and as such we have developed a business case for enhanced capacity for which we have requested Department of Health funding. We await the outcome of this request.

Our specific objectives for 2013/14 in this area are –

4) UHSM will work with the Southern Sector alliance to develop a model of sustainable healthcare delivery
5) UHSM will continue to deliver integrated care services in collaboration with public sector partners
6) UHSM will work with partners to deliver the first phase of MediPark

Each of these objectives has specific and measurable targets assigned to them as part of agreed Board Corporate Objectives.

iii) UHSM as an Education and Research and Development (R&D) Leader

UHSM will continue to develop our position as a leading provider of education, training, research and development, particularly by building and protecting our areas of specialist strengths. In education, we are already positioned as the leading provider of non medical education and training, hosting a number of clinical education networks. We have a national and international reputation for the delivery of high quality education and training, including hosting the Gulu-Man link, the largest Glocal Health Educational luink in the UK, the Uganda-UK Alliance. With MediPark, we are hoping to attract additional international training and education organisations to our site. Our R&D strategy includes an emphasis on fostering a culture of innovation as we deliver services to patients. This will include encouraging the use of technology to improve processes and procedures – particularly IM&T and the ongoing replacement of equipment with up to date models which offer superior levels of connectivity and assistance to clinical led decision making. At the same time we will ensure that our clinicians are empowered to develop new techniques and harness the benefits of their research. Across the Southern Sector we are already forming strong management and clinical relationships in R&D and have already begun to implement a networked management approach to R&D which will support all three organisations. Our specific objectives for 2013/14 in this area are –

7) UHSM will embed and further enhance its learning culture
8) UHSM will further develop R&D

Each of these objectives has specific and measurable targets assigned to them as part of agreed Board Corporate Objectives.

2) An overview of the Trust's key competitors and an assessment of the Trust's key areas of strength/weakness relative to the key competitors; Forecast health, demographic, and demand changes; and Impact assessment of market share trends over the life of the plan.

In 2012/13, UHSM worked with PWC to analyse our external environment, strengths and weaknesses and key competitors. This analysis informed the Board decision to pursue development of the Southern Sector alliance. Over the next few years the NHS, like many healthcare systems around the world, will have to cope with an ageing population, rising healthcare needs, increased expectations and a constrained fiscal environment. As a result there are a number of trends that will impact the Greater Manchester health economy and UHSM in the near future including:

Changing demographics and demand patterns

The Greater Manchester and Cheshire regions are seeing overall population growth and above-average increases in the incidence of and demand for treatments for specialist medical conditions. This offers the Trust some opportunities to grow it's specialist cardiac, respiratory and cancer services, but also means the Trust has an ongoing challenge to ensure that capacity is released (through integration models of care closer to home) to ensure we can treat this increased specialist activity.

Changing models of specialist service provision

Advances in clinical practice and safety requirements have stimulated the re-shaping of specialist service provision, with a move towards the provision of larger-scale, truly specialist services at fewer locations (e.g. with a single specialist centre serving a whole region rather than just a local catchment population). For UHSM, we are clear that we have a role as the primary specialist acute provider in the Southern Sector, working with our partners to deliver clinical and financially resilient specialist services covering our population of over one million patients.

Changing models of hospital and community service provision

Conversely, clinical practice and economic forces are forcing providers to seek to provide less complex elective services locally (within Withington Community Hospital, which the Trust acquired in 2013 for example), and for outpatients and diagnostics in a community setting, wherever possible. Hospitals are thus faced with a choice of either adjusting their service delivery models to offer those services, or integrating with, or ceding volumes to, other providers. A case in point in this regard is Trafford, where a consultation on service change was carried out in 2012/13 and which recommended a change to service provision on the Trafford site from including a 24 hour A&E service and overnight inpatient acute and elective surgery to one of an Urgent Care Centre closing at 12 midnight and no acute surgery. This will have an impact on UHSM from a non elective flow perspective, particularly in relation to A&E attendances, where we have developed a Business Case for enhanced capacity within our A&E and assessment beds, but will offer opportunities for UHSM to

attract elective flow that will no longer be treated on the Trafford site.

Challenges to provider viability
Financial pressures and redistribution of service volumes due to clinical model adjustment have left some providers, and in particular smaller Foundation Trusts, struggling to maintain both clinical and financial viability. We recognise that we need to work together with partners to deliver financially sustainable services across a wider footprint, in order to meet the challenges we face in terms of financial and clinical sustainability. This is at the heart of the development of our Southern Sector model which we see as potentially enabling us to develop a response to these issues of provider viability.

The providers who compete with UHSM are a mix of larger acute trusts with significant specialist services, and smaller, more local providers

UHSM competes in three broad sectors – a Greater Manchester sector, a South sector that encompasses Central and Eastern Cheshire, and a broader catchment area that goes beyond those two sectors, from which specialist referrals are drawn and including the rest of England and the UK. These sectors are not entirely discreet; some patients from the Southern Sector do travel to Greater Manchester for treatment and vice-versa. However, UHSM predominantly competes with providers to its North and East for patients from Greater Manchester, and with a different set of providers from further South for referrals from Cheshire and Derbyshire. It is recognised that there are opportunities to grow specialist referrals from outside the Greater Manchester area.

In 2012/13, PWC presented competitor analysis against a review of a number of service lines including cancer, cardiac, orthopaedics, burns and plastics, respiratory and head and neck services. It is clear that the Trust maintains a competitive advantage in the delivery of cardiac, burns and plastics, and respiratory services and faces some competition in orthopaedics and head and neck services. The analysis offered detail by organisation on the competitive challenges to UHSM.

Whilst it seems clear from this report that the Southern Sector alliance offers opportunities, we will also undertake risk assessments and due diligence for the proposed collaboration to ensure clear visibility on opportunities and challenges as proposals for collaboration emerge. This will be a key part of Board decision making processes.

3) Threats and opportunities from changes in local commissioning intentions

- **An overview of the key changes to local commissioning strategy and intentions and their anticipated impact on the Trust.**

UHSM has a good relationship with its main commissioners and meets them on a regular basis to share information in respect of strategy and performance.
In 2011/12 UHSM responded to adverts for Any Qualified Provider (AQP) for direct access MR scanning, audiology and podiatry and has commenced marketing these latter two services. Impact to date has been minimal, but ongoing market share analysis is undertaken to understand where and if referral patterns are changing. Close discussion is maintained with commissioners to understand where and if further AQP tenders will be issued.

The most important strategic issue and potential challenge from commissioner led discussions is the 'Healthier Together' review of healthcare across Greater Manchester. Healthier Together is a review of health and care in Greater Manchester. This includes primary, community and hospital services and the impact on social care. It is led by NHS Greater Manchester on behalf of the area's twelve Clinical Commissioning Groups (CCGs). The Healthier Together programme aims to develop a model of care that will help the NHS and other care providers in Greater Manchester provide quality services that are safe, accessible and sustainable for future generations. It will consider how best to provide the right service, at the right time, in the right place to achieve the best outcomes within the resources available.

The clinical workstreams have been streamlined into four areas and are:

- Urgent and emergency care (including acute medicine)
- Acute surgery
- Women and Children

- Primary care

This review will inevitably lead to a challenge to the current configuration of healthcare services in Greater Manchester, linked to clinical and financial resilience. The UHSM response to this review has been to link to our partners in the Southern Sector to offer to commissioners a geographic footprint which will deliver compliance with a range of service specifications and offer opportunities for cross organisational efficiencies. In the medium term UHSM sees opportunities within the 'Healthier Together' review to solidify its position as a tertiary provider of services, with the cessation of the delivery of specialist services from smaller District General Hospitals and the transfer of this activity into larger tertiary centres. At the same time through collaboration across the Southern Sector we aspire to deliver clinically and financially sustainable services across all these clinical areas for our combined population, particularly in relation to Improving Outcomes Guidance (IOG) for cancer services. Our vision will be to deliver this over the next three - five years of our collaboration.

In Manchester under the auspices of the Health and Well Being Board (HWB). An integrated care bluieprint is being produced, which will describe how we could build our out-of-hospital services to support our population and shift care from our hospitals. Each of the 8 public-sector organisations in the City, which are members of the HWB (the City Council, the CCGs and the Acute Trusts) put forward their senior leader for integration to form a "blueprint group" to undertake this work. Some of this work will be piloted in 2013-14. The pilot will allow for greater understanding of the potential impact upon UHSM, in terms of A&E and non-elective activity reductions.

- **Analysis of how the Trust's demand profile and activity mix has evolved over recent years and what changes are forecast; and**

UHSM has seen, on average, year-on-year growth of 1% in new outpatient attendances and 4% in review outpatient attendances since 2010/11. New outpatient attendances are forecast to increase by around 6% in 2013/14; this level of annual growth is expected to reduce to around 2% in the following two years to 2015/16. Similarly, review outpatient attendances are forecast to increase by circa. 4% in 2013/14, with annual growth halved to approximately 2% in 2014/15 and 2015/16.

There has been a shift from elective inpatient to elective day-case activity in the three years from 2010/11. Whereas elective day-case activity has realised average year-on-year growth of 3.6%, elective inpatient activity has decreased by an average of -2.6% each year. This trend is set to continue with elective day-case activity forecast to grow by around 3% each year to 2015/16. Elective inpatient activity is forecast to reduce by approximately 2% in 2013/14 followed by annual reductions of -2% in 2014/15 and 2015/16.

A&E activity has grown by c.2 – 3% a year over recent years and is modelled to grow by a similar percentage going forward. For 2013/14, there is a 9% increase in A&E attendances, related to the incorporation for the first time of activity from the Wythenshawe Walk In Centre which was transferred to the UHSM site in 2012/13.

Non-elective inpatient activity has grown, on average, by 4.8% year-on-year since 2010/11; it is forecast to increase by around 6% in 2013-14 and 1% thereafter.

It is recognised that this modelling does not yet take into account any activity shifts which may come by as a result of changes to service configuration in the Southern Sector. Any such changes would be modelled into detailed activity and financial plans prior to implementation. There are no such assumptions included within the current modelling.

- **Details of how the Trust is diversifying its income streams**

Medipark

In 2012/13, UHSM has taken significant steps to bringing to life a vision for securing a diversification of income streams through the establishment of the Manchester MediPark. Manchester MediPark is a unique opportunity to develop a world class biosciences and healthcare initiative with a remit that focuses on production and manufacturing within a research led environment. The Medipark forms part of a wider cluster of businesses, academic institutions and hospitals situated within the South Manchester 'Corridor'. Taken in aggregate, the Corridor represents an internationally important economic growth cluster at the heart of the Greater Manchester conurbation.

Situated within the Greater Manchester Enterprise Zone in close proximity to Manchester

International Airport, the MediPark will support a range of health related businesses and supporting uses focused on UHSM. Occupiers at the MediPark will benefit from the connectivity of the airport and the financial incentives provided by the Enterprise Zone (EZ). The MediPark will provide high value employment positions and economic growth for Greater Manchester and to UHSM over the next 15 years. MediPark will be developed by a Special Purpose Vehicle (SPV) bringing together the land assets of UHSM, Manchester City Council and a private sector developer. In this way UHSM can retain a significant interest in the proposed development but protect itself from risk by tasking an arms length company to manage the development.

Occupiers will benefit from the advantages presented by being located adjacent to a hospital with a commercial and proactive approach to knowledge transfer, clinical trials, training and product development. UHSM, as a world class research hospital and centre of clinical excellence, is supported by the University of Manchester and the Manchester Academic Health Science Centre. These relationships will be fundamental to the development and commercialisation of drugs, medical devices and treatments for the life science companies located within the MediPark and the development of international training and education facilities.

The development of relationships between companies and UHSM should facilitate innovation in the delivery of services and deliver benefits in the quality of healthcare provided to hospital patients. In 2013/14 the SPV is expected to be approved and first occupiers are expected to be in situ during 2014/15.

Private healthcare services

UHSM has no private patient facilities or plans to provide any. There is potential strong demand for private patient services by other providers interested in developing services close to UHSM, given the location and reputation of the Trust. In 2012/13 the Trust has been in discussions with the number of private healthcare providers about potential partnership arrangements and these will be taken further in 2013/14 with the agreement of an expected preferred partner arrangement. This has linkages to the MediPark development.

Research and development

In relation to R&D, UHSM has taken significant steps over the past 12 months to reinvigorate our approach to R&D, with a restructured corporate team and new clinical lead. UHSM is currently bidding to host all North West Research Networks and also bidding for a number of nationally led networks. This is grounded in our strategy of becoming a research led organisation, supplementing existing income streams with more commercially driven sources of income, linked to our core specialisms and exploiting more fully our intellectual property.

4) Collaboration, Integration and Patient Choice

- **Plans to integrate services to provide better care and/or increase efficiency;**

In 2011, UHSM, South Manchester Clinical Commissioning Group and Manchester City Council formed a vision for the implementation of health and social care integrated teams in the community. Partners agreed to a number of principles one of them being that we wanted to ensure that only patients who needed hospital care would be in hospital. Following the work of the resultant business change groups in Unscheduled Care, Planned Care, End of Life and Long Term Conditions, pilots were commenced and a service model of integrated neighbourhood teams was agreed. The pilots were designed to provide information on the activity and capacity of the future neighbourhood teams. Since the successful conclusion of the pilots, additional investment has been provided by South Manchester Clinical Commissioning Group to accelerate the implementation of the integrated neighbourhood teams. Integration is a key strategic priority for UHSM over the next three years with the aim of deflecting inappropriate A&E attendances and admissions into more appropriate locations of care and expediting the discharge of patients from acute settings who can be better treated in their own homes or the community. The aim is to target the 20% of patients at greatest risk of acute admission and reduce the likelihood that these patients – many with long term conditions – will be admitted to an acute setting. Over the next two years this programme will move from establishment to delivery, monitored through a series of metrics such as bed day savings and admissions avoided. This programme is at the heart of our attempts to manage increases in emergency demand.

- **Development of partnerships and collaborations with other providers; and**

i) Collaboration in Greater Manchester

UHSM has a strategic objective to become a networked partner – recognising that in the current NHS climate, operating without a clear view of how collaboration could offer strategic advantages in

	respect of clinical and financial resilience is not possible. Our development of partnerships and collaborations with other providers will be at different levels. In Greater Manchester we are already collaborating with a range of providers and commissioners in the Manchester Academic Health Science Network (MAHSC), which will be subject to a reaccreditation process over the next12 months, and in the formation of the Academic Health Science Network (AHSN). This is levering us opportunities to develop a world class research and development offer for Greater Manchester over the next three years which will enhance our ability to manage through the clinical and financial challenges we face. Outside of research and development, UHSM is collaborating with Central Manchester NHS Foundation Trust and Salford Royal NHS Foundation Trust in the delivery of major trauma services for the Greater Manchester conurbation. The three sites have been reaccredited for a further year, but a further strategic review of trauma services will take place in 12 months time. **ii) Collaboration in the Southern Sector** In the first section of this plan we articulate the broad plans we have progressed to develop a Southern Sector partnership in Greater Manchester to meet the dual challenge of our own clinical and financial resilience and the review of healthcare services in Greater Manchester – 'Healthier Together'. The Southern Sector partnership is being led through a Chief Executive led Programme Board and will be supported by a dedicated Programme Management Office. A Programme Director has been appointed. Over the next three years, we expect that the programme of collaboration could deliver on the strategic benefits outlined but that in 2013/14 we need to develop more detailed plans to explore and unearth these possible benefits. For 2013/14 UHSM has set a separate corporate objective to see an agreed plan being implemented for collaboration across the southern sector in a range of specialties and in all non clinical support functions. This work will also include careful risk assessment of the opportunities for collaboration and not preclude other collaborative relationships both horizontally and vertically. In addition to these core members, UHSM and Stockport NHS Foundation Trust are also in discussions with Tameside Hospital NHS Foundation Trust about collaboration with that organisation across a number of clinical and corporate services, in line with the objectives agreed and presented above. **iii) Consideration of impact of proposals in relation to competition rules (CCP etc.) and patient choice, where applicable.** The three parties in the Southern Sector and discussions with Tameside have considered carefully the impact of their collaboration proposals on competition rules and on patient choice. As our proposals develop and particularly where they concern specific services we will work with commissioners and the CCP to ensure that patient choice is protected and that our collaboration is not contrary to rule on competition. Our overriding strategic objectives are about keeping services and access local, within a framework of clinical and financial resilience.
Approach taken to quality (including patient safety, clinical effectiveness and patient experience)	**5) Quality** • **An outline of existing quality concerns (CQC or other parties) and plans to address them;** • **The key quality risks inherent in the plan and how these will be managed; and** • **An overview of how the Board derives assurance on the quality of its services and safeguards patient safety. (Trusts may find Monitor's Quality Governance framework helpful in appraising quality arrangements).** **UHSM Approach taken to quality -** (Including patient safety, clinical effectiveness and patient experience) Our intention in 2013/14 and to 2015/16 is to continue to deliver the highest levels of patient care, quality and efficiency by reducing mortality, reducing harm, providing reliable care and improving the patient experience in both hospital and community settings. UHSM priorities for quality improvement will include the following: • Treating patients with care and compassion, providing them with privacy, dignity and respect in all care settings including ensuring single sex accommodation in hospital. • The Trust will continue to review its processes for the monitoring of mortality and morbidity with

	the aim of a further improvement in Mortality rates • A zero tolerance approach to healthcare infection with a focus on reduction in Clostridium difficile numbers • Achieve national CQUIN targets to improve care, including those for dementia, the national safety thermometer, the Friends and Family Test and the 95% VTE assessment. • To reduce readmission, length of stay & further improve our discharge arrangements • Publishing outcome data in a transparent way In line with the key recommendations from the Francis Report, the Trust will remain committed to ensuring that are we engaged with, and listening to, our patients and employees through a variety of initiatives. Regular executive Safety Walkrounds will continue in 2013/14 and have now been extended to include non-executive directors and colleagues from the Clinical Commissioning Group (CCG) and community services. Clinical and Privacy & Dignity Rounds including in the community will continue to be led by the Chief Nurse to ensure that high quality care and treatment is being delivered to our patients. Ongoing training and education for all clinical colleagues is crucial here and in partnership with our UHSM Education Academy we will continue to deliver programmes of training aimed at ensuring maximum compliance with mandatory training requirements, but also using our in house developed schemes such as Sage and Thyme to encourage open and compassionate levels of communication and culture within our clinical teams. The 2013/14 UHSM Nursing Strategy will focus on the delivery of the Chief Nursing Officer's 6 C's (care, compassion, communication, competence, courage and commitment) forming the basis of the nursing strategy and objectives including the identification of individual staff training needs at staff appraisal and on-going leadership deveopment programmes. As part of our commitment to Duty of Candour we will continue to promote a number of initiatives including delivery of our training programme 'The Way We Listen to People' and further develop the real time video stories as part of the patient experience challenge. The Board will continue to receive regular feedback from patient stories at their meetings. From 1st April we will also introduce the Friends and Family Test question to help understand what our patients think about the quality of care and treatment delivered in UHSM. The Board will continue to receive assurance and be made aware of risks to safety and quality through a number of sources including, the monthly Quality Dashboard which will contain performance metrics related to mortality, safety, clinical effectiveness and patient experience. Information related to incidents, complaints and claims data including, trend analysis and outcomes and recommendations from serious incidents, will continue to be provided to the Board and through Directorate and specialty governance meetings. The two sub-board committees, Healthcare Governance and Risk Management will continue to monitor and escalate to the Board any matters that pose a risk to the safety and quality of the service that UHSM provide. The Trust will continue to develop its programme of clinical audit and effectiveness and this will be aligned to relevant national audits, Best Practice guidance, CQUIN indicators, NHSLA standards and locally agreed audits arising from for e.g. incident investigation and the review of mortality data. Engagement with our commissioners as the newly formed CCGs will remain a priority. We will work to develop and embed the goals we have developed with our commissioners for CQUIN, including national, GM and local projects aligned to stroke, continence, end of life care and a new initiative 'Learning Lessons Once' to help prevent errors and system failures related to serious incidents, complaints and claims. The Trust has not received any improvement notices during 2012/13 and has received three compliant CQC reports but will continue to monitor and report on areas flagged as part of the Care Quality Commission Quality and Risk Profile.
Clinical Strategy (Consistent with information contained within the Trust's published	**6) Service Line Management Strategy:** • **The Trust's overall clinical strategy over the next three years;** Our quality and safety ambition is to provide amongst the safest and most reliable healthcare system anywhere in the NHS by reducing mortality, complications and harm arising from our service provision. We will deliver a programme of safety interventions that will enable colleagues to provide a safe and high-quality service leading to the best experience for our patients. Our efforts are concentrated on a number of key of interventions which we believe will have a

Quality Account).	significant impact on lowering mortality, improving reliability and reducing harm. We aim to be the safest organisation in the NHS as well as the first choice care provider for our patients. To achieve this we will continue to work on a portfolio of projects that improve the safety of the care that we provide to patients but also improve their experience of that care. We will continue to focus our attention on projects that will reduce mortality and harm and improve the patient experience. The high level safety and quality indicators set out in our previous Annual Plans and reaffirmed through review in 2012/13 are to: - **Reduce mortality** - **Reduce harm** - **Provide reliable and high quality care** - **Improve patient experience** - **Align research to direct patient benefit** Essential factors that are required to deliver the vision for the next three years in respect of clinical and quality strategy are identified as follows: - Ensuring that through the implementation of our agreed People and Organisational Development strategy, our colleagues are able to operate in a highly motivated team based workforce, where standards of morale are as high as possible, given the challenges we face. - Partnership working with Clinical Commissioning Group (CCG) members, Local Authority and Health and Wellbeing colleagues to ensure all priorities are aligned and reflect the needs of the local communities. - Leadership of relevant work streams demonstrating commitment to the quality, safety and patient experience agenda. - Executive and Board commitment to the above agenda recognising the drivers for change to provide an enhanced patient experience - Monitoring and reviewing appropriate and solid governance arrangements for clinical service collaborations across sites, particularly in the Southern Sector, to ensure that services operate in a seamless manner across organisational boundaries. This includes collaborations such as trauma and cardiac services; and; - Using our extensive programme of clinical audit to assure and make recommendations on continued quality and safety improvement Our Governors play a central role in reviewing and developing our plans around patient experience and particular involvement in our formal and informal PLACE (Patient Lead Assessment of Clinical Environment) inspections and interactions with our Members on their priorities for UHSM. • **The Trust's service line strategy over the next three years;** In our 2012/13 Annual Plan we articulated three core tenants of our service line strategy. The below commentary provides an update on these three core areas. We will be undertaking a service line by service line review of our clinical strategy in 2013/14, in response to the emerging outcomes of 'Healthier Together'. However our core priorities – as articulated below remain at the centre of our approach and response to 'Healthier Together' - **i) Protect and develop core business in our immediate locality** including A&E; General medicine and surgical services; Diagnostics and therapy; community services. Working in tandem with Manchester City Council and South Manchester Clinical Commissioning Group, we have an agreed strategy in place to drive forward transformational change through a joint approach to the integration of acute, community based and social care teams. This includes targeting patients who are at high risk of admission for respiratory and diabetes related illnesses and new neighbourhood teams who are now working across our community and social care services. We will continue to drive forward this approach in 2013/14 and onwards to 2015/16. It is wholly related to our ambition to deliver a dehospitalised and patient centred approach to care across our health community. In addition we are working closely with colleagues in Stockport, Tameside and East Cheshire to create a Southern Sector approach to integration and believe this may have the opportunity to lever significant benefits. **ii) Develop specialist services offer for specialist care** – particularly Cardiology/Cardiothoracic Surgery – including our national ECMO Centre and Transplant Centre status; respiratory; cancer; burns and plastics, gynaecology & Level 3 neonatology and major trauma. In all of these areas we are pursuing strategies to protect and enhance our service offer. From collaboration with Central Manchester Hospitals NHS Foundation Trust and Salford Royal NHS Foundation Trust on major trauma care (where we have been reaccredited to run this service for a further year to March 2014), to enhancing partnerships with District General Hospital neighbours in other areas, we are clear that

as the 'Healthier Together' review proceeds, there will be a displacement of activity. UHSM will respond to these changes through a flexible approach to capacity utilisation and more efficient management of the demand placed on our non elective services.

iii) Pursue a developmental strategy for asset utilisation & commercial opportunities – In 2012/13 we have taken the MediPark concept referenced in the previous Annual Plan to the next stage of delivery. Over the next 3 years we will take Medipark from an outline strategic framework into delivery with the formation of a Special Purpose Vehicle with key partners, the identification and contractual signature of a number of key anchor tenants and the delivery of the first stage of the development. In January 2013, Manchester City Council approved an outline Regeneration Framework for the MediPark which firmly positions MediPark within the City Council's Regeneration Framework.

iv) The inputs the Trust used to develop this strategy (e.g. SLM, benchmarking etc).

In 2012/13 the Trust engaged with PWC to work with them on the development of the proposals for the southern sector partnership. This analysis included reviewing performance and benchmarking data, patient referral patterns, market share patterns and discussions with commissioners in relation to future commissioning strategic plans and aspirations. This analysis also included a desktop SWOT analysis of a number of existing UHSM service lines and comparison of UHSM strengths and weaknesses to an analysis of competitors to inform an option appraisal of future strategic choices for the Trust.

7) Clinical Workforce Strategy

- **An overview of the clinical workforce strategy (covering doctors, nurses and other key clinical group**

i) Clinical Workforce Strategy – acute model of care

As part of a commitment to improving quality, safety and patient experience, the Board of UHSM mandated a move towards 7 day models of care. To deliver this in 2012/13, UHSM undertook a full and extensive review of its acute medical and internal medicine services. The review focused on how the Trust can further improve the way in which acute medicine and general internal medicine is delivered. The main aim was to ensure we deliver safe, high quality services through a new model of care for general internal medicine. This will meet Royal College of Physicians guidance on delivering optimum levels of acute medical care.

Following a consultation exercise with all the staff involved a new model of care has been developed and is to be implemented. It is envisaged that this will be implemented by the summer of 2013.

The proposed model of care will support the Trust in delivering the organisational objectives relating to urgent and unscheduled care services. It will also ensure that safe alternatives to admission are available for all patients, thus reducing the need for unnecessary hospital admissions. In those cases where a hospital admission is necessary, the new way of working will ensure that length of stay is minimised whilst maintaining the delivery of safe and effective care.

This proposal will also require us to review and develop the way in which we work with other support services (Pharmacy, Radiology, Therapy services) and agencies, such as social services. We are committed to working with our local commissioners and GPs to provide appropriate high quality, responsive intermediate and ambulatory care services in order to ensure the timely and safe transfer of patients to the most appropriate discharge destination.

The new model of care - *'Every Ward, Every Day'* has been developed in order to address how UHSM will respond to service needs and patient demand, providing benefits for patients, carers and staff. Our vision is to provide:

- Strong leadership for Acute Medical Unit (AMU) and general internal medicine
- Consultant led service in AMU
- Whole systems approach to seven day working, improving out-of-hours and weekend coverage
- Redefined operational policy for GP Assessment Unit
- Admission prevention where clinically appropriate
- Early diagnosis and intervention
- Reduction in the number of ward transfers, thus minimising the number of medical outliers
- Early supported discharge
- Improved 7 day access to diagnostic and therapeutic management of patients presenting with an

upper GI bleed
- Upper GI bleed out-of-hours service provision subject to a formal rota
- Community discharge pathways in partnership with social care

The new model of care will introduce 7 day working for Consultants. As a consequence of these changes the Trust is looking at the interconnecting disciplines with a view to increasing the services that provide 7 day cover and improving the quality of care provided.

ii) Nursing Workforce strategy

A comprehensive review of our nursing workforce has been undertaken. Building upon reviews by Ward Managers that have been reviewed by Senior Nurse leaders and taking into account patient dependency figures inputted into the Association of UK University Teaching Hospitals dependency tool and then cross referenced to national guidance. This has enabled us to ensure that we have the appropriate nursing and support workforce on our wards and departments to meet the needs of our patients. With a 'live' systems to manage both the long term and short term staffing challenges – ie sickness absence.

iii) Key Workforce Pressures

UHSM has undertaken an assessment against the key Royal College standards (see next section) and is making solid progress towards meeting these, particularly with the introduction of the 7 day model of acute medical care, which will be in place by August 2013. However in order to deliver on cost efficiency targets, the Trust has also looked at workforce productivity to ensure that costs can be contained and reduced where possible. Over the past three years, the Trust has undertaken workforce reviews in a number of workforce areas and over the next 12 months will undertake further reviews with an ongoing concentration of effort on reducing agency and bank expenditure.

Going forward, through our collaboration plans with our Southern Sector partners, there may be opportunities to mitigate workforce pressures through collaboration and shared workforce arrangements, particularly in smaller specialties and hard to recruit areas, coupled with opportunities to consolidate our respective corporate support functions.

The impact of the Workforce strategy on costs (short-term and long-term)

There is no doubt that the challenging economic climate will prevail for some time to come and we will continue to find ourselves in a competitive environment with other healthcare providers.

Providing the Best Patient Care through the Best People will mean developing and/or revising some of our processes, structures, systems and leadership and management practices, ensuring they are aligned to the organisational climate we are working towards. This premise forms the basis on which the People and Organisational Development strategy was developed.

It therefore follows that the role of the People & Organisational Development Directorate is to support sustainable organisational transformation and achievement of the vision and strategy by:

- Ensuring that we have the right people, in the right place, at the right time, with the right skills, attitude, behaviours and approach.
- Ensuring we maintain and embed The South Manchester Way to drive a high performance culture.
- Ensuring we are as cost effective as possible

This can be summarised as:

Increasing the availability of people through effective workforce planning, leading to timely and appropriate recruitment and retention, improving attendance, robust talent & succession management and career development, all of which secures skilled, flexible people for a sustainable 7 day organisation.

Improving the capability of people through effective people management and individual performance appraisal and the provision of appropriate and timely education, learning and development.

Creating a positive environment which fully engages our people through management and leadership development, organisational development, internal communications and involvement, inclusivity, best practice People & Organisational Development policies and effective employee relations.

	Achieving the objectives against a backdrop of significant cost improvement will be a challenge, it is important that we develop the capability of our people in order to ensure the organisation maximises efficiencies such as improving attendance rates, improving the performance and capability of all our staff, ensuring that recruitment is fast and effective but above all we get the best people recruited. It is imperative that we are able to identify talent to ensure we retain those with key skills and experience. The delivery of the People and Organisational Strategy has never been so important on the back of the Francis Report and its recommendations.
	8) Clinical Sustainability • **Identification of which of the Trust's services could potentially lack critical mass (defined by Royal Colleges etc.); Identification of which services have consultant cover below those recommended by Royal Colleges etc. (link to financial template);** We have taken the standards as articulated below through the various Royal College guidelines to help us understand where we sit in relation to compliance with Royal College guidance. In summary – - With the completion of the implementation of the 7 day Medical model by August 2013, UHSM will meet Royal College of Physician guidance. Additional recruitment has taken place in A&E in relation to the designation of UHSM as a major trauma centre. In common with all A&E departments, delivery of the College standard remains a challenge, but is kept under review. - UHSM meets the standards for emergency unscheduled surgical care and is reviewing the risk scoring system to enable clinicians to predict mortality and manage high risk patients suitably, in line with guidance - UHSM meets the Obstetric and Gynaecology standards for the number of births delivered from our maternity unit and with some reconfiguration of job plans in 2013/14 will meet paediatric guidance. • **Innovations in care delivery developed at the Trust or in conjunction with partner organisations.** UHSM has an established transformational programme in place which is looking at a number of areas of innovation and transformation. These include, but are not limited to, – ***i) Enhanced recovery*** Enhanced recovery provides many benefits for the patient and the organisation. Patients can expect an improved patient experience, improved clinical outcomes and a reduction in the need for ongoing care and intervention. For the organisation it enables a reduced length of stay, shorter pathways/reduced waits, increased capacity, improved cost efficiency and is aligned to the quality standards. Evidence suggests that the key elements of enhanced recovery are - Optimising the pre-operative health within primary care, admission on day of surgery, active early planned mobilisation and discharge once predetermined criteria achieved ***ii) Productive Series*** The Trust continues to implement the 'Productive' series of programmes including the Productive Ward and Productive Theatre. These programmes are implemented in line with 'The South Manchester Way', whereby we look to engage with colleagues at all levels in the organisation to drive improvements. All wards are now involved in the Productive Ward programme and a programme of implementation and roll out is in place for the Productive Theatre, metrics for which are monitored at Board level. ***iii) ASPIRE programme in community services*** Acute Social & Primary Integrated Respiratory Care Engagement is being piloted within UHSM respiratory services. The underlying principle of the service is that it is offered to all respiratory patients irrespective of their respiratory specific condition. The service is provided to residents of Stockport, Trafford and south Manchester. Relevant patients are referred to a Clinical Co-ordinator by a senior Physician and she assesses whether in collaboration with existing community services, she can facilitate the continuation of their hospital care closer to home. This may be at the patient's own home or on an ambulatory basis if that is more appropriate. Whilst the patient is cared for by the ASPIRE team, they remain within the accountability of the Hospital Consultant. This service is being rolled out and is already seeing patients prevented from admission to hospital and managed within their own homes. ***iv) Managed service catheter labs*** From June 2013, UHSM has agreed with Medtronic Inc. that following a competitive procurement process, Medtronic will take over the management of equipment

	within the UHSM catheter labs. This offers an exciting opportunity to create a European reference site for the delivery of cardiac catheter lab services, as it will be the first UK site for Medtronics Hospital Managed Solutions venture. Improvements are anticipated in cath lab productivity, efficiency and deployment of leading edge technology and support. For UHSM this represents an exciting opportunity to solidify its place within the cardiology and cardiac surgery market. ***v) Hosting of the North West Practice Educators Network*** from 2013/14, UHSM will host this important clinical network, which aims to ensure the delivery of best practice outcomes in nursing, delivering against the aims and objectives of the NHS nursing strategy.
	9) An overview of potential productivity and efficiency gains built into plans, including financial impact of projected gains, in areas such as: • **Length of stay;** • **Bank and agency spend;** • **Bed occupancy** • **Theatre productivity;** The Trust needs to deliver an efficiency target of 19m in 2013/14 which represents 5% of the operational cost base (excluding PFI and hosted services). Future years are also predicted on a similar efficiency requirement. For 2013/14 our approach to cost improvement is based on a benchmarking exercise which was undertaken to identify areas where there continues to be scope for savings to be made, coupled with the application of savings targets for all corporate services. Across a range of indicators, UHSM is positioned within the pack for acute providers and ratios of doctors and nurses and doctors per bed indicated limited scope for improvement without adverse impact on standards of care. The following areas have been identified and will be constructed as ongoing workstreams, with the aim of delivering continuous improvement in levels of efficiency and productivity in these areas – - Theatre Utilisation The key strategic objective of this workstream is to deliver 90% utilisation, increase productivity and reduce cancelled operations. - Outpatients The key strategic objective of this workstream is to deliver 90% slot utilisation, increased productivity, a reduction in DNAs and an overarching workforce review. - Sickness Absence This is a new workstream following on from the workforce modernisation programme that has taken place over the last three years. A key strategic objective of this workstream is to reduce overall levels of sickness absence and review workforce structures to remove prospective cover/establishment from rotas. - Medical Workforce The key strategic objective of this workstream is to reduce expenditure on locum/Agency staffing and review rotas to ensure maximum levels of productivity in line with revised Job Planning guidance. - Procurement The key strategic objective of this workstream is to deliver further savings from clinical engagement in procurement decisions, particularly the standardisation of product groups and more effective materials management. This will be a project that we will run across the Southern Sector to take advantage of strategic savings where cross organisational working could deliver enhanced levels of savings. - Nursing workforce The key strategic objective of this workstream is to deliver further savings from reductions in

expenditure on Agency and Bank nursing and reviews of shift and break patterns and to link to the strategic workstream on sickness absence.

Alongside the strategic workstreams tactical CIP is being delivered across the Directorates and back office functions aimed at reducing costs further. A final strand of the CIP programme for 2013/14 is Trust wide income. Income schemes are made up of increased clinical income relating to improved recovery of tariff, repatriation of activity, and increased non-clinical income driven from improved service line management and expanding services.

10) CIP governance

- **An assessment of historic performance, including main drivers, and necessary further action to ensure future delivery; and**

Since 2010/11UHSM has delivered cost efficiencies of over £40 million. Savings delivered in 2012/13 totalled £16.9 million compared to £16.5 million in 2011/12.

Over the past three years, performance has been driven by a range of strategic and tactical savings programmes across ten areas. The drivers for these savings have been a clinically led dialogue about improvements to efficiency based on ensuring that 'High Quality Care Costs Less' which has been the driving force for our efficiency programme. All schemes are risk assessed prior to delivery to ensure that there is no untoward impact on the quality of patient care, either directly or indirectly. This assessment is tested after implementation to ensure that there have been no unforeseen consequences.

We recognise that we need to adopt a new approach to transformational efficiencies going forward for the next three year planning cycle. This will include planning for sector wide efficiencies in 2013/14 and beyond across our partners in the southern sector, based on a range of workstreams, intended to deliver further cost efficiencies for all organisations.

It is vital that we galvanise collaboration in 2013/14 to deliver on these objectives and meet the challenging financial targets we have for future years. Key to this is the establishment of a Southern Sector Programme Management Office and Programme Team. A Programme Director has been appointed.

- **An overview of PMO, leadership and assurance arrangements for the life of the Strategic Plan.**

In 2012/13, we delivered an efficiency programme of £16.9 million, which was a £0.6 million slippage on plan, but still represented savings of 4.8% of budget. The full year effect of savings schemes will reach the £17.5 million target.

In 2012/13 we have reviewed our efficiency programme and refreshed the leadership arrangements. However our efficiency programme remains a managed programme, which operates across a number

	of strategic savings programmes. Each scheme has a target agreed with it and then plans have been iterated through 2012/13 towards agreement in early 2013. UHSM has a strong track record of delivering CIP over the past three years. Accountability for the delivery of CIP is enshrined in Corporate Objectives as a unitary Executive Team responsibility although the direct leadership of the efficiency programme lies within the domain of the Executive Director of Finance, who is closely supported by the Chief Operating Officer and other Executive Directors. The Programme Management arrangement is led by the Associate Director of Operations, who reports to the Chief Operating Officer. This role is supported by an Assistant Director of Finance and an Information Manager, to ensure robust and timely monthly reporting. In 2013/14 we have refreshed the Programme Management arrangements so that operational and efficiency related financial performance is monitored through a monthly Executive Led scrutiny meeting. Results continue to be reported monthly through a dedicated tracker to the Executive Team, Clinical Directors and all Senior Operational Leads and into the organisation through regular information channels including Team Brief and Start the Week. There is a formal and monthly dedicated Trust Board report on our efficiency programme. In terms of future years, outline savings targets have been agreed and analysis has been undertaken to suggest where areas of operational and transformational efficiency could be targeted. These are the genesis of the strategic workstreams identified above and on which operational teams will be challenged to deliver. There is no doubt though that the scale of efficiencies needed in future years will mean that collaborative savings will be needed by working across organisational boundaries on service redesign and transformation.
	11) CIP profile • **Key CIP schemes including risk ratings for individual schemes (see Appendix 2); and** • **An outline of transformational /service redesign CIP schemes which represent step changes in processes rather than incremental changes and a brief explanation of how this change will be achieved.** Going forward and agreed in 2012/13 and still subject to discussion and agreement with partners, our strategy for the transformation of our health and social care system to enable delivery of strategic CIP for future years is predicated on two key strands – 1) Delivering out of hospital care by integrating our community services with those we manage in the acute setting but also working with social care and other partners to deliver a streamlined model of care which reduces costs in the acute part of the pathway and notwithstanding investment in the community pathway and infrastructure, enables efficiencies to be made through an overall reduction in the cost of treatment of medical patients, particularly those with long term conditions. Our transformation programme, working with our commissioners and local authority partners and other providers in the conurbation (particularly in the Southern Sector) is aimed at re-calibrating the patient pathway, away from acute care. In 2013/14 and to 2015/16 we expect this programme to be catalysed, particularly in Manchester, by clear strategic leadership being offered by the City Council and their 'Living Better, Living Longer' programme, in which we are a full and active participant and in Trafford through their integrated care programme, which is intended to catalyse the delivery of their 'New Health Deal for Trafford' consultation which proposed significant change to the configuration of acute services in the borough. UHSM has a programme management office and supporting infrastructure in place to support these proposed changes, particularly with the development and implementation of neighbourhood teams and innovations such as the ASPIRE programme. 2) The second strand is the development of the Southern Sector partnership which although at its early stages includes a set of strategic aspirations which are aimed at delivering clinical and financial resilience for the Southern Sector going forward. These are articulated at the beginning of the plan. The Southern Sector partnership is predicated on partnership working in the first instance across those domains where financial efficiencies can be quickly released which include back office functions and clinical support services. It is recognised that any changes to clinical services would be subject to consultation and the relationship with 'Healthier Together'.

12) CIP enablers

i) The extent of clinical leadership and engagement in identifying and delivering CIPs;

UHSM has a clinical leadership structure in which managers and clinicians of all professions are grouped together in matching leadership roles and challenged with taking forward the operational management of a refined group of nine Directorates. Operational teams are responsible not only for bottom line financial management, but also for the delivery of their contribution to the efficiency programme. In this respect development and delivery of efficiency plans operates in a matrix fashion across and within UHSM. Efficiency plans are developed with significant input from each of the clinical directorates. For 2013/14 all Clinical Directors have been involved in the agreement to schemes which impact on their areas, both individually and through the regular weekly meeting between Clinical Directors and the Executive Team. At the same time all Specialty Leads (who operate to Clinical Directors) have also been involved in the development of speciality specific plans.

ii) The requirement for enabling investment in infrastructure (external support, IT, project delivery resources, etc.)

In relation to our southern sector programme of collaboration each Trust will share the costs of the establishment of the Programme Management Office, which include dedicated resource to drive forward clinical and corporate collaboration and will deliver savings on a risk shared basis. Savings from collaboration in back office functions are likely to be prioritised, given the interrelationship between the 'Healthier Together' programme of healthcare review in Greater Manchester and any proposals for clinical reconfiguration.

In considering priorities for capital investment, weightings are given to those schemes which eliminate risk in relation to quality and safety, but also those schemes which offer opportunities for contributions to our cost improvement programmes.

In relation to IM&T investment, priorities have been to target investment at areas where performance and efficiency improvements can be delivered. Going forward this will include investment in electronic prescribing (which has a proven performance and financial benefit), replacement of PAS (Patient Administration Systems), other departmental IT systems (theatres and maternity) and IT in community. These investments (linked to our overall IM&T Strategy) are aligned to our cost improvement programmes of improving efficiency and reducing waste, by ensuring optimum levels of capacity utilisation.

The wider capital investment strategy also includes a strategic intent to support those investments which can help the Trust to improve levels of operational efficiency. These include expansion of the Bronchoscopy Unit and development of a vascular hybrid theatre in 2013/14 to maximise opportunities for income generation and ongoing investments in spend to save schemes such as energy efficiency improvements (in line with our 'Britain's Greenest Hospital' title) and ongoing elimination of backlog maintenance which helps to improve levels of operational efficiency. At the same time, the Trust has a programme of strategic investment in equipment and devices to eliminate older, less efficient assets and equipment.

13) Quality Impact of CIPs

- **The mechanism by which the Trust ensures that its CIP plans won't adversely affect quality of services;**
- **The measures of quality which will be used to inform this assurance and how the Trust monitors quality impact of CIPs on an on-going basis.**

The Trust has established a mechanism to assess each CIP scheme to determine the potential impact (intended or otherwise) on safety or quality of care. A systematic assessment includes consideration of the following impacts:

- Patient Safety – potential for increased incidences of harm;
- Patient safety – potential for increasing mortality;
- Patient Safety – potential for increasing the risk of hospital acquire infection;
- Patient Experience – consequences for patient satisfaction;
- Staff Experience – consequences for colleague satisfaction;
- Staff Safety – potential for lost time following accidents at work;
- Mandatory Training – capacity to continue to deliver mandatory training;

	• Reputation / Public Relations – potential for reputation loss or damage; • National Standards – impact on delivery of emergency access targets and national standards; • Clinical Effectiveness – impact on clinical outcomes, length of stay and readmissions to hospital; • Statutory Compliance – consequence for statutory enforcement by Health & Safety Executive, Fire Services, Environmental health and others; and • Compliance – impact on delivery of NICE, Central Alerts System, CQC registration regulations, and Monitor's Compliance Framework. Managers responsible for identifying CIP schemes are also responsible for undertaking a safety and quality impact assessment as outlined above. Following this assessment, each scheme is given a risk rating as follows: • Significant / Extreme Risk – the impact is likely to cause severe permanent harm or death, or lead to criminal proceedings, or breach of statutory compliance • High Risk - major harm or injury likely with no effective mitigation • Moderate Risk - minor harm / injury likely with no effective mitigation • Low or Very Low Risk - minor harm possible but reliable mitigation in place, or no harm anticipated Impact assessments are reviewed by the Director of Risk & Governance (Chief Risk Officer), the Chief Nurse and Executive Medical Director to verify the impact of each scheme and whether or not the potential consequences can be effectively mitigate and/or tolerated. All risk assessments have been shared with our Clinical Commissioning Group and they have been engaged in the review process. Cost improvement programmes that are considered intolerable are not transacted without further consideration and discussion with the wider executive team and commissioners, or further more detailed risk analysis to establish whether or not the transaction will ensure safe and clinical effective care for patients. As a consequence of this risk assessment £8m of schemes initially identified have been deemed too high risk to implement in terms of adverse impact on standards of patient care. As part of the Trust's arrangements for clinical governance it shall keep under review the following indicators as a means of readily identifying any unintended adverse consequences of decision to transact CIP schemes: • Triangulation of incidents with complaints and claims of negligence; • Causal factor and failure mode analyses following incident/complaints/claims investigation; • Monitoring of performance against national targets and standards; • Prioritised programme of clinical audit; • Feedback from patients, carers, members and governors; and • Observations from Patient Safety Walkrounds, Clinical Rounds, First Friday reviews and other spots checks undertaken as part of a rolling programme of reviews.
Financial & Investment Strategy	An assessment of the Trust's current financial position. One of the Trust's fundamental strategic objectives is to deliver a level 3 financial risk rating (FRR) under Monitor's current financial risk rating regime. The key corporate objectives underpinning this financial objective are: • Deliver the Trust's financial targets including 5% efficiency programme and capital development plans • Outline plans in place to meet efficiency targets for next 2 years • Improvement in operational efficiency metrics. The Trust also has to be mindful of creating sufficient surplus balances to support investment in its capital infrastructure. Financial performance in 2012/13 has been challenging, in particular the pressure on expenditure due to a shortfall on the delivery of Cost Improvement Plans (CIPs), premium agency staff in theatres and critical care, excess costs on clinical supplies, including the need to use private sector capacity to support the delivery of the elective programme. The 2012/13 planned financial metrics and actual performance is detailed in the table below:

Trust 2012/13 financial metrics

	2012/13 Plan	2012/13 (Actual)	Reason
EBITDA %	5.5%	4.6%	Adverse due to cost pressures referred to above
Surplus %	0.5%	0.11%	As above partially offset by lower than planned financing costs
Achievement of EBITDA plan %	94%	88%	Plan based on previous years (11/12 outturn)
Net return after financing	1.1%	0.3%	Adverse due to cost pressures referred to above
Liquidity (working days)	18.3	16.6	Adverse due to cost pressures referred to above
Weighted Average FRR	2.90	2.65	Adverse due to reduction in EBITDA margin

From the above analysis, the Trust's outturn financial risk rating (FRR) for 2012/13 is in line with plan (i.e. level 3), although the reduction in EBITDA coupled with an increase in turnover means that the EDITDA margin metric has reduced from a level 3 to a level 2.

The financial forecasts for 2013/14 and the two forward years are as follows –

	2012/13 (actual) £'m		**2013/14 Projected £'m**	**2014/15 Projected £'m**	**2015/16 Projected £'m**
Income	430.5		450.6	401.3	398.3
Expenditure	410.7		426.3	376.9	373.3
EBITDA	19.8		24.3	24.4	25.0
Net Surplus	0.5		2.0	2.1	2.4
EBITDA Margin %	4.6%		5.4%	6.1%	6.3%
Financial Risk Rating	2.65		2.65	2.65	2.65
FRR rounded/capped	3		3	3	3

Key financial priorities and investments and how these link to the Trust's overall strategy

The Trust has an overall strategic objective to see UHSM as a NHS Quality and Efficiency Leader. What this means is that UHSM will constantly improve on our current position to become a Quality and Efficiency leader, improving the delivery of frontline patient care through an open culture of engagement with our colleagues and partners – 'The South Manchester Way'. We have reinvigorated our approach to our efficiency programme for 2013/14, by emphasising the wider gain we can deliver through constantly challenging and improving all of our processes.

Our financial priorities and investments are aligned to this objective. For 2013/14 we will see the following investments in our capital programme –

Scheme	2013/14 £'m
Backlog/Infrastructure	2.9
Equipment Replacement	1.8
Hybrid Theatre	1.5
LTVS	0.9
Monitoring Equipment	0.5
Other Clinical	0.5
IM& T Developments	1.3
Total	**9.4**
Funding Stream	
Internally Generated	9.4
Total Funding	**9.4**

The investments in our hybrid theatre and Long Term Ventilation Service (LTVS) are intended to protect and enhance our vascular and respiratory services and enable them to generate additional

	income for the Trust at the same time as protecting our strategic advantage in these services. These are aligned to ourr strategic objective of maintaining our status as a provider of specialist services. Our IM&T and backlog maintenance/equipment replacement investments are intended to ensure that we continue to improve our levels of operational efficiency, contributing to our cost improvement programme. More strategically our commitment to our MediPark proposals offers the Trust a medium term aspiration to secure additional income from collaboration with a range of commercial partners and pursuing a strategy of asset utilisation. Capital investment in the two forward financial years 2014/15 and 2015/16 is planned at c.£9m
	Key risks to achieving the financial strategy and mitigations. The following are highlighted as the key financial risks in respect of the 2013/14 financial plan and will be subject to tight management - : I. Identification and delivery of the CIP target both for 2013/14 and for future years. II. Contract penalties levied by commissioners, in particular relating to C-Difficile and Readmissions. III. Securing all of our income attributed to quality targets (CQUIN) – there are a number of additional national quality targets for 2013/14. IV. Excessive cost pressures – premium agency costs, excessive clinical expenditure which will be tightly managed. V. Liquidity metric at the bottom of the level 3 range of 15 days and a more sustainable solution is being pursued with Department of Health and other agencies.