Sheffield Children's NHS
NHS Foundation Trust

Strategic Plan Document for 2013-14

SHEFFIELD CHILDREN'S NHS Foundation Trust

Strategic Plan for y/e 31 March 2014 (and 2015, 2016)

This document completed by (and Monitor queries to be directed to):

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Date	**10/05/13**

The attached Strategic Plan is intended to reflect the Trust's business plan over the next three years. Information included herein should accurately reflect the strategic and operational plans agreed by the Trust Board.

In signing below, the Trust is confirming that:

- **The Strategic Plan is an accurate reflection of the current shared vision and strategy of the Trust Board having had regard to the views of the Council of Governors;**
- **The Strategic Plan has been subject to at least the same level of Trust Board scrutiny as any of the Trust's other internal business and strategy plans;**
- **The Strategic Plan is consistent with the Trust's internal operational plans and provides a comprehensive overview of all key factors relevant to the delivery of these plans;**
- **All plans discussed and any numbers quoted in the Strategic Plan directly relate to the Trust's financial template submission.**

Approved on behalf of the Board of Directors by:

Name *(Chair)*	**Mr N Jeffrey**

Signature 

Approved on behalf of the Board of Directors by:

Name *(Chief Executive)*	**Mr S Morritt**

Signature

Approved on behalf of the Board of Directors by:

Name *(Finance Director)*	**Mr J Loeb**

Signature

Annual Plan Review 2013-14

Executive summary

Sheffield Children's NHS Foundation Trust is an ambitious organisation dedicated to providing the highest quality care to children and young people living in South Yorkshire, the Humber, North Derbyshire and the North of England. The Trust has an excellent reputation for the quality of its clinical services and for the way in which its specialist teams work together to co-ordinate and deliver care to children with the most complex health problems.

Sheffield Children's NHS Foundation Trust is an effective organisation with a good track record and strong performance. The Trust is registered with the CQC with no qualifications and neither of the unannounced inspections by the CQC over the last two years identified any areas for improvement. At the end of 2012/13, the Trust met all targets and indicators included within Monitor's Compliance Framework with the exception of the admitted referral to treatment standard within the first half of the year. This was rectified with all RTT standards met during the second half of the year. The Trust achieved all but one of the CQUIN targets agreed with commissioners for 2012/13. The financial performance of the Trust remains strong and the Trust achieved all financial requirements in 2012/13 with a £3.64m surplus at year end.

This plan sets out the Trust's intentions for the next three years and the direction we are setting for our service and our organisation for the future. We intend to drive forward developing the Trust as one of the premier providers of specialist healthcare for children and young people in the UK. Two thirds of the Trust's income is now received for specialist activity and we have ambitious plans to ensure that we are able to treat more patients and deliver more care to patients with complex needs in the future.

Demand for the Trust's services continues to rise; referrals to the hospital services rose by 4% during 2012/13, with an overall increase of 20% in the last five years. Over the last two years the elective activity undertaken by the Trust rose by 18% compared to the previous year. The increase over the last five years has been substantial with an increase of nearly a third more elective patients receiving care.

This growth in demand reflects demographic changes, but it also reflects a continued shift in demand towards the Trust as a specialist provider of healthcare for children, and away from District General Hospitals. In response to the rise in demand, we plan to treat more patients in each of the next three years, and we have revised the growth predictions from those in our long term financial model to take account of this rise in demand in certain specialities.

The Trust has substantially improved the range, quality and quantity of healthcare provided to children and young people in recent years, and we have further improvements and developments

to our services in the pipeline. We intend to remain firmly at the forefront of delivering excellence in healthcare for children in the UK. We will continue to expand our role in providing highly specialised services by treating more patients with complex and rare conditions and increasing the range of treatments offered in neurosciences, musculoskeletal services, respiratory services, specialist mental health care and a number of surgical specialities. We will develop our role as a Major Trauma Centre, and we will further develop our services for the care of children who are critically ill..

To support our ambitious plans we will invest in capital schemes to improve our facilities which includes taking forward schemes to provide three new wards, a new outpatient department and a new front entrance, along with new and better facilities for families and carers of our patients. We are also progressing plans to build two new operating theatres with a new intra-operative MRI needed to meet the growing numbers of patients and the increased complexity of our treatments.

The context in which the Trust is operating is extremely challenging. We recognise the financial issues facing our commissioners, both local and national and the uncertainty for all parties given the substantial financial issues in the NHS at the current time. However, we believe the Trust's increasing specialisation in high quality care for children at a time when commissioners want greater specialisation and consolidation of specialist activity makes our approach the right one. The continued rise in demand for our services, coupled with the Trust's track record of responding to this demand, demonstrates the Trust's effectiveness as a specialist provider.

The Board has carefully assessed the opportunities and threats for the organisation and considered the Trust's future role in the provision of both specialised and non-specialised healthcare for children.

The Trust's strong reputation is built on the quality of expertise it has in the delivery of specialised health care, evidenced by the significant growth in demand for these services in recent years. NHS England is now setting clear standards for specialised services, which providers will be expected to meet. There is also the expectation that in future a smaller number of providers will be involved in the delivery of these services in the future. The Trust expects to demonstrate the high standard of care it provides and take opportunities to grow this specialist activity further given the likely consolidation of specialised services.

Fundamental to our future success will be the Trust's ability to meet the efficiency targets contained within the long term financial model and to achieve significant productivity improvements. That delivery will require the full focus of the organisation, supported by the Trust's Project Management Office for transformation. The Trust is entering the second year of its Transformation Programme. A review of the first year of the Programme identified progress made during the first year and also identified improvements which could be made in order to maximise improvements to productivity over the next three years. The delivery of major changes

programmes, including the clinical productivity of service lines along with the implementation of phase 1 of the Electronic Patient Record programme, will be key to our success in driving change.

The Board of Directors has undertaken a thorough analysis of the organisation's long term financial position as part of the assessment prior to the decision on the investment in the capital scheme for the improvement of the children's hospital. The challenges ahead are understood, and Board members are confident in the assumptions contained within the Trust's long term financial plan. The key financial challenge is the delivery of the efficiency programme and a mitigation strategy is in place to manage this risk.

A summary of the financial plan for the three years of the plan are detailed below:

Summary of financial plan 2013/14 – 2015/16

I&E Position	2013/14	2014/15	2015/16
	£m	£m	£m
Clinical income	134.537	133.506	135.866
Other Income	22.953	22.717	22.733
Charitable contribution - operating	0.500	0.500	0.500
Charitable contribution - capex	0.500	2.000	2.500
Total Income	**158.490**	**158.723**	**161.599**
Operating Expenditure	150.007	149.514	151.948
EBITDA	**8.483**	**9.209**	**9.651**
Depreciation	4.315	4.456	4.889
PDC charge	2.000	2.232	2.209
Loan interest payable	0.249	0.456	0.690
Interest receivable	(0.050)	(0.150)	(0.150)
Surplus / (Deficit)	**1.969**	**2.215**	**2.013**

1. Strategic context and direction

1.1 Overview of our strategy

Sheffield Children's NHS Trust is one of four specialist children's NHS trusts in England delivering high quality, safe and effective care to children and young people in the north of England. The Trust provides a comprehensive range of care for children and young people including highly specialised hospital services, general hospital services including A&E, and a full range of community and mental health services. Our mission is as follows:

'Our aim is to provide care and treatment of the highest standard to the children and young people of Sheffield, South Yorkshire and beyond, working closely with children and their families, other partners, and our staff to improve the health, wellbeing and life chances of the younger population.'

Our Trust values underpin our strategy and delivery models:

Keeping children, young people and families at the heart of what we do

Committed to Excellence
We will seek to improve the way we work and deliver a high quality standard of care.
We will be open to new ideas, through innovation, research and education nationally and internationally.

Accountability
We will create a supportive working environment where everyone takes responsibility for their own actions.

Compassion
We will show empathy and understanding, treating everyone with dignity and courtesy.
We will respect each other and those we care for.

Teamwork
We will work together with and for our patients and their families.
We will work to the best of our ability and take pride in our achievements.

Integrity
We will value differences and treat everyone with a fair and consistent approach.
We will take an open, honest and ethical approach

The Trust is highly ambitious in its plans to develop and improve health care for children. The Trust has five primary strategic objectives which were developed in partnership with senior clinicians and key partners, including the Trust's Council of Governors, which are:

- **To provide healthcare to children of the highest standards available in the UK**
- **To develop and expand our role as a provider of specialist services for children**
- **To work in partnership with others to reshape healthcare for children in Sheffield**
- **To expand the Trust's role as an expert provider of specialist pathology services**
- **To be a national leader in research and education in children's healthcare**

In order to support the effective delivery of our core strategy the Trust has a number of key underpinning objectives which are summarised as follows:

- To ensure that the Trust's financial targets are fully met, with the delivery of all efficiency targets To substantially improve the way in which clinical care is organised in order to improve pathway management and increase productivity
- To ensure our workforce is developed effectively for the future
- To implement key improvements to the Trust's estate, including progressing the redevelopment of the children's hospital and other capital schemes which support the delivery of our clinical strategies
- To implement key Information Management & Technology projects, including phase one of the scheme to implement an electronic patient record

The Trust has set a strategic direction which differentiates between the highly specialised services it provides for a significant geographical area across South Yorkshire, North Derbyshire, the Humber and in some cases, nationally, and the general services provided for the local population of Sheffield.

We plan to drive forward with the development of our specialist services, responding to the continued rise in demand and ensuring national designation standards are met for these services. Simultaneously, the Trust is working closely with local partners to transform the way in which the non-specialised services are delivered for the people of Sheffield, taking advantage of the Trust's expanded range of community services to deliver more care outside the Children's Hospital. These two key strategic aims are highly compatible; we expect the release of capacity brought about through the transfer of care to community settings will provide the additional room for the expansion of specialist activity.

During 2012/13 the Trust progressed well against its main strategic aims, with further growth in demand for our services, with a 4% increase in demand for services overall, and with particular increases in key specialist areas such as Rheumatology, Respiratory Medicine, Gastroenterology, ENT, and Paediatric Surgery. The growth in demand was in line with the predictions contained within our long term plan and in keeping with our strategy of developing our role as a specialist provider. In response to the rise in demand for services, our activity rose further in 2012/13, with a 5% rise in elective activity undertaken and a 2% rise in outpatient attendances compared to the

previous year. Over the last five years the level of elective activity undertaken by the Trust has risen by a third.

The drive to strengthen and further develop the Trust's role as a specialist services provider is a key focus for the Trust Board of Directors and for senior staff across the organisation. Areas of clinical excellence have been identified and the Trust is strengthening and developing these key clinical services and plans to continue with this work over the next three years. The Trust achieved interim designation as a Major Trauma Centre (MTC) in 2012 and is working with commissioners to ensure full compliance with national requirements for MTCs over the next two years. The Trust continues to develop its Neurosciences Services, with investment planned in Neurology, Neurosurgery and in specialised MRI equipment. Further developments are also underway in relation to specialist Respiratory services, Musculo-skeletal services and specialist Mental Health care within the new Becton Centre. Further work will be undertaken to develop our marketing strategies for specialist services, including those to support the development of private patient activity.

The challenge for the Trust is to meet rising demand within capacity constraints and within waiting times; delivering more activity on a year on year basis places pressure on the capacity of individual clinical specialities and on the Trust's infrastructure. Matching growth with capacity and ensuring that capacity is in place at the right time to respond effectively remains a key priority for the Trust. Wherever possible we aim to deliver additional activity by increasing throughput using existing capacity. Delivering more activity through improved productivity is of considerable importance to the Trust and is a key element of the Trust's financial strategy. The Trust's success in delivering a 5% increase in planned activity whilst also delivering a surplus of £3.64 million in 2012/13 is an indication of the organisations success in delivering this strategy.

In addition to its role as a specialist provider of care for children, the Trust also has an important role as the provider of general hospital and community services for children and families in Sheffield. Following the successful transfer of community services for children into the Trust in April 2011, the Trust provides a comprehensive range of services for the children of Sheffield. We are working closely with local GPs, the Clinical Commissioning Group and the Local Authority in Sheffield to redesign children's services, and a major programme is in place to support improvements in the way health and social care is provided in the city. This includes plans to reduce admissions to hospital, and we are running a successful pilot scheme providing a Consultant-led telephone advisory and support service for GPs in the management of children with acute illness. The programme also includes changes to the way in which the partners support children with complex disability and aims to improve the co-ordination of services, and reduce cost.

The Trust has also made progress in its aim to deliver more non-specialised healthcare to children in Sheffield outside hospital – working closely with GPs from the Sheffield Clinical Commissioning Group to change the delivery model for the management of acute illness in children. Whilst good progress has been made, with increased support provided to GPs to enable them to care for more patients within a primary care setting, the number of patients attending A&E and the numbers admitted as emergencies, increased in the last year by 4% and 5% respectively, leading to increased pressure on beds. However, it is noted that levels of acute illness in children varies substantially between years. Further work will be undertaken with the Clinical Commissioning Group during 2013/14 aimed at avoiding admissions.

Delivering excellence in the quality of our services remains of paramount importance. We are currently assessing the action the Trust will take in response to report of the Mid Staffordshire NHS Foundation Trust Public Inquiry and the initial Government Response to this report. We expect to incorporate additional plans into our programme of work to measurably improve the effectiveness of our services over the next three years. The Trust has a strong track record in meeting quality standards. Infection rates are low and the Trust has good clinical governance systems in place so that the organisation learns and makes improvement following adverse incidents.

Whilst the Trust's performance against nationally defined waiting time targets has been good, as a result of increased demand for services, during the first half of the year the Trust was unable to achieve the waiting time standard for patients admitted to hospital. Action was taken to reduce the backlog of patients waiting for treatment, and the Trust established a Programme Board to oversee the implementation of process improvements to ensure sustained improved performance in this area. The trust achieved all waiting time targets in the second half of the year, with good progress made in improving the management of waiting times.

In addition to ensuring that we continue to raise the standards of the care we provide, the Trust has embarked on a £40 million capital scheme to improve the quality of the in-patient accommodation at the Children's Hospital to provide high quality accommodation for children who are admitted to hospital, with a high proportion of single rooms and improved facilities for families. We have also worked with a charity to take forward a scheme to provide home from home accommodation for families of patients staying in hospital.

The financial constraints in which we will operate over the next few years will be extremely challenging, even more so given the implications of our proposed investment in improved ward accommodation. However, this investment is key to our strategy of developing the organisation's role as one of the premier providers of children's services in the UK, and the development will support our plans to expand specialist services. We expect the growth of specialist activity and income to continue. We will also progress with the development of our specialist pathology

services with increased income expected from that source. The reduction of non-elective activity for Sheffield will reduce the financial risk relating to payment at marginal tariff for non-elective work.

The Trust has adopted a programme approach to delivering high quality care at the lowest possible unit cost to rise to the efficiency challenge and free up resources to reinvest in our services and infrastructure. We will deliver an annual cost efficiency target through the Trust-wide Transformation Programme focused on delivering significant productivity improvements in clinical service delivery, including our operating theatres and outpatient departments. We are launching a new service line clinical pathway review programme and will work with individual services to review the organisation and delivery of each speciality to ensure maximum efficiency. The Trust has a Project Management Office in place to support delivery of the Programme. The Trust's performance in delivering the Programme is monitored through a Trust Board Sub-Committee, the Finance and Resources Committee, which also monitors delivery of other key elements of the Trust's financial plan.

The Trust's organisational arrangements were revised in 2012/13 to strengthen and clarify executive director roles, and to reorganise the Trust's clinical management arrangements. Clinical Directorates have been replaced with four new larger clinical Divisions, and we now have better information and clearer performance management arrangements in place. These organisational changes have strengthened leadership, including clinical leadership, and provide greater clarity on accountabilities within the Trust which are necessary to ensure the effective delivery of our ambitious plans. We will pilot service line budget management during 2013/14 to further the role of clinical management.

1.2 Strategic position of the Trust within the local health economy

Children's hospitals are extremely well placed to recruit very high quality staff trained in meeting the needs of children, who are often keen to work in an organisation dedicated to providing care to children and young people. The Trust provides a wide range of specialties and employs highly skilled multi-professional teams who work well together to meet the needs of children with the most complex needs.

The Trust plays a key clinical leadership role in promoting effective high quality care for children across the sub-region. Clinical staff support care provided in local hospitals, and in Network arrangements which support the sustained delivery of local services, and relationships are strong. We have recently been awarded the contract to host and deliver the Operational Delivery Network for Paediatric Critical Care and for Neonatal Services. Outreach clinics are provided in many local hospitals in a number of specialties, and this promotes effective partnerships with paediatric services in local hospitals so that onward referrals for specialist services are made to the Trust. Demand for the Trust's specialist services continues to rise.

A Market analysis has been undertaken in relation to paediatric activity undertaken within other local hospitals and recent changes to activity in these hospitals. This demonstrated how increased demand for the Trust's services has been matched by a decrease in activity undertaken in local hospitals, which has been a trend over recent years. Given the small number of patients treated in certain specialities in some hospitals - we do not consider it likely that all the local hospitals will sustain their current range of activity in the future, which is likely to result in a further rise in referrals to the Trust. We are therefore predicting that within the locality, we will increase our market share in the provision of children's healthcare over the life of the plan.

Given the significant barriers to entry in the provision of specialist services for children, it is unlikely that any of the DGH provider trusts or local private hospitals will seek to set up in competition with the Trust in the provision of more specialist paediatric activity.

Whilst relationships with local general hospitals are good, we recognise that the geographical proximity of the Trust to other specialist children's service providers may pose some risk in the future. Leeds and Nottingham Trusts both provide a similar range of specialist children's services and as those hospitals become Foundation Trusts, this may lead to greater competition. The particular strength of the Trust in comparison to the other two providers is that it is a dedicated children's trust with the organisation dedicated to improving the care and services provided to children. Within the other two trusts, concerns in relation to children's services need to be considered alongside a wide range of other services, with less focus by the Board on the strategic development of paediatric services.

Nationally the development of the specialist commissioning by NHS England along with a greater emphasis in defining national standards for specialist services provides both an opportunity and a possible risk to the Trust. National designation processes require higher standards to be met, which will have financial implications for providers which may not be met through tariff payments. For example the Safe and Sustainable standards for Paediatric Neurosurgery will require providers to demonstrate compliance with a range of standards, as do the standards published for Major Trauma. Failure to comply would create reputational damage, and would carry a significant financial risk – given that commissioners are unlikely to contract for the provision of services from providers that are unable to comply with the standards, particularly if other local service providers are able to meet the required standards. Nationally, it is likely that there will be a drive to consolidate specialist service provision within a smaller number of providers and this is likely to offer opportunities to the Trust but also potential challenges. In particular, the possible reconfiguration of newborn screening and genetic services which, given the strength the Trust has in these areas would represent an opportunity for growth, however, such reconfiguration may also constitute a risk to the Trust.

Over the last ten years, the population of Yorkshire and the Humber has grown by 6%, and the population is predicted to rise 7% over the next ten years. Compared to the other parts of the UK greater rates of growth in the numbers of younger children are expected. Sheffield Children's NHS Foundation Trust also serves the geographical area of East Midlands and it is estimated that the there will be a rise of nearly 10% in the population of Nottinghamshire over the next ten years. With regards to the impact of demographic changes, we are therefore predicting a 1% growth in the birth-rate in each of the next three years, and our activity plans are based on this assumption which is in line with those of local commissioners.

1.3 Threats and opportunities

The Sheffield CCG has specified its commissioning intentions and outlined the financial challenges facing the organisation over the next three years. As part of the contract negotiation the CCG and the Trust has agreed an approach to delivering QIPP targets and the following key issues are included within this plan:

- *Unscheduled Care QIPP* – the Trust is working with the CCG on plans to reduce non-elective admission to hospital. The CCG has provided additional funding to support an admissions avoidance scheme which involves a consultant delivered telephone advisory service, along with urgent clinics to support GP management of acutely unwell children presenting in their surgeries. It is expected that this will prevent the further rise in acute admissions. A QIPP target of £250k has been included within the contract and is reflected in this plan.

- *Decommissioning of ritual circumcisions* - commissioners have notified the Trust of their intention to decommission the provision of ritual circumcisions, with effect from June 2013, and this will result in a £250k reduction in Trust income. The Trust expects to offset this loss of tariff income by establishing a private patient neonatal circumcision service, which is supported by the CCG.

- *Any qualified provider* – the Trust is not aware of any plans that NHS commissioners have to undertake a tendering exercise in relation to any services currently provided by the Trust. However, there is a potential that commissioners may consider an approach of this sort in relation to Genetic services.

1.4 Collaboration, integration and patient choice

- *Integrated care* – the Trust provides hospital, community and mental health care for children and young people and is therefore extremely well placed to drive forward with a greater level of integration of care. As part of the work being undertaken with the Sheffield CCG on unscheduled care, we are reviewing how the Trust can support primary care in their

management of unwell children. This is being done through protected learning sessions for GPs, reviewing care pathways as well as the consultant delivered GP Telephone Advisory Service. From July the Trust will provide accommodation for the GP Collaborative out of hours service which we see as the first step towards a more integrated out of hours service for children in the city, with further work underway to assess how we will progress this initiative.

- *Collaboration with local acute providers* - the Trust Board has supported the Trust's involvement in a local partnership of acute hospital trusts. The 'Working Together' initiative is a formal partnership aimed at the seven acute trusts in the area working together on initiatives which are of mutual benefit to support the delivery of services and cost reduction, including work on medical manpower, 7-day working, and cost efficiency programmes. It also includes a specific focus on the delivery of paediatric services.

2. Approach taken to quality

2.1 Overview

The Trust has strong clinical governance arrangements in place and has an excellent track record in delivering high quality standards of care to the patients and families we serve. The Trust has unqualified registration from the CQC. Services were judged as fully compliant with no recommendations made, at the last unannounced inspection on 16 October 2012.

The Trust has a good record in effective control of infection; in the last year the Trust had no cases of MRSA. The Trust exceeded the target set by the DH for C. Difficile, with eight cases against a target of three, however, this is recognised as a very low level of infection and is within the de minimis set by Monitor for this target.

In the staff survey undertaken in 2012, 83% of staff said they would recommend the Trust to a friend or relative, placing the Trust within the top 15 trusts nationally on this indicator.

The Trust has listened to patient feedback and this has driven its capital investment program to provide improved in-patient wards, out-patient facilities and parking for our families.

2.2. Our priorities

Our priorities in 2013/14 are:

- *To implement the recommendations of the Department of Health's Response to the Mid Staffordshire Public Enquiry, 'Patients First and Foremost'* - specifically we will focus on the following:

    - Organisational culture - confirm the Trust's values, strengthen staff engagement and increase connections between the Board and patient services
    - Publish a new nursing strategy, review and priorities nurse training and assess nursing establishments against workload on an annual basis. We will also invest in Ward Sisters and Charge Nurses and free them up from other duties to provide a visible ward presence
    - Involve governors and families in inspection and oversight of our services

- *Publish regular information on our quality performance and the experience of our families* – we will

    Evaluate the experience of families using our community services
    Regularly evaluate experience of families in A&E using a child friendly derivative of the family and friends test.

- Produce quality indicators for children and benchmark with similar health providers

- *To minimise disruption to the public from the construction of the new hospital wing - we* will ensure we communicate effectively with families about using our services during the construction with clear signposting of access restrictions. We will also provide a park and ride solution for parents and families *and c*ontrol noise, dust and disruption to normal services. Where possible we will manage services in the community.

Further detail on these priorities is provided in section 3.1 Table A.

2.3 Quality risks within the plan

The key quality risks within the plan are:

- **Management of patient dependency and workload capacity** – the Trust plans to treat more elective patients over the next three years, but also manages a variable level of non-elective admissions to hospital. Given the constraints of the hospital currently, there is a risk that the number of beds will be insufficient to meet the needs of both elective and non-elective patient activity over the next two years prior to the completion of the new hospital ward block. During 2012/13 problems arose with insufficient bed capacity, particularly given a shortfall in nursing staff due to difficulties in recruitment. In order to mitigate that risk in the coming year we will appoint additional nursing staff so that we may keep a higher number of short stay beds open throughout the year, and we will reopen some surgical beds which had previously been closed. However, an unusually high level of infections during the winter would put pressure on the hospital, and we would need to mitigate the risk to patient care by reducing those elective admissions which require in-patient admission.

- **Impact of cost efficiencies:** the Trust plan includes an annual 4.2% cost efficiency and plans could inadvertently have a negative impact on quality. In order to mitigate this risk, the Trust has established a Transformation Programme to support the delivery of cost efficiencies through a robust approach to improving productivity as a more effective way of delivering cost reductions than traditional approaches. Long term projects are in place to provide efficiencies that improve patient outcomes, safety and productivity without the need for additional resources. In the coming year, we will be reviewing each clinical specialty/ service line to ensure maximum efficiency with a focus on the following:

  - *Outpatient services* – reducing non-attendance, improving booking flexibility, improving administrative arrangements
  - *Inpatient bed use* – reducing unnecessary admissions, length of stay and increased utilisation of day care;

- *Theatre productivity* – increased in patients per list, more consistent operating practices, all week working, reduction of unnecessary out of hours emergency working;

We will also be driving forward with other transformational change as described in section 4.

2.4 How the Board derives assurance on quality and safety

All efficiency proposals have been risk assessed by the Medical and Nursing Directors for impact on quality and plans deemed to represent a potential risk to quality or safety have been removed, with Divisions required to substitute these with other plans. The Trust's plans have also been reviewed by clinical representatives, including GPs, from the Sheffield CCG.

All staff are responsible for managing risks within the scope of their role and responsibilities as trust employees. Incident reporting is openly encouraged through staff training and the trust promotes open and honest reporting of incidents, risks and hazards through its incident reporting policy which is supported by a clear and structured process. The trust board also receives and reviews all reports and action plans following a serious incident investigation.

All risk management reporting is standardised and reports can be tailored to departmental requirements. Root cause analysis is routinely used to learn from incidents and tailor standard operating procedures. New and revised policies are impact assessed by our patient and public involvement group. Each month Divisional Performance Review meetings are held with executive directors meeting the senior clinical and managerial staff from each Division to review performance against a range of measures, including key quality measures, which are informed by dashboards that contain details of historical trends and measures over time against quality indicators, with a review of achievement and assessment on where improvement is necessary.

Monitor's quality governance framework is used annually to review the non-executive board members views on the quality of the information supplied to the Board. It allows an honest reflection on the quality of the debate and the challenge that is a feature of board meetings. It has been one of the key instruments in informing review of the board committee structures and facilitating involvement of governors in core trust business

3. Clinical Strategy

The Trust has a clinical strategy adopted in 2011 for the period up to 2016. This strategy was developed by the Trust's senior clinical and managerial staff and the Board of Directors, with the involvement of the Trust's Council of Governors. This strategy sets out the Trust's longer term goals, and informs the annual priorities for the Trust. The strategy has five key aims as follows:

- **To provide healthcare to children of the highest standards available in the UK**
- **To develop and expand our role as a provider of specialist services for children**
- **To work in partnership with others to reshape healthcare for children in Sheffield**
- **To expand the Trust's role as an expert provider of specialist pathology services**
- **To be a national leader in research and education in children's healthcare**

3.1 Clinical strategy including service line strategy

The Trust's clinical strategy is described above in section 1 which details the main strategic aims of the organisation for the five year period 2011-2016. **Table A** below, sets out the action the Trust will take in progressing with the main aims of its clinical strategy over the next three years, with specific details included about key service lines contained within the plan.

The Trust is progressing with the development of its service line strategy. During 2012/13, using external support, the Trust took forward an initiative aimed at establishing service line reporting within the Trust, as a precursor to service line management. Good progress was made in setting up new reporting mechanisms in order to explicitly understand both the costs and income associated with each individual service line. Coupled with this development has been the development of service line and divisional level scorecards, which are now used to track all aspects of performance at speciality and divisional level. We have also undertaken an assessment of our specialist services against new commissioner specifications for specialist services identifying any areas of risk and action plans to address these.

In 2013/14, a new component of the Trust's Transformation Programme in 2013/14 will be the Service Line Development Programme. This Programme is an initiative aimed at reviewing with clinical teams all aspects of the organisation of the clinical service – to review the organisational effectiveness of the delivery of the service and the effective management of the pathways. This will include the effective use of clinical time, the booking arrangements for outpatient and elective theatre lists, the management of referral to treatment times and the application of the Trust's Access Policy, discharge arrangements, and quality and productivity improvement.

Table A. Trust clinical strategy - priorities and milestones over the next three years are:

Key actions to deliver goals	Key milestones (2013-14)	Key milestones (2014-15)	Key milestones (2015-16)	Risks to delivery	How risks will be managed
Strategic Objective 1: Provide healthcare to children of the highest quality in the UK					
a) Improve patient outcomes and safety including responding to the DH response to the Mid Staffordshire Public Enquiry' Patients First and Foremost'.	**1) Francis Report** – we will take action in line with the DH *Response to the Mid Staffordshire Public Enquiry, 'Patients First and Foremost'.* *a) Trust values & culture* Embed recently endorsed values in all areas of the Trust – including recruitment, PDRs and management practice. Strengthen staff engagement *b) Nurse Strategy* • Publish a new strategy • Review nurse training • Introduce annual nurse establishment review. •Increase time for Ward Managers to lead (£150k investment) *c) Governors* Involve governors and families in inspection and	**Francis Report** – we will take action in line with the DH *Response to the Mid Staffordshire Public Enquiry, 'Patients First and Foremost'.* *a) Trust values & culture* Continue to embed values, and review improvements made and develop staff engagement strategies *b) Nurse Strategy* Undertake annual nurse establishment review. Increase time for Ward Manager to lead (£100k investment) *c) Governors* Involve governors and families in inspection and oversight of our services	**Francis Report** – we will take action in line with the DH *Response to the Mid Staffordshire Public Enquiry, 'Patients First and Foremost'.* *a) Trust values & culture* Continue to embed values, and review improvements made and further develop staff engagement strategies. *b) Nurse Strategy* Undertake annual nurse establishment review. *c) Governors* Involve governors and families in inspection and oversight of our services	Capacity of services to maintain standards and respond to CIP target over 3 years	Risk and Audit Committee oversight of clinical risks. Clinical Governance Committee oversight of clinical effectiveness. Patient feedback via 3 annual independent patient surveys.

Key actions to deliver goals	Key milestones (2013-14)	Key milestones (2014-15)	Key milestones (2015-16)	Risks to delivery	How risks will be managed
	oversight of our services **2) Publish regular information on our quality performance and the experience of our families** • Evaluate the experience of families using our community services • Regularly evaluate experience of families in A&E using a child friendly derivative of the family and friends test. • Produce quality indicators for children and benchmark with similar health providers **3. Minimise disruption to the public from the construction of the new hospital wing** • Communicate effectively with families about using our services during the construction with clear signposting of access restrictions. • Provide a park and ride solution for parents and families *and c*ontrol noise, dust and disruption to normal services. • Where possible we will	**2) Publish regular information on our quality performance and the experience of our families** Details of plan for 2014/15 to be determined. **3. Minimise disruption to the public from the construction of the new hospital wing**	**2) Publish regular information on our quality performance and the experience of our families** Details of plan for 2015/16 to be determined. **3. Minimise disruption to the public during final phase of construction of the new hospital wing**		

Key actions to deliver goals	Key milestones (2013-14)	Key milestones (2014-15)	Key milestones (2015-16)	Risks to delivery	How risks will be managed
	manage services in the community **4.Achieve all agreed CQUIN targets**	**4.Achieve all agreed CQUIN targets**	**4.Achieve all agreed CQUIN targets**		
b) Continue to achieve high standards of cleanliness and low rates of infection	Maintain low rates of MRSA, C Difficile and RSV infection. Work with Microbiology Service at STHFT to ensure continuity planning for post of DIPC.	Review of Infection Control Team to ensure continuity planning and maximum coverage of services.		Capacity of services to maintain standards and respond to CIP target over 3 years	DIPC access to Board via quarterly reports.
c) Meet CQC registration requirements and improve accreditation of safety systems	Ensure continued compliance with all healthcare standards as defined and measured by the Care Quality Commission.	Ensure continued compliance with all healthcare standards as defined and measured by the Care Quality Commission	Ensure continued compliance with all healthcare standards as defined and measured by the Care Quality Commission	Capacity of services to maintain standards and respond to CIP target over 3 years	Risk and Audit Committee oversight of clinical risks. Clinical Governance Committee oversight of clinical effectiveness. Patient feedback via 3 annual independent patient surveys.
d) Progress plans to improve facilities at the Children's Hospital: • Progress capital scheme for a new ward block and outpatient department to improve patient and parent facilities • Progress plans with Sheffield University for the development of a car park •Progress plan for provision of new parent hotel**.**	New ward block – complete detailed planning and preparation for capital scheme, with completion of enabling schemes,	Undertake major capital scheme	Complete capital scheme	a) Ineffective management of planning process and implementation of capital scheme b) Financial risks	a) Appropriate infrastructure, Project Management and governance arrangements in place to support implementation. b) See Financial risk section
	University to complete planning application for Clarkson Street Car Park and appoint contractor. Evaluate Park and Ride options	Car Park to be completed by Autumn 2014. Produce Travel Plan for main hospital scheme.	Construct underground car park under main hospital scheme	University do not comply with agreement to allow use of facility by Trust	Negotiations underway to secure formal agreement between the two parties.

Key actions to deliver goals	Key milestones (2013-14)	Key milestones (2014-15)	Key milestones (2015-16)	Risks to delivery	How risks will be managed
	Parent hotel - capital scheme to be undertaken by charity for completion by year –end.	Develop Treetops as family accommodation.		Fundraising does not provide sufficient funds for full development	Agree plan with charities to coordinate fundraising opportunities.
e) Ensure that patients receive treatment promptly and in line with standards defined in the NHS Constitution.	Ensure capacity and systems in place and activity delivered to achieve all Operating Framework requirements. See 2A below Continue improvement to systems in place to manage patient pathways, with weekly PTL meetings and completion of action plan.	Ensure capacity and systems in place and activity delivered to achieve all Operating Framework requirements.	Ensure capacity and systems in place and activity delivered to achieve all Operating Framework requirements.	Risk to performance as a result of increased demand and insufficient capacity. Risk to performance if processes for managing pathways are not robust	Contract activity levels include assumed growth and capacity plans in place to meet predicted activity levels 18 Week Programme Board in place to monitor progress in improving systems Monthly Divisional Performance Review meetings will assess performance against full range of indicators. Monthly performance report to the Trust Board.
Strategic Objective 2: Develop and expand our role as a provider of specialist services for children					
a) We will further improve standards of care in specialised services	• We will undertake an assessment of each of the Trust's specialised services against the nationally defined standards for prescribed specialised services. •We will identify any gaps	•We will address gaps in compliance and developing plans to meet standards in line with plans agreed through the derogation process with commissioners	•We will address any gaps in compliance and developing plans to meet standards in line with plans agreed through the derogation process with commissioners.	Risk of not meeting required standards as a result of funding constraints.	Involvement of Trust clinicians on national Clinical Reference Groups which will determine required standards.

Key actions to deliver goals	Key milestones (2013-14)	Key milestones (2014-15)	Key milestones (2015-16)	Risks to delivery	How risks will be managed
	in compliance and developing plans to meet standards. •We will ensure quality dashboards are in place				
b) Further develop Neurosciences service and ensure that national Safe and Sustainable standards are achieved for Paediatric Neurosciences	• Complete action plan to meet Safe & Sustainable Standards for Neurosurgery and implement other improvements determined locally •Participate in new Network arrangements for Paediatric Neurosurgery and prepare for Peer Review •Review clinical management arrangements for rare and complex brain tumours.	Work within agreed Neurosciences Network to determine plans for further development in line with national *Safe and Sustainable* standards. Complete scheme for provision of 3T MRI as part of capital scheme for Theatres.	Work within agreed Neurosciences Network to determine plans for further development in line with national *Safe and Sustainable* standards	Failure to comply with national designation requirements would threaten the viability of the Trust's Neurosciences Services	Effective management of development through monthly Trust Neurosciences Group to monitor progress of implementation of improvement and report to Trust Executive Group.
c) Deliver higher levels of activity in agreed clinical priority areas and ensure capacity in place to deliver growth. *Agreed priority areas:* *Neurosciences* *Gastroenterology & nutrition* *Growth &metabolic* *Respiratory& ENT* *Musculoskeletal & bone health*	•Deliver higher levels of activity as detailed in activity & income plans, by increasing clinical capacity specialities and ensure sufficient outpatient & diagnostic capacity available. This will include investment in additional consultant staff in Neurodisability and Allergy services, additional consultant PAs in T&O, Paediatric Surgery and ENT , and	Deliver higher levels of activity as detailed in activity & income plans, by increasing clinical capacity specialities and ensure sufficient outpatient & diagnostic capacity available.	Deliver higher levels of activity as detailed in activity & income plans, by increasing clinical capacity in specialities.	Failure to ensure adequate capacity in place will put at risk delivery of key waiting time targets and income targets.	Activity plans reviewed monthly and quarterly review of future activity and capacity projections now undertaken. Transformation Programme will also ensure that maximum use is made of existing clinical capacity.

Key actions to deliver goals	Key milestones (2013-14)	Key milestones (2014-15)	Key milestones (2015-16)	Risks to delivery	How risks will be managed
Surgical specialities *Cancer treatment* *CAMHS Tier 4*	additional therapy and nursing staff to support a n umber of specialities. •Maximise throughput of Operating Theatre and Outpatient Departments to deliver higher levels of activity through existing capacity through Transformation Programme	Maximise throughput of Operating Theatre and Outpatient Departments to deliver higher levels of activity through existing capacity through Transformation Programme	Maximise throughput of Operating Theatre and Outpatient Departments to deliver higher levels of activity through existing capacity through Transformation Programme.		
	Increase physical capacity for expansion of specialist activity: •Implement capital scheme for two additional operating theatres and provision of 3T MRI. •Progress a scheme to increase accommodation available for outpatient clinics, with a continued focus on productivity •Open two additional cots on Neonatal Surgical Unit from April 2013	Increase physical capacity for expansion of specialist activity: Capital scheme for redesign of theatres for completion during 2014/15.	Increase physical capacity for expansion of specialist activity as required.	Failure to ensure adequate capacity in place will put at risk delivery of key waiting time targets and income targets.	Activity plans reviewed monthly and quarterly review of future activity and capacity projections now undertaken. Transformation Programme will also ensure that maximum use is made of existing physical capacity.
d) Following interim designation as Major Trauma Centre, the Trust will implement plans for full compliance with designation standards.	Implement improvement in line with plan to address gaps in compliance against Trauma standards, to include: •Appointment of additional A&E consultant to increase hours of consultant cover in A&E	Implement further improvement to address gaps in compliance against Trauma standards and achieve full compliance, to include: •Additional consultant staffing in the Emergency	Completion of any residual action required for Major Trauma Centre designation	Funding to ensure compliance may not be available from commissioners	Finance plan includes assumption that Trust will meet some of the costs of achieving compliance.

Key actions to deliver goals	Key milestones (2013-14)	Key milestones (2014-15)	Key milestones (2015-16)	Risks to delivery	How risks will be managed
		Department • The provision of a Trauma theatre (as part of Theatre redesign scheme)			
e) Strengthen and develop services within recognised key clinical priority areas.	• Expand the range of services provided for children with Cerebral Palsy • Further develop the Rheumatology Service • Further develop the Respiratory service • Expand and develop the Metabolic service • Set up a new Sexual Referral Assessment Service • Establish two Extra Care CAMHS Tier 4 beds • Provide hosting arrangement for two paediatric critical care and two neonatal Operational Delivery Networks for Yorkshire & Humber region	Expand specialist services further in line with plans agreed with commissioners	Expand specialist services further in line with plans agreed with commissioners	Failure to develop services in line with agreed plans with negative impact on income and performance	Progress in implementation of this development will be undertaken through monthly Divisional performance review meetings.
f). Ensure that new/expanded markets are identified for future expansion of specialist services.	Use of marketing to promote Trust's specialist services including launch of new website	Implement agreed marketing strategies.	Implement agreed marketing strategies.	Risk that the Trust is unable to attract growth in specialist referrals.	Careful monitoring of referrals and activity against plans, with use of marketing data to identify changing patterns of referrals and opportunities.

Key actions to deliver goals	Key milestones (2013-14)	Key milestones (2014-15)	Key milestones (2015-16)	Risks to delivery	How risks will be managed
Strategic Objective 3: Work in partnership with others to reshape healthcare for children in Sheffield					
a) Work with the Clinical Commissioning Group in Sheffield to redesign Unscheduled Care	• Extend Consultant –led GP Advisory Service to support GPs in the management of unwell children, thereby reducing unnecessary admissions to hospital. Pilot evaluated well in 2012/13 and further funding provided by CCG to extend hours of operation. • Provide hospital accommodation for GP out of hours service and work with CCG on plans for integrated joint triage arrangement	Develop and implement integrated out of hours model of care with single point of entry for children to integrated out of hours care, based at Sheffield Children's Hospital	Develop and implement integrated out of hours model of care with single point of entry for children to integrated out of hours care, based at Sheffield Children's Hospital	Risk that the partners fail to reach agreement on suitable models of service, and that the number of admissions to hospital continues to rise, with detrimental impact on plans for the development of specialised services.	Partnership arrangements are currently working effectively with stronger working arrangements in place with CCG and local GPs. Strategic direction agreed, along with agreement to use readmission funding for investment in alternative provision.
b) We will improve the universal Speech and Language Therapy Service	We will appoint extra staff to support more children following investment of £200k by local commissioners	N/a	N/a	Ability to recruit additional qualified staff	Department has strong reputation and so likely to attract good candidates.
c) We will further develop Health Visiting Services	Meet agreed trajectories for increasing Health Visitors in line with plan agreed with NHS Commissioning Board Further improve performance against the Healthy Child Programme targets,	Meet agreed trajectories for Health Visitor numbers	Meet agreed trajectories for Health Visitor numbers.	Ability to recruit additional Health Visitors	Training of existing staff and support to local training provider.

Key actions to deliver goals	Key milestones (2013-14)	Key milestones (2014-15)	Key milestones (2015-16)	Risks to delivery	How risks will be managed
d) Work with partners to improve services for children with complex conditions	k Progress plan with partners to improve pathways for complex children and implement improved services	Implement improvement s to services for complex children as agreed with partner agencies.	Implement improvements to services for complex children as agreed with partner agencies.	No specific risks identified	
e) We will respond to Sheffield City Council's Early Years Strategy.	In response to the Council's strategic change in early years provision we will transfer Sure Start services to Sheffield City Council with effect from July 2013,	None	None	Financial risk in relation to costs in Q1 2013/14	Agreement from Sheffield City Council to meet non-recurrent costs associated with temporary extension of service during organisational change.
f) We will work with the CCG and the Sheffield Health & Social Care Trust to plan and implement the transfer of community mental health services for 16-17 year olds into the Trust.	gree funded plan for the provision of a mental health service for 16-17 year olds in Sheffield and plan implementation for Q4 of 2012/13.	First full year of implementation of new 16-17 year old community mental health service provided by the Trust		Risk if funding is insufficient for the provision of a safe and effective service.	The Trust has notified commissioners that it would not agree transfer of service with insufficient funds.
Strategic Objective 4: Expand the Trust's role as an expert provider of specialist pathology services					
a) We will establish Next Generation Genetic Sequencing technology to transform patient services in all applicable areas	Implement Next Generation Gene Sequencer to provide increased capability to ensure competiveness. Collaborative approach with other diagnostic service providers under development.	Develop and implement plans in line with agreed strategy, which will be determined during 2013/14	Develop and implement plans in line with agreed strategy, which will be determined during 2013/14	Risk that the Trust tries to develop services in isolation and then is unable to achieve reductions in cost base prior to national designation process for specialised diagnostic services.	By working on strategic alliances with NHS and commercial partners, the Trust is preparing for a reduction in providers which the NCB is likely to implement in future years.

Key actions to deliver goals	Key milestones (2013-14)	Key milestones (2014-15)	Key milestones (2015-16)	Risks to delivery	How risks will be managed
b) We will review opportunities to expand Newborn Screening	Develop plans for expanded newborn screening, potentially developing collaborative arrangements with NHS, private and overseas partners. Continue with leading national pilot for extended newborn screening	Develop plans for expanded newborn screening, potentially developing collaborative arrangements with NHS, private and overseas partners.	Develop and implement plans in line with agreed strategy, which will be determined during 2012/13.	Risk that the Trust tries to develop services in isolation and then is unable to achieve reductions in cost base prior to national designation process for specialised diagnostic services.	By working on strategic alliances with NHS and commercial partners, the Trust is preparing for a reduction in providers which the NCB is likely to implement in future years.
Strategic Objective 5: To be a national leader in research and education					
a) We will promote excellence in paediatric research in Sheffield	Research Strategy aims to strengthening research, increasing patients in studies, and underpinning development of specialist clinical areas. We will • Promote and embed a culture of research •Develop an academic unit of child health •Train, mentor and support our researchers •Build on existing collaborations in Sheffield and beyond	To meet agreed growth targets and increase activity within the Clinical Research Facility in line with plan. Implement action to progress agreed Research Strategy.	To meet agreed growth targets and increase activity within the Clinical Research Facility in line with plan. Implement action to progress agreed Research Strategy.	Failure to develop Trust's research capability will have a negative impact on the Trust's clinical services and reputation. Strengthening research will reinforce the Trust's role as a specialist provider and support the development of highly specialist service development.	Appointment of new Research Director and new Research Manager in 2012/13 has increased the capacity of the Trust to develop strategies and plans for Research within the Trust.
b) Increase commercial income and encourage innovation	Build strategic partnerships with industry Incorporate the innovations of the NHS within the Trust Work with the Yorkshire and Humber Academic	Work with local Research Networks and the Yorkshire and Humber Academic Health Science Network to further develop South Yorkshire Research Board	Work with local Research Networks and the Yorkshire and Humber Academic Health Science Network to further develop South Yorkshire Research Board	None identified	N/A

Key actions to deliver goals	Key milestones (2013-14)	Key milestones (2014-15)	Key milestones (2015-16)	Risks to delivery	How risks will be managed
	Health Science Network to develop collaboration and drive innovation				
c) Ensure regulatory compliance and quality within the Trust's Research to a high standard,	Implement action plan agreed from MHRA inspection Meet or exceed CLRN accrual targets and maintain excellent study turnaround times.	Comply with all MHRA requirements & ensure a safe & efficient quality led research environment is available	Comply with all MHRA requirements & ensure a safe & efficient quality led research environment is available	Failure to meet standards would damage Trust reputation and put at risk research income	New Research Director and Research Manager appointed.

3.2 Clinical Workforce Strategy

One of the key challenges identified by the Trust is the sustainability of the Medical workforce, specifically at trainee level. This is a challenge not only in terms of maintaining existing rotas in key specialties e.g. Paediatric Intensive Care, but also in relation to moving towards 7 day working over the medium term. As part of the Clinical Workforce Strategy we will work towards the recruitment and development of advanced nurse practitioners to reduce the reliance on the junior doctor workforce .This will be done in conjunction with the Local Education and Training Board, part of Health Education England, to develop plans to achieve this in relevant specialties.

One of the stated strategic ambitions of the Trust is to develop and grow our specialised services. As part of this and our work towards delivering the requirements of relevant 'Safe and Sustainable' reviews, we will look to work with commissioners to strengthen our clinical workforce in key areas. Examples will include strengthening the Medical Consultant workforce in the Emergency Department to move towards increased medical cover in recognition of our desire to maintain recognition as a Major Trauma Centre.

As part of our constant review of workforce costs and skill mix we have reviewed our staffing complement (grade mix) against acute providers in Yorkshire and the Humber and specialist children's hospitals. Evidence from this review has consistently shown that the Trust has a 'richer' skill mix than comparator Trusts. The Board of Directors has agreed that a strategic review of the workforce will take place this year in order to ensure that the skill mix across all staff groups is appropriate and consistent with banding profiles set out within the Agenda for Change terms and conditions of service. Comparative data taken from the NHS information centre's I-view system has indicated that savings can be made by ensuring that the skill mix across the Trust is consistent with other providers.

The Trust is currently collaborating with other acute provider organisations in South Yorkshire, West Yorkshire and North Derbyshire, This initiative 'Working Together' is designed to look at ways of co-operating to addressing clinical and financial challenges over the coming years. One of the short term projects that has been commenced is a project to look at working together to reduce spend on agency locum staff across the provider organisations. The aim of this is to look at pooling the combined purchase power of the organisations to address cost issues in relation to the supply of medical locum staff.

In relation to organisational development, the Trust will undertake a significant piece of work to embed the recently developed Trust values across the organisation. The Board of Directors at its meeting in April 2013 approved a revised set of organisational values that had been developed in consultation with a wide range of stakeholders. This year will see the roll out of these values across the organisation in order to embed them. This will involve ensuring that values are

communicated, understood and incorporated into performance assessment criteria through the appraisal process.

3.3 Clinical sustainability

There are three factors in recent years which have combined to threaten clinical sustainability nationally. These are national developments so impact on all NHS organisations to a greater or lesser extent.

- Full implementation of the Working Time Directive in August 2009. This effectively lead to a 14% reduction in medical training manpower hours (this would not have occurred overnight as the implementation was phased in).
- Reduction in the number of foreign medical graduates granted visas – these doctors would previously have made up the shortfall in UK graduates.
- The reduction in the number of trainees in some specialties, given that training numbers are aligned to consultant numbers.

All three have impacted on our ability to deliver sustainable clinical services in an NHS which still bases its 24/7 service provision on trainees. This has not reached a crisis point as yet, but has been identified up nationally by Colleges as an increasing problem.

a) Trust's services which could potentially lack critical mass as defined by Royal Colleges

There are three main areas within the Trust where we may in future lack critical mass of medical staff/personnel to deliver frontline services in a sustainable manner:

- Acute Paediatrics
- Paediatric Critical Care
- Emergency Medicine

These three services provide the main 24/7 acute cover for the Trust (Surgery is sustainable with non-resident consultant and middle grade cover if we have the basic medical cover 24/7 on-site). Increasing workload and the relative inexperience of junior medical staff compared to pre-WTD means that the solution going into the future of the manpower shortages will be based around consultant medical staff and advanced practitioners. The current traditional model of having ward based patients at night covered by multiple groups of junior doctors working on a speciality basis is no longer sustainable. There are insufficient consultants in these three areas to provide a basic 16/7 level of cover at present with little prospect of moving to a 24/7 based service in the near to

middle future with the current number of trainees coming out of training schemes and looking for consultant posts.

b) Services which have consultant cover below those recommended by Royal Colleges

As above the three main areas are:

- Acute Paediatrics
- Paediatric Critical Care
- Emergency Medicine

There will never come a situation in which we could sustain 24/7 full shift consultant cover in the surgical specialties as there would be insufficient elective activity to sustain the experience of the number of consultants required to staff a 24/7 full shift system.

c) Innovations in care delivery developed at the Trust or in conjunction with partner organisations.

There are three local initiatives:

- The Unscheduled Care Future Shape Project which is a joint project managed with the CCG to review the provision of unscheduled care services for children in Sheffield and options for rationalising these.
- The Hospital Out of Hours Project within the Trust, which is looking at options for providing a sustainable service not just at night, but for the whole of the out of hours period, which is reviewing options, including the development of a Hospital at Night Nurse Co-ordinator role.
- "Working together"- a collaboration between the South Yorkshire Trusts, Chesterfield and Mid Yorkshire NHS foundation trusts, to look at ways in which we can work together to develop sustainable services for the future.

4. Productivity and efficiency

4.1 Overview

We are clear that increased productivity is essential if the Trust is to succeed in future within the challenging financial climate in which it operates. Over recent years the Trust has successfully delivered more patient care whilst delivering a surplus above plan at year end, thereby demonstrating increased efficiency in delivery. In order to ensure further improvements over the next year, the Trust will maintain a clear focus on productivity, through both the Transformation Programme and through delivery of mainstream cost efficiencies. Clear measures have been identified as targets for improvement in productivity for theatre and outpatient services, along with other key areas, and work undertaken by the Trust over the last year has provided the performance management framework and improved information to enable us to track improvement through the year. Achievement of the efficiency programme over the next 3 years is a major challenge for the Trust. The Trust recognises that the delivery of significant activity growth, the implementation of the new PAS and capital schemes will impact on the efficiency programme. It anticipates that the target for 2013/14 is stretching, but appropriate mitigation is in place to manage this risk during the year. Targets for improvement have been set as detailed below.

Outpatient productivity – we have set a 2% target for DNA reduction in outpatient services across all areas on the basis of improvements made or agreed relating to the management of the service, including the implementation of an automated appointment reminder service (Netcall). A further 1% efficiency will be achieved through improved use of clinic slots.

Theatre productivity - the trust has a very high level of utilisation of theatre lists – in 2012/13, over 93% of available lists were utilised. We plan to increase use of handed back lists further in 2013/14, with a target of 94% set for the overall use of available lists. The Trust will also target improved performance in relation to the numbers of patients treated on average per operating list. In 2012/13 the trust successfully increased the numbers treated by 7%, with an average 3 per list achieved compared to 2.8 per list in the previous year. We plan to increase utilisation further, with a target of 3.2 cases per list set for 2013/14.

Day case rates – the Trust achieves a high rate of day cases and improved this rate from 68% to 70% in 2012/13 compared to the previous year. We aim to further increase the day case rate over the next three years, and aim to increase on an annual basis by1% by the third year of the plan.

New to follow-up ratio – we aim to reduce the numbers of follow-up patients seen through our Service Line Development programme and through working with the CCG to redesign pathways of care and develop further integrated community care services.

Average length of stay – the Trust has low lengths of stay, with an average length of stay of 3.3 days for both elective and non-elective admissions. Whilst there is potential for some minor reduction in length of stay as a consequence of work being undertaken on the few patients with very long length of stays in hospital, we do not intend to set any internal targets for improvement in this area. The increased rate of day case attendance means that the patients who require admission are likely to be the more complex patients whose admission may be longer. Specific improvement work will be targeted on improving discharge arrangements – we would expect this to improve efficiency in terms of earlier discharge on the day, but do not expect this to decrease our length of stay significantly overall.

Bed occupancy – the trust does not expect to improve occupancy rates given that more patients will be treated in each of the three years of the plan, and additional beds are required to support this growth. Increased elective and non-elective patient numbers in 2012/13 led to a higher level of bed pressure in 2012/13, with increased risk. We have therefore decided to reopen four surgical beds which had previously been closed and also to run the Acute Assessment Unit at the full complement of beds throughout the year in future rather than just during the winter months.

Readmission rates - the Trust's emergency readmission rate rose in 2012/13 compared to the previous year, seemingly reflecting the higher pressure on in-patient beds. As described above, additional beds will be put in place in 2013/14 to support the management of higher patient numbers and reduce the risk relating to bed availability. We would expect this to have a positive impact on readmission rates.

Bank and agency expenditure

Agency expenditure for the Trust in 2012/13 was £2.7m, which is contained within the Trust's overall pay under spend. A particularly high area of expenditure has been medical staff, particularly to cover junior doctor rota gaps as a result of maternity leave and sick leave.

The Trust has adopted a number of measures to manage this position going forward, including expanding our internal pool of bank staff, recruiting to Trust funded posts to reduce the risk of unfilled gaps, and also looking to work with an external organisation to "employ" agency staff on a fixed term contract to reduce actual costs incurred**.**

4.2 CIP governance

Assessment of historic performance, including main drivers, and necessary action to ensure future delivery

The Trust had a CIP target of £6.1m in 2012/13 which included £1.1m of undelivered CIPs from the previous year. Achievement against this target was circa 80% including non recurrent plans and taking into consideration divisional under spend positions. 2012/13 was year 1 of a 3 year CIP programme developed with the support of external consultancy. Divisions have continued to update and develop a rolling 3 year programme as part of the Trust's long term financial model. In 2013/14 the Trust will continue to build on the work done to date within the Transformation Programme, with more robust monitoring of key performance indicators linked to actual cash releasing savings. A Programme Management Office, led by an Associate Director of Transformation is in place to support this programme of work to increase efficiencies at the operational level. Revised project management arrangements are being put in place to manage the projects with greater emphasis on engagement with divisions and clinical teams.

Although achievement of efficiency targets was evident in 2012/13 through the monitoring of KPIs, savings were not easily identifiable from a cost reduction perspective, as the Trust was over performing against the income plans; this negated the requirement to focus on reducing costs to achieve CIP targets in year.

The primary focus for efficiencies this year will be on delivering activity at a reduced marginal cost. Income CIPs included in the plan are fully supported by business cases and have been robustly challenged and tested. A revised method of measuring efficiency has been introduced to ensure resource efficiency and cash impact are tracked in detail.

All clinical division CIP schemes have been reviewed by the Medical and Nursing directors and risk assessed for their potential impact on service delivery and quality. The result of these will be reported back to the CCG as part of the commissioning process.

With the planned roll out of Service Line Reporting in 2013/14, this will provide service lines and clinical teams with greater opportunities and different approaches to planning and delivering efficiencies going forward, the process will be more closely linked to service delivery and be led at clinical level rather than management.

4.3 Overview of PMO, leadership and assurance arrangements for the life of the strategic plan

The Trust CIP plans were developed with key senior clinical and management staff from Divisions with support from an external consultancy company (2020 Delivery) in advance of 2012/13, and more recently updated to include 2015/16 as the third year of the plan. The CIP plan was

considered and supported by the Trust's Executive Group, which is the key management body below Trust Board, and whose members include all Clinical Directors, Directorate Associate Directors and Executive Directors. Once approved by the Trust Executive Group, the plan was then recommended to the Trust's Board of Directors who approved the plan.

We recognise that the delivery of substantial transformation needs resourcing. We identified that the delivery of the CIP plan was part of a wider transformation programme that we would deliver over the next three years, which together, would substantially change the way in which we provide our services. The Trust has identified non-recurrent resources to support the transformation, which includes the provision of a Project Management Office, with project management staff, data analysts and other support for the major areas of transformation within the CIP plan. An Associate Director of Transformation was appointed to take responsibility for the PMO.

The Trust Executive Group undertook an initial quality impact assessment on the three year CIP plan to determine areas of risk. Each of the individual Transformation Programmes has a risk log, and measures that reflect quality parameters are included within the balanced scorecards for measuring the impact of the Transformation Programmes.

Managing our efficiency programme is an integral part of the way in which we will manage transformation developments and performance delivery. Last year we identified a number of changes we needed to make to the way in which we approached operational efficiency to improve the likelihood of delivering the improvements we needed to achieve. These were:

- Strong project and programme governance
- Sufficient resourcing to drive projects forward
- Improved measurement and management of operational efficiency KPIs at service line level

The transformation projects represent around 20% of the total CIP target in 2013/14 so the majority of efficiency gains will still need to be delivered through individual divisional level plans.

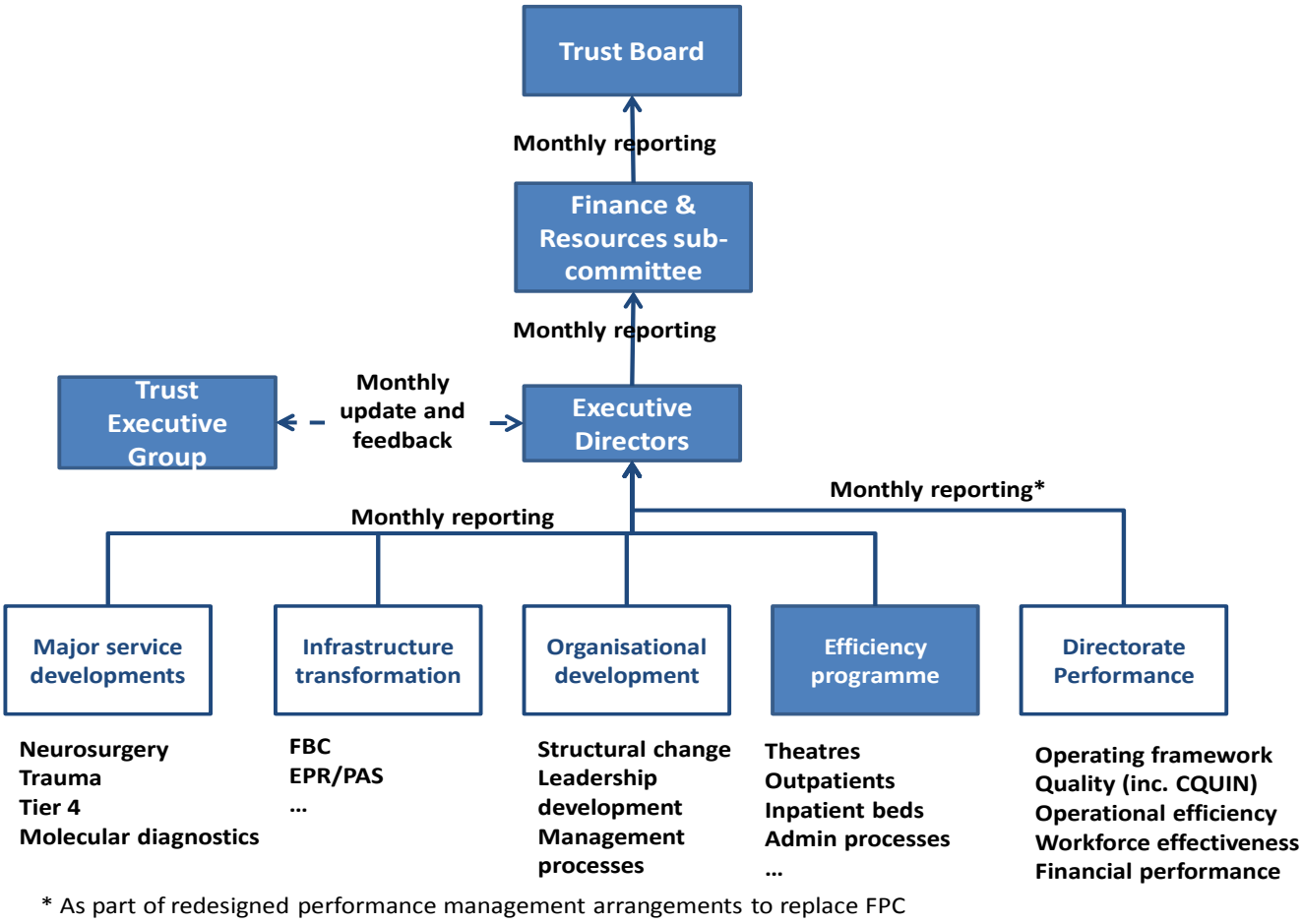
For schemes with a potential value of over £100k, we have introduced a standardised documentation and tracking process so that productivity, increased income and/or savings, operational KPIs and implementation milestones can be tracked and reported and cross referenced to avoid priority clash.

Divisions have undertaken a clinical impact assessment for all planned schemes and for schemes which carry risk, which have also been reviewed by the Medical Director and the Director of Nursing and Clinical Operations. Divisional performance is managed through the monthly performance management process which was implemented as part of the organisational design changes in 2012/13. This includes review of aggregate performance by the Finance & Resources

Sub-committee. The Finance Department will continue to be the operational lead for tracking and reporting CIP delivery working closely with the Programme Management Office for the Transformation programme.

Figure1. below shows a schematic of the overall transformation programme.

Figure 1: Trust–wide approach to Transformation



* As part of redesigned performance management arrangements to replace FPC

Divisions are expected to have robust processes in place for disaggregating efficiency targets and CIP plans to operational units/service lines, establishing clear accountabilities and managing progress through regular monthly cycle of performance review.

4.4 CIP profile

4.4.1 Outline of Transformation Programme

Whilst the Trust made good progress during the first year of the transformation programme, with improved productivity, the extent of this improvement was not sufficient to achieve the full level of planned efficiencies. Infrastructure has now been strengthened through the programmes which will support the next phase of the programme, and deliver further benefits in 2013/14. Examples include the establishment of a Theatre Admission Unit to improve patient flow to increase in

productivity of operating theatres, and an automated messaging system has also been implemented to reduce out-patient non-attendance rates

The conclusion of the review of the first year of the Transformation Programme was that we need to increase the pace and scale of change within the organisation but that this must be embedded at clinical team level, focussing on increased productivity at lower cost across the patient journey. In addition it was clear that our main areas of strategic change needed to be further 'joined up' to gain the maximum impact from them. We have therefore revised our focus areas for 2013/14. The table below maps across the areas identified within the programme for 2012/13 to 2013/14.

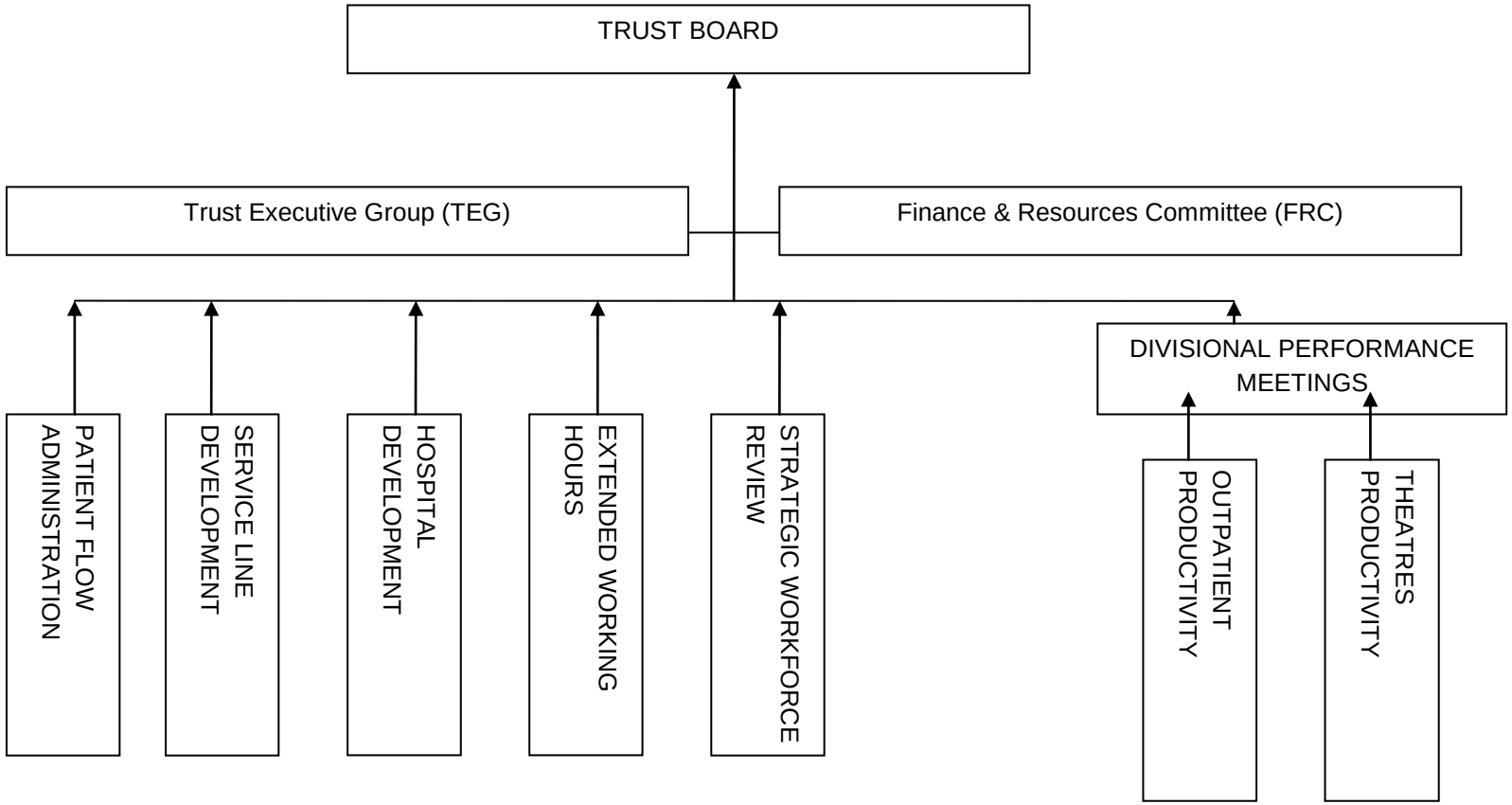
2012/13 Programme	**Plan for 2013/14**	**Key outcomes to be delivered**
Theatre productivity	Devolved responsibility to Divisional level	Increased productivity measured against agreed indicators at clinical team level resulting in financial saving. Performance will be tracked monthly via the Divisional Performance Review meetings against agreed key performance indicators to measure progress
Outpatient Productivity	Devolved responsibility to Divisional level	Increased productivity measured against agreed indicators at clinical team level resulting in financial saving. Performance will be tracked monthly via the Divisional Performance Review meetings against agreed key performance indicators to measure progress
Administrative Processes	Expanded to include patient flow administration, focussed initially on the implementation of a new PAS and phase 1 of an Electronic Patient Record	Reduced cost within administration functions across the organisation
Inpatient productivity	Devolved to Divisional level	Increased productivity measured against agreed indicators at ward and specialty level resulting in financial saving. Performance will be tracked monthly via the Divisional Performance Review meetings against agreed key performance indicators to measure progress.

The enhanced programme for 2013/14 also includes:

Programme	**Plan for 2013/14**	**Key outcomes to be delivered**
Service Line Development	Each clinical specialty reviewed and supported to increase productivity at patient journey level building on the SLR work to date and increasing ownership and clinical engagement as 'business units' within the organisation	Increased activity at reduced cost No unnecessary delays in patient assessment, treatment or discharge and improved pathway management
Extended Working Hours	Implementing recommendations to extend working hours routinely throughout the organisation	Increased activity within existing physical resource at lowest cost Workforce changes to routinely provide improved access for patients
Strategic Workforce Review	Divisional level reviews of roles and remuneration utilising benchmarking data	Reduced cost within workforce
Hospital Development	Use as a catalyst for change in processes and maximise efficiencies cross referenced to Divisional programmes	Increased productivity for both inpatient and outpatient areas, releasing savings both pay and non-pay

The governance and reporting arrangements for the Transformation Programme are shown in **Figu**re 2 below

Figure 2. Transformation Programme reporting and performance management



TRUST BOARD: Monthly exception reporting

TEG: Monthly KPI report plus rolling programme of detailed reports

FRC: Monthly report tracking progress on productivity and financial release

Divisional Performance Meetings: Monthly KPI report tracking progress

Programme Steering Groups: Delivery focussed weekly updates; monthly meetings

4.4.2 Key schemes including risk ratings for individual schemes

The key schemes of the CIP programme are detailed in Appendix 2.

The total efficiency target for 2013/14 is £5.1m, plus £1.5m undelivered plans carried forward from 2012/13. The total target CIPs is therefore £6.6m. During the financial planning process circa £0.6m of undelivered CIPs were written off against unused reserves carried forward.

The profile of the CIPs for 13/14 (including carry forward from 12/13) is:

Income	**£1.1 million**
Non Pay	£2 million
Pay	£3.5 million
TOTAL	£6.6million

a) Income

Business cases underway to deliver increased income include the increased utilisation of CAMHS Tier 4 inpatient beds and diagnostic genetic testing income associated with the investment in the new Next Generation Sequencer.

b) Non Pay

There are three significant areas of planned savings in the non pay cost base for 2013/14 which have all been confirmed, including a sizeable reduction in the CNST premium from the previous year to reflect the change in the methodology of calculation introduced by the NHSLA to take into consideration the Trust's claim history.

In addition a successful rates review on the Becton property where the CAMHS Tier 4 services are delivered from has also been factored into the programme together with a reduction in property charges associated with the Community Services which transferred into the Trust in April 2011.

The Trust also commissioned an external review of the potential non pay savings across the Trust from the use of alternative suppliers, including an alternative to the NHS Supply chain model. This

has presented some opportunities which are currently being verified at divisional level. Divisions are also continuing the review of alternative products and management of usage as part of non pay efficiency programme. Managed service contract options are also being pursued by the relevant divisions. The Finance department are also working with a 3rd party to secure discounts on invoice values in return for quicker payment to suppliers.

As part of the Working Together Initiative a number of initiatives are being considered to reduce records storage and scanning costs.

c) Pay

A major part of the pay CIP programme is reliant on 3 strands of the transformation programme which commenced in 2012/13, these being:

- *Theatre transformation* – with a primary aim being to maximise utilisation of all theatre lists, minimise DNA's and other non-attendance, align resources to ensure maximum efficiency and reduce non-pay expenditure
- *Outpatient transformation* – with the primary aim being to maximise utilisation of outpatient clinics, minimising DNAs and other non-attendance and redesign service provision.
- *IT enabled administration transformation* – to maximise efficiency and reduce costs through the use of digital dictation, voice recognition, electronic document management and through the development of an Electronic Patient Record

Efficiency savings were achieved last year as a result of the work done in all these three areas in 2012/13. For example, the Trust successfully increased productivity of theatres lists by 7% as a result of an increase in the average number of patients booked on elective operating lists. The Trust aims to further build on this progress in 2013/14. Additional investments have been made and further resources planned for 2013/14 to support the delivery of all three projects and associated efficiency targets from infrastructure and management to capital schemes.

The Trust recognises the significant challenge in achieving cash releasing initiatives.

Delivery of the theatre and outpatient transformational savings will be closely monitored alongside KPI achievements. Plans have been established to quantify the level of savings linked to throughput levels per clinic and per list agreed with divisions. This is a fundamental step forward for the Trust in terms of providing assurance of the level of savings achievable and gaining engagement from service providers. It is anticipated that the majority of the cash released will be

from investment earmarked to deliver increased capacity which will not be required due to increased efficiency.

All schemes have been risk rated to assess impact on quality and risk to delivery. Areas of highest risk relate to the transformation schemes.

4.5 CIP Enablers

a) Clinical leadership and engagement in identifying and delivering CIPs

The Trust's organisational arrangements are based on a devolved clinically led model for the management of clinical services, with management responsibility delegated to Divisions for all aspects of performance. Following organisational change undertaken in 2012/13, the Trust now has four large clinically led Divisions, each with a Clinical Director and an Associate Director with other appropriate senior clinical leadership roles, including Senior Nurses. Clinical Directors are held accountable for the performance of the Division against agreed objectives, including those set for quality, finance and other key performance targets.

In devising the CIP plan for the Trust, Divisional management teams were set CIP targets and requested to identify suitable saving schemes and the senior clinical and management teams within Divisions have developed the detailed plans. Divisions were requested to undertake a risk assessment on all schemes to identify potential risk to patient safety and quality. The quality risk assessments were then also reviewed by the Medical Director and the Director of Nursing and Clinical Operations. Any schemes deemed to carry too much risk were not approved and Divisions were requested to identify alternative schemes. CIP plans were also reviewed by the Chief Operating Officer and the Chief Finance Director to assess with the Division whether schemes were deemed to be deliverable. Both of these processes involved the relevant Associate Director and Clinical Director/s.

The Trust Executive Group is the main management group leading the organisation below Trust Board level, and is comprised of Executive Directors, Clinical Directors and Associate Directors. The Trust Executive Group has agreed plans for the approach taken to delivering efficiency savings, including the Transformation Programme and the revisions to this Programme planned for 2013/14.

The Divisions will be held accountable for the delivery of their financial plans, including the delivery of the CIP plans during the year, and the monthly individual Divisional Performance Review meetings held between each Division and the Executive Directors will monitor performance through the year.

b) Enabling infrastructure

There are a number of key changes to infrastructure that are required to support the Trust's strategic development and the transformation of the organisation, which are as follows:

- **IM&T**

PAS/EPR - During 2012/13 the Trust will progress with phase 1 of an Electronic Patient Record with the implementation of a new Patient Administration System, along with a new A&E system, a bed management system, a data warehouse and a business intelligence system. The procurement of this system is complete with a chosen supplier identified. This development will support the Trust's transformation and will support more effective working practices. The Trust will plan and implement further phases of the EPR at a timescale to suit the needs of the Trust and the availability of capital.

Electronic Document Management System – the Trust will plan to implement an electronic document management system as part of the change management programme to streamline administrative processes. This will be undertaken in year 2 of the plan.

- **Hospital redevelopment**

Additional operating theatres – the Board has approved a capital scheme for two new operating theatres, to support the increase in elective surgical activity. The scheme is likely to incorporate the provision of an intra-operative MRI, (accessible also for ambulatory/non/surgical MRIs), which is important for the Trust's neuroscience services. The scheme commences in 2013/14 for completion in 2014/15.

Hospital development - The progression with a significant scheme for the provision of three new high quality in-patient wards, along with a new outpatient department and new main entrance is a key scheme to improve the quality of the Trust's accommodation and to increase capacity. This development also provides opportunities for improving the way staff work and for transforming elements of how care will be provided in future. The scheme will include automated check in arrangements in outpatients and improved nurse call systems to support a dispersed nursing model on the wards.

- **Organisational Development**

Service Line Management – The Trust has made good progress with the development of Service Line Reporting over the last twelve months along with the provision of improved performance data at service line level. We plan to develop this approach and support individual clinical teams to take on greater accountability for service performance development and financial management.

Continuous improvement and Microsystems – the Trust is working with Sheffield Teaching Hospitals Foundation Trust on a pilot study funded by the Health Foundation aimed at building capacity and capability in quality improvement at patient interface level. This work is being taken forward alongside other Continuous Improvement initiatives which aim to support clinical ownership in improving services at a local level.

5. Financial and investment strategy (FOR PUBLICATION)

5.1 Current financial position

The trust achieved a £3.64m surplus in 2012/13 which was £2.24m above plan. This strong position reflected two main factors. Firstly, clinical income exceeding plan by £1m. Secondly, funding reserved to meet the revenue costs of the hospital redevelopment was only partially committed and hence contributed on a non-recurrent basis only, to the surplus. The underlying surplus is £1.1m and this will need to be fully committed to the redevelopment by the time associated recurrent expenditure comes on stream in 2016/17.

5.2 Key financial priorities

Income

The Trusts' financial plan assumes 9% growth in income over the next three years. However, after deflation is taken into account, our real terms income growth is expected to be 5%.

Our income projections remain conservative compared to income growth in the last 5 years.

Education income is forecast to reduce by a relatively small amount per annum but over the next 7 years the Trust will lose over £1m due to the change in the funding formula for undergraduate teaching. Historically, this Trust received a higher than average undergraduate teaching income and this issue has been reflected in our plans for the last few years.

The Trust has assumed that charitable income will make a contribution to our hospital redevelopment programme of approximately £6.5m over the 3 year period.

The Trust remains heavily dependent on the recognition of the higher relative cost of specialist paediatric care in the national funding formula for acute hospitals.

Expenditure

Our main challenges are to:

- Put in place the staffing and physical capacity e.g. clinic rooms,single room accommodation, new theatres, day care facilities etc to support higher levels of activity in response to the growth in referrals. The plan reflects investment in these areas.
- Identify ways we can improve the organisation of our services so that the cost of providing the additional patient care does not exceed the income provided by commissioners which is reducing in real terms because of a 4% efficiency requirement set nationally. Our transformation programme investment seeks to achieve this.

- Ensure provision is made from internal funds for the increased running costs of the hospital re-development programme. A reserve of £2m is in place which will be applied non-recurrently to the transformation programme.

- A key issue for the Trust will be to harness IMT to support the improvement in our administrative processes which support clinical care. Specific non-recurrent investment has been made in the PAS replacement project and further recurrent investment for IMT staffing is contained in the plan.

- During the period of this plan the Trust will introduce service line management and service line budgetary control to ensure the relationship between income and expenditure is fully understood.

Capital Expenditure

Our funding strategy continues to be based on borrowing from the Foundation Trust Financing Facility to support the redevelopment programme. A £25m loan has been approved .

Leasing will be considered for non-core investment proposals which meet strict financial criteria.

5.3 Key risks to achieving the financial strategy and mitigations

Our key financial risks in 2013/14 are:

- The delivery of an efficiency programme which, although modest as a proportion of total income, is challenging. Mitigation is in place on a non-recurrent basis.

- Securing both staffing and physical capacity to deliver our activity plan. Plans are in place to mitigate the staffing risk and provision for further physical capacity is being finalised.

6. Membership strategy

During the year the Trust recruited over 1,600 new members and we currently have almost 11,000 members.

The Trust's membership strategy is focused on recruiting and nurturing a membership where as many members as possible are actively engaged in the activities of the Trust; developing and retaining our members; and providing accurate and timely information to assist members in making informed choices.

Consistent with this is the need to ensure that our membership is current and a data cleanse exercise of our membership database was conducted during 2012/13 which resulted in a loss of just over 1,300 members. Our overall membership figures therefore remain very similar to those for the previous year despite a successful year of recruiting new members.

Our membership strategy also centres on delivering a membership that is fully representative of the diverse communities the Trust provides services to regardless of gender, race, disability, ethnicity, religion or any other groups covered under the Equality Act 2012. While our current membership does broadly reflect the local and regional populations that we serve there is focus on increasing membership with the newly extended constituency for the rest of England and Wales in support of the Trust's strategy of growing demand for our specialist services from outside South Yorkshire, Derbyshire and the Humber.

For this reason our programme for membership engagement drives in 2012/13 incorporated events across an extended geographic area. In conjunction with events held within our original catchment areas this allowed governors to engage with local people and hear their views first hand. Some of these events involved specific groups, including minority ethnic groups and students as well as more general community events such as fun days for the local community. A similar programme of events is planned for 2013/14 and we will also continue to capitalise on the opportunities afforded by social media to increase the coverage of our engagement activities in as cost effective manner as possible.