Gloucestershire Hospitals NHS
NHS Foundation Trust

Operational Plan Document for 2014-16

Gloucestershire Hospitals NHS Foundation Trust

Operational Plan Guidance – Annual Plan Review 2014-15

The cover sheet and following pages constitute operational plan submission which forms part of Monitor's 2014/15 Annual Plan Review

The operational plan commentary must cover the two year period for 2014/15 and 2015/16. Guidance and detailed requirements on the completion of this section of the template are outlined in section 4 of the APR guidance.

Annual plan review 2014/15 guidance is available here.

Timescales for the two-stage APR process are set out below. These timescales are aligned to those of NHS England and the NHS Trust Development Authority which will enable strategic and operational plans to be aligned within each unit of planning before they are submitted.

Monitor expects that a good two year operational plan commentary should cover (but not necessarily be limited to) the following areas, in separate sections:

1. Executive summary
2. Operational plan
    a. The short term challenge
    b. Quality plans
    c. Operational requirements and capacity
    d. Productivity, efficiency and CIPs
    e. Financial plan
3. Appendices (including commercial or other confidential matters)

As a guide, we expect plans to be a maximum of thirty pages in length. Please note that this guidance is not prescriptive and foundation trusts should make their own judgement about the content of each section.

The expected delivery timetable is as follows:

Expected that contracts signed by this date	28 February 2014
Submission of operational plans to Monitor	4 April 2014
Monitor review of operational plans	April- May 2014
Operational plan feedback date	May 2014
Submission of strategic plans to Monitor (Years one and two of the five year financial plan will be fixed per the final plan submitted on 4 April 2014)	30 June 2014
Monitor review of strategic plans	July-September 2014
Strategic plan feedback date	October 2014

1.1. Operational Plan for y/e 31 March 2015 and 2016

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

Name	Dr Sally Pearson
Job Title	**Director of Clinical Strategy**
e-mail address	**sally.pearson@glos.nhs.uk**
Tel. no. for contact	**300422860**
Date	**1 April 2014**

The attached Operational Plan is intended to reflect the Trust's business plan over the next two 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 Operational Plan is an accurate reflection of the current shared vision of the Trust Board having had regard to the views of the Council of Governors and is underpinned by the strategic plan;**
- **The Operational 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 Operational 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; and**
- **All plans discussed and any numbers quoted in the Operational Plan directly relate to the Trust's financial template submission.**

Approved on behalf of the Board of Directors by:

Name *(Chair)*	Prof Clair Chilvers

Signature

Approved on behalf of the Board of Directors by:

Name *(Chief Executive)*	Dr Frank Harsent

Signature

Approved on behalf of the Board of Directors by:

Name *(Finance Director)*	Mrs Helen Simpson

Signature

1.2. Executive Summary

EXECUTIVE SUMMARY

Welcome to the 2 year operational plan for Gloucestershire Hospitals NHS Foundation Trust. In the plan we set out how we plan to deliver high quality services over the next two years that are consistent with our vision and objectives. In arriving at our priorities we have taken into account the context in which we operate which, for the next 2 years is particularly challenging as we face rising demand and limited resources.

Our priorities reflect our continuing commitment to quality and patient experience in particular. This is given a sharper focus as we implement our response to the recommendations of the Francis Report and the Berwick Report. Over the next two years key elements of our strategy will be:

- Making sure we get the basics right to deliver good quality, compassionate care
- Investing in clinical leadership
- Continuing to align our services between our sites to ensure we can deliver consistent high quality of care
- Harnessing the benefits of information technology to improve the quality of care
- Developing our contribution to the wider NHS
- Seeking to expand the scope of the services we offer

Detailed priority objectives for the next two years are set out in the body of the plan, along with our approach to supporting enabling strategies for developing the workforce, our technology infrastructure, our buildings and our communications.

Our investment plans are driven by these priorities and are set out in the plan.
Key financial assumptions for the next 2 years are set out below:

	2014/15 (£m)	**2015/16 (£m)**
Income	463.3	471.4
Expenditure	432.5	437.3
Non operating expense	26.8	28.1
Operational surplus	4.0	6.0
Capital expenditure	19.6	24.0
Year end Cash position	13.0	14.5

Our progress towards implementation of this plan will be closely monitored at service, divisional and board level and will inform the development of our 5 year strategic plan to be presented in June.

1.3. Operational Plan

OUR STRATEGIC DIRECTION

The Gloucestershire Hospitals NHS Foundation Trust is one of the largest hospital trusts in the country and provides high quality acute elective and specialist health care for a population of more than 612,000 people. Our hospitals are district general hospitals with a great tradition of providing high quality hospital services; some specialist departments are concentrated at either Cheltenham General or Gloucestershire Royal hospitals, so that we can make the best use of the expertise and specialist equipment needed.

Our Framework for the Future is made up of :
Our Mission:
"Improving health by putting patients at the centre of excellent specialist health care"
Our Vision:
"Safe effective and personalised care –every patient, every time, all the time"
Our Goals
Our goals are described in 4 core areas:
Our Services: to improve year on year the safety of our organisation for patients, visitors and staff and the outcomes for our patients
Our Patients: to improve year on year the experience of our patients
Our Staff: to develop further a highly skilled and motivated and engaged workforce which continually strives to improve patient care and Trust performance
Our Business: to ensure our organisation is stable and viable with the resources to deliver its vision

Our Values
Our Values underpin everything we do and describe, in single words, the way we expect our staff to behave towards our patients, their families and carers, and colleagues. After listening to patients and staff the Trust has identified six core values, described here in the words of patients. These are:
Listening Patients said: "Please acknowledge me, even if you can't help me right now. Show me that you know that I'm here."
Helping Patients said: "Please ask me if everything is alright and if it isn't, be willing to help me."
Excelling Patients said: "Don't just do what you have to, take the next step and go the extra mile."
Improving Patients said: "I expect you to know what you're doing and be good at it."
Uniting Patients said: "Be proud of each other and the care you all provide."
Caring Patients said: "Show me that you care about me as an individual. Talk to me, not about me. Look at me when you talk to me."

THE SHORT TERM CHALLENGE

Much has improved in health and social care over the past 20 years resulting in:

- A greater awareness that good physical health is linked to good mental health
- More people managing their own care at home as monitoring technology evolves
- More services in or near people's own homes
- Fewer people needing surgery due to improved imaging techniques, drug treatments and less invasive treatments
- More people spending less time in hospital due to improved community services and advances in surgical techniques
- Other professionals doing tasks previously done by doctors
- Major advances in the treatment of common diseases such as stroke and cancer.

However the scale of the challenges we now face in Gloucestershire is significant and can be summarised as follows:

Changes in the Population we Serve

The population we serve is ageing. This is a national phenomenon but Gloucestershire's increase is greater than the national average. The number of people over the age of 65 is estimated to increase by approximately 70% between 2010 and 2035. The number of people over the age of 85 is expected to double over the same time period.

The risk of all major causes of early death and serious illness increases with age. This means that the number of people living with a long-term illness will rise much more quickly than the growth in the population with an increase in 10% in the next 5 years alone. Over the next 20 years, those living in Gloucestershire with diabetes and stroke are projected to increase by over 30% and coronary heart disease by 50%.

Many of the conditions we see are at least partly associated with lifestyle factors such as smoking, alcohol and obesity. If current obesity trends continue the number of obese adults in Gloucestershire will increase to 40% over the next 20 years. This will result in considerable increase in the demand for health and social care. We also know that the burden of disease is not equally distributed across our population. Whilst Gloucestershire overall enjoys relatively good levels of heath in comparison to the national average, there are significant inequalities between our localities.

National and Local Commissioning Intentions

The national planning guidance for 2014/15, Everyone Counts, reinforces the 5 "offers" to the public that will be delivered through the commissioning arrangements:

- NHS services, seven days a week
- More transparency, greater choice
- Listening to patients and increasing their participation
- Better data, informed commissioning, driving improved outcomes
- Higher standards, safer care

A number of these "offers" have been given additional impetus this year. **The Urgent and Emergency Care Review** outlines transformational changes that will be required over the next 3 to 5 years to build a stronger, more sustainable urgent and emergency care system for everyone. Whilst the recent reconfiguration of our emergency departments goes some way to achieving the vision set out in the document, we will need to do more work with partners both within and beyond Gloucestershire to ensure we have a resilient service.

Similarly the publication of the **First Report of the Seven Day Working Forum** has set out 10 clinical standards, primarily for acute hospitals. To achieve these standards in the next 12 to 24 months will require both changes to the working practices of our clinicians and a significant financial investment.

The health and social care organisations in Gloucestershire have worked together to develop a shared vision for the next 5 years.

Key principles in the vision include:

- A person centred approach
- Developing assets within each local community
- Adopting a "one system, one budget" approach
- Designing efficient and effective services through the development of care pathways and a systematic approach to delivering transformational change.

Changes in the Demand for our Services

The demand on health services locally continues to grow. Based on current modelling, if nothing changes we would see an added pressure of approximately 113 urgent care beds (across acute and community) and 35 elective beds across our entire system over the next five years

We are working with GCCG to develop agreed planning assumptions in relation to emergency unscheduled and planned care activity. The demand model is driven by referral trends over a three year period and includes the activity needed to deliver waiting list targets. Specific growth rates have been calculated for all of our 16 specialty groups.

For unscheduled care the following increases are expected for 2014/15:

- A & E Attendances 1.3%
- Emergency Admissions 0.8%
- Birth rate 1.0%

For planned care the following growth is predicted:

- GP referrals 1.5%
- First outpatient attendances 1.2%
- Outpatient Procedures 1.5%
- Elective activity 0.9%

Changes in the Way Services are Delivered

The drive is to deliver services closer to peoples' homes, whenever it is safe and efficient to do so. This means that we will continue to look for opportunities to develop community services, either by delivering them in communities ourselves or supporting others to do so.

For those services that rely on very specialised staff or equipment it is not possible to replicate these in multiple locations and maintain the quality and safety of those services. A key challenge for us is that we operate from 2 large sites. The Trust has a history of successful site and service changes for specialist services, including ophthalmology, interventional cardiology, maternity and stroke. All of these have been rationalised to one site and deliver improved outcomes for patients. As the standards required of our services become more challenging, we will continue to keep under review the number of locations from which we can safely deliver our services.

Financial Constraints

The NHS is expected to deliver savings of £20bn by 2015. This means the resources available to us to deliver against these challenges are limited. Growing demand at a time of constrained finances means that we must continue to work closely with our Commissioners to agree and implement transformational changes to the services that maintain quality within the available resources.

Each year we are required to make efficiency savings of around 4%. This is becoming increasingly challenging as, based on national comparisons (reference costs), our Trust is already relatively efficient.

A key additional challenge over the period of this plan is the Better Care Fund (previously referred to as the Integration Transformation Fund), which was announced as part of the 2013 Spending Round. It is intended to provide an opportunity to transform local services so that people are provided with better integrated care and support. It is created from the transfer of resources from the NHS to adult social care. In 2014/15 this equates to £1.1bn nationally rising to £3.8bn in 2015/16. A proportion of this funding relies on transformational change in local service provision to ensure that investments in adult social care do reduce the requirement on existing services, enabling us to make these investments without

impacting adversely on other health services.

OUR APPROACH TO QUALITY

Delivering high quality healthcare drives our strategy. We define quality under three domains; **Safety** which provides a focus on preventing harm; **Effective** and reliable care with a focus on the provision of evidenced based clinically effective treatments and monitoring clinical outcomes; and **Patients' experience** with a focus on listening carefully and responding to their comments and concerns.
Each year we ensure that our objectives and targets all relate to improving the quality of the services we deliver.

We have clear roles and accountabilities in relation to quality governance and clearly defined, well understood processes for escalating and resolving issues and managing quality performance. Our Main Board receives assurance about the quality of our services from our Quality Committee, which is made up of clinical executives, non-executives, governors and a representative of our commissioners. Each quarter the committee receives a Directors' Assurance Statement created by the clinical executive directors. This incorporates a Quality Report providing quantifiable measures of quality across a range of indicators relating to safety, effectiveness and patient experience and a commentary on our level of compliance across the 16 quality outcomes from the Care Quality Commission. Each of our clinical Divisions has established quality reporting and supporting structures which feed into the Quality Committee.

During the year we have reviewed all the information available to us relating to the quality of our services. We have agreed over 30 quality measures, presented at Trust and divisional level, which are brought together into the Quality Report, which is considered by the Quality Committee each quarter. Where appropriate measures are included in our Performance Management Framework. These are reported monthly to our Main Board. This regular review of information across all 3 dimensions of Quality has enabled the Quality Committee to identify progress against last year's priority areas, to determine whether they should remain priorities in the coming year, and to consider new areas for attention.

The issues raised with us throughout the year by patients, staff and other key stakeholders both within and outside our organisation, including Monitor, the Care Quality Commission, our Council of Governors, Gloucestershire Clinical Commissioning Group, Gloucestershire Health and Care Overview and Scrutiny Committee (HCOSC) and Health Watch Gloucestershire, influence our priorities each year. Throughout the year we work closely with our lead commissioners, Gloucestershire Clinical Commissioning Group, who, like us, are keen to secure improvements in the quality of the services they commission and we provide. A group, involving clinical representation from the Trust, General Practitioners and clinical commissioning leads from NHS Gloucestershire, regularly reviews our performance against agreed quality measures and identify priorities for improvement. A number of these are included in our contract for services as Commissioning for Quality and Innovation (CQUIN) targets. For 2014/15 we have agreed the following quality priorities, which seek to address the quality concerns identified.

PRIORITIES FOR 2014/15	Incomplete from last year	National priority for 2014/15	Issue for commissioners / CQUIN	Issue for HCOSC	Issue for Healthwatch	Issue identified Internally (including governors)
1. Safety						
NHS Safety Thermometer (missed doses/pressure ulcers)	X	X	X			X
Management of Sepsis	X					
Never events	X		X			
Supporting patient flow	X		X	X	X	
Seven day working			X			X
Violence and aggression						X
2. Effectiveness						
Dementia and delirium		X	X	X		
Acute Kidney Injury	X					
COPD	X		X			
Reducing variation						X
3. Patient Experience						
To ensure all patients are treated with care and compassion		X			X	X
Friends and Family Test (extension to include additional service areas and staff)		X		X		
Learning from feedback (patients and staff)		X	X	X		X
Communication with patients				X		X
Involving patients in service improvement			X	X	X	
Cancer wait times					X	X

A major influence on our approach to quality has been the **Francis Report** with its 290 recommendations, published in February 2013. Our action plan has been developed following a significant staff engagement exercise and is structured around 4 key themes:

Leadership and Training – We are committed to investing in clinical leadership and our specialty directors (senior consultants with leadership time built into their working week) are at the heart of this initiative. We have invested £700k in releasing time for ward sisters to lead, supervise and monitor the care on their wards and be a key point of contact for patients, and supporting them through access to both in house and external leadership programmes. We have also made changes to our Health Care Assistant training programmes, increasing ward based training with the emphasis on compassionate care.
We have invested jointly with the University of Gloucestershire in 5 clinical nurse tutors to lead on one of the following five education pathways: Care of the Frail Elderly, Dementia and Mental Health, Unscheduled Care, Surgical pathways, Developing Newly Qualified Nurses.

Recruitment – for the past 5 years we have utilised the Keith Hurst Database for benchmarking our nurse staffing levels. This tool, also known as the Association of United Kingdom University Hospitals Tool (AUKUH), is one recommended by the national Quality Board and Chief Nursing Officer for England as identified in their paper '*How to ensure the Right People with the right skills in the right place at the right time' November* 2013. The tool includes data on: skill mix, levels of clinical dependency, clinical speciality and quality markers as part of the overall staffing

assessment. In response to applying the tool this year we will be investing £900k in additional nursing staff.

Transparency and Openness - This is reflected in our "Lessons Learnt" project, which aims to share with staff and the public, the learning and changes made in response to incidents, claims, and complaints. Our new web based incident reporting system makes it easier for staff to both identify incidents and receive feedback.

Culture – our Cultural Change Task Group has led a series of initiatives aimed at fostering a greater sense of community and commitment, embedding our kindness and respect behaviours, developing our staff awards and celebrations of success, and supporting initiatives such as the Caring Chorus, a community choir in collaboration with Gloucester Cathedral.

OUR PLANS FOR 2014/15 AND BEYOND

Taking all of these challenges into account, we believe that our size, the scope of our clinical services and our performance means that we are a sustainable organisation into the future. To maintain this position the key elements of our strategy will be:

- Making sure we get the basics right to deliver good quality, compassionate care
- Investing in clinical leadership
- Continuing to align our services between our sites to ensure we can deliver consistent quality of care
- Harnessing the benefits of information technology to improve the quality of care
- Developing our contribution to the wider NHS
- Seeking to expand the scope of the services we offer

We have identified our priority objectives for the coming year in each of the domains of our Framework for the Future. These have been identified through a process, which brings together the ideas of our clinical teams. As an organisation we operate a clinical leadership model with four Chiefs of Service (senior doctors) accountable for the clinical, operational and financial performance of each clinical division and Specialty Directors (senior doctors and other clinical professionals), accountable for the clinical, operational and financial performance of groups of services, which we call Service Lines. Our aim is to devolve more and more decisions and responsibilities to these service lines as their confidence and capabilities develop.

Each Service Line has a strategy document that defines the Service Line (services provided, workforce, budgets etc), Each Service Line reviews their performance drawing on relevant information held in our own business intelligence system and any relevant benchmarking information and identifies its strengths, weaknesses, opportunities and threats. It then uses these to define the Service Line objectives for the next 2-3 years. These objectives are summarised at a corporate level to create our corporate objectives. These are set out in the figure below. Many of the objectives are the same or similar to last year, representing substantial programmes of work which are likely to continue into subsequent years.

Our Services

To deliver our in year safety and effectiveness objectives

- AKI, COPD, pressure ulcers, dementia and delirium, missed doses, never events, sepsis

To prepare for and implement Smartcare

Improve the flow of patients through the emergency pathway

Improve the care for people with dementia and delirium

To implement satellite radiotherapy at Hereford

To move towards achieving the standards for seven day working

To reduce variations in clinical care

Our Patients

To ensure all our patients are treated with care and compassion

To extend the implementation of the Friends and Family Test to outpatients, day cases and staff

To put in place processes that enable our patients, carers and staff to tell us about their experiences and for us to learn from them

To involve service users in education, training and service redesign

To deliver national access targets, with a particular emphasis on cancer waits

To safeguard all who are in our care

Our Staff

To ensure all staff to take part in an appraisal

To ensure all staff complete mandatory training

To improve staff communication

To improve staff engagement

To improve the health and well being of staff to enable sickness levels to reduce below 3%

Our Business

To deliver the financial plan to generate a surplus of £4m

To maintain a financial risk rating of 3

To develop capacity and capability to identify new markets and technologies and promote commercialisation

To develop our use of Service Line Management to support sustainable services

To make progress towards our carbon utilisation target

To improve the reputation of our organisation

SUPPORTING OUR PLANS

Developing our workforce

2014/15 will reflect a more strategic approach to workforce planning, with the publication of a longer term People Strategy in the Summer of 2014 a key milestone. Workforce costs remain the single biggest expenditure in our organisation, representing about 65% of our total spend. We will continue to seek savings by reducing staff numbers, primarily across our non-Nursing and non-Medical workforce, unless there are agreed changes to how/where clinical services may be provided. A reduction rate of circa 3% is forecast in the other staff groups over the next 2 years. It will be vital that we maintain the focus on reducing workforce costs by other means by developing and maintaining a suite of new workforce work streams a number of which are detailed below.

Matching the right levels of staff to the demands of the service is key and 'workforce planning' skills are being embedded across our divisional structure. In 2013-14 we started a major exercise to review the job plans of all Consultants within the Trust and to ensure that these align with the Trust strategic objectives. This alignment of job planning with the business planning cycle will continue and will move in 2014-15 to the next phase of 'team' job planning. The application of the Keith Hurst benchmarking data base (referred to in the section setting out our response to the Francis Report) ensures we get our nurse staffing levels right.

Recruitment to many staff groups remains a challenge both nationally and locally. We will continue with a programme of overseas recruitment and will adopt a 'rolling', anticipatory recruitment strategy. This places the emphasis on recruiting to funded substantive numbers through a variety of means including careers fairs, local radio advertising and use of social media. A real focus will be placed upon reducing the average time to recruit across every grade and profession and thereby reducing the reliance on temporary staff. During the year we will also be seeking to implement 'Values Based Recruitment' across both the professional and non-professional workforces ensuring that our prospective employees are assessed for their ability to provide care with compassion and respect.

Balancing the permanent and flexible workforce is required to cope with fluctuations in demand and recognising that this type of flexibility in contractual terms, is attractive to increasing numbers of staff. The appointment of a Temporary Staffing Manager is designed to reduce our current reliance on agency staff by maximizing the capacity delivered by our substantive workforce with appropriately deployed and flexible bank staff. The effective implementation of e-rostering systems across all our clinical areas will be a major focus.

Our commitment to **clinical leadership** and the development of Service Line management aims to ensure that decisions that impact on clinical services are informed by people delivering those services. Service Line Directors have been appointed across the Trust to support the development of Service Line Management. These people have leadership time built into their working week and are accountable for the performance and development of their own areas. They can access a range of educational and leadership development opportunities including coaching and mentoring.

Education and training is a cornerstone of staff development. We will continue to support all staff in completing mandatory training for their role, by providing training in a variety of formats including through our award winning e learning platform. The roles of healthcare professionals are changing all the time and we will continue to offer targeted programmes to enable our staff to confidently and competently take on new roles. Our partnership with the University of Gloucestershire to appoint 5 Clinical

Nurse Tutors is one example of work in this area.
We will continue to play our part in the new education and education commissioning with representation at the meetings of Health Education South West (HESW). We will continue to develop our Apprenticeship programmes for both clinical and non-clinical roles and will be working with our colleagues across the South West to access newly designed development programmes for our Band 1-4 workforce. As a consequence, this will help the promotion of continuing professional development as a realistic aim, beyond those staff groups for whom it has up to now, been mandatory. .

Staff engagement. As referred to earlier, this is a key element of our response to the Francis Report. The results of the 2013 staff survey recently published show significant progress in a number of areas, however there remains a gap between the trust and other comparator trusts on a number of key indicators. Whilst the gap has closed in a number of areas, it is vital for 2014-15 that this gap is closed. The plan to do so will be developed in consultation with staff and their representatives, rather than being imposed. One consistent finding (and one in which the trust is not an outlier with other trusts) is the need to help staff maintain their wellbeing and in particular their mental wellbeing. Support plans are currently being developed to do this and the Education, Learning and Development Committee will allocate resources. We will continue to place a focus on reducing sickness levels and this involves not just the close management of individual cases but a detailed analysis of current reasons for sickness to identify where more corporate interventions are required.

Promoting Equality and Diversity

We are committed to promoting equality and reflecting the communities we serve. We have an active Equality Committee, chaired by one of our Non Executive Directors. Their priority objectives for the coming year will be:

- Developing a representative and supported workforce, by providing equality and diversity training opportunities that are taken up and postiviely evaluated by all staff
- Promoting inclusive leadership, through line managers supporting their staff to work in culturally competent ways within an environment free from discrimination
- To promote better health outcomes, by ensuring individual peoples' health needs are assessed and met in appropriate and effective ways.

Developing our Infrastructure

Information Technology – our most significant commitment in this area is to introduce a clinical information system. We have called this our "SmartCare Programme" in recognition of the transformational impact it will have on quality of care we deliver. It will enable rapid communication of accurate information between staff and potentially with patients, it will reduce clinical risks and it will provide us with up to date information on the process and outcome of the care we deliver. In order to reduce the costs of such a system we are working in partnership with two other hospitals who have similar requirements to us, Northern Devon Healthcare Trust and Yeovil NHSFT. We are currently in the process of selecting the best system for us with a view to it being operational in 2015.
In the meantime it is important to ensure that our technology platform is fit for the future. Our "technology blueprint" provides us with a 3 year plan to upgrade our technology. Resources to enable us to progress this are reflected in our capital programme.
Ensuring the right clinical information is available to health professionals at the point of care improves the quality of care provided. We will continue to work with other health and social care organisations in Gloucestershire to enable the appropriate, timely sharing of information to support patient care.

Buildings and Equipment – Each year we plan to create a financial surplus to enable us to maintain our capital programme. The quality of some of our clinical

environments on both of our sites, but primarily in at Cheltenham General is impacting on the sustainability of some of our services. Priorities for our capital programme over the next 4 years include; siginificant investment to improve the environment initially at Cheltenham General and then Gloucestershire Royal; investment in new and replacement equipment; and implementation of SmartCare and our technology blueprint.

Communications
Communications play a vital role and are key to maintaining a good reputation and in building public confidence and trust in the high quality services that we provide. Throughout the next two years we will implement our communications strategy, with a particular focus on staff engagement, the reconfiguration of services and harnessing the full potential of digital technology.

Developing our Contribution to the Wider NHS

We will continue to work with local partners in Gloucestershire to secure strong collaborative working arrangements which deliver high quality care for our patients. Our partnerships will extend beyond Gloucestershire to build on exiting and developing clinical networks, primarily in Swindon, Hereford and Bristol.

We will continue to contribute to the wider endeavours in the NHS through; engagement in the west of England Academic Health Science Network (AHSN); the West of England Collaboration for Leadership in Applied Health Research and Care (CLAHRC); the South West Clinical Senate; our hosting of the our hosting of Public Health trainees and GP trainees on behalf of the Deanery

THE KEY RISKS TO DELIVERY OF OUR PLAN

Each year when we have agreed our priorities we consider the risk to us achieving our plan. The most significant risks are then reflected in our Controls Assurance Framework and are regularly reviewed by the Main Board.

This year the key risks to delivery in each area of our framework are:

Our Services
- Inability of the local health and social care system to manage demand within the current capacity
- Inability to meet quality standards across all of our services
- Inability to meet national access standards across all of our services,

Our Patients
- Failure to meet the expectations of patients for personalised compassionate care
- Failure to discharge patients in a way which meets their, and our partners, expectations

Our Staff
- Failure to match the workforce profile with the clinical / service needs of the organisation
- Failure to engage appropriately with staff, leading to poor alignment of services and a demotivation of the workforce

Our Business
- Failure of our supporting business systems impacting on patient care
- Failure to deliver financial plans
- Failure to maintain the positive reputation of our organisation

OUR OPERATIONAL REQUIREMENTS AND CAPACITY

In order to estimate our future activity and capacity requirements we take our predicted outturn at year end, add in the agreed level of growth (see earlier section on Changes in Demand for our Services) and any agreed developments.

The impact for 2014/15 and 2015/16 is detailed below:

Activity category	2013/14 Outturn	2014/15 Plan	2015/16 Plan
Elective spells	59,481	60,194	61,398
Non-elective spells	49,499	52,013	53,053
A&E Attendances	118,810	120,903	123,321
Out-patients	565,028	582,342	593,989

In general this activity can be accommodated within our existing capacity with the exception of growth within ophthalmology outpatients and urology and orthopaedic in patients for which additional physical and staffing capacity will be required.

OUR PRODUCTIVITY AND EFFICIENCY

Productivity and Efficiency

Over the past 3 years we have delivered a significant cost improvement programme (CIP). This has always been supported by a clear governance process overseen by our Finance and Performance sub-committee of the Board with clear clinical leadership of the schemes. As can be seen in the table below, finding the scale of savings required is becoming increasingly difficult and external support has been sought to help with some programmes of work previously and will be a feature of our current plans.

Table 1: CIP performance 2011/12 to 2013/14

	2011/12		2012/13		2013/14 (proj.)	
Division	**Target £'000**	**Achieved £'000**	**Target £'000**	**Achieved £'000**	**Target £'000**	**Achieved £'000**
Surgical	5,900	5,298	6,558	2,709	7,450	5,111
Medical	4,000	3,800	5,654	2,510	5,800	3,808
Diagnostic & Specialties	4,400	4,400	4,034	2,533	5,020	4,359
Women & Children	1,300	1,102	1,489	1,374	1,540	1,540
Estates & Facilities	2,900	2,155	2,757	3,460	1,800	1,800
Corporate	1,500	1,500	1,814	1,524	1,790	1,790
Trustwide						
Total	20,000	18,255	22,306	14,110	23,400	18,408
% achieved		90%		63%		79%

As we rise to the challenge of reducing our expenditure it is important that we ensure that there are no unintended consequences on the quality of the services we offer. Our specialties, divisions and our Quality Committee regularly review indicators of

quality across our organisation. For more information on these indicators please see our Quality Account on our website. All cost improvement schemes are risk assessed by the team putting them forward and are then reviewed by our nursing and medical directors. Any schemes impacting on the quality of care are delayed until proposals for the mitigation of that risk can be agreed.

Cost Improvement Plans for 2014/15

The planning of the efficiency programme for 2014/15 is devolved to service line level with delivery managed through the Divisional structure. To support this overall approach there is a Delivery Board which reports into an Efficiency and Service Improvement Board. In addition to this Divisional meetings are held on a fortnightly basis with the Cost Improvement Director to ensure that progress and delivery of schemes remains at the required level.

The key workstreams of our Cost Improvement Plan for 2014/15 include:

- Reducing variation
- Demand based bed allocation
- Improving utilization of theatres, outpatients and diagnostics
- Transport and logistics
- Reducing duplication, including a review of space and site utilisation
- Workforce review
- Supplier engagement and procurement
- Business Development

The table below shows the split of the savings target by division for the next two years.

Division	2014/15 Savings Requirement £m	2015/16 Savings Requirement £m
1. Surgery	6.0	5.8
2. Medicine	3.5	3.4
3. Unscheduled Care	1.0	1.0
4. Women's and Children	1.9	1.9
5. Diagnostic and Specialties	5.0	4.8
6. Estates and Facilities	1.9	1.8
7. Corporate	1.9	1.8
7. Trustwide	2.8	1.5
TOTAL	**24.0**	**22.0**

OUR FINANCIAL PLAN

The Trust's current financial position

The Trust has had an improved financial position over the last 3 years. The Trust had a secure Financial Risk Rating of 3 under the previous assurance regime and continues to have a rating of 3 against the Continuity of Services rating introduced. The financial strategy of the Trust has been to ensure the continued steady move towards modest operational surpluses to allow reinvestment in the Trust equipment and estate whilst recognising the need to balance the challenging financial position against the requirement to continue the delivery of safe and high quality services.

The Trust's financial plan for 2014/15

In establishing the financial plan for 2014/15 we have adopted the following principles:

- We plan to achieve a £4m operational surplus moving to £6m (1.5%) surplus in 2015/16
- We plan to maintain a Continuity of Service rating of 3 under the risk assessment framework.
- In agreeing a contract with our main commissioners the contracted levels of activity must be both affordable and deliverable for the Trust.
- The savings programme will be managed and delivered at Service line level supported centrally through the Delivery Board and Efficiency and Service Improvement Board.

The key financial assumptions for the period of the plan are;

	2014/15 (£m)	**2015/16 (£m)**
Income	463.3	471.4
Expenditure	432.5	437.3
Non operating expense	26.8	28.1
Operational surplus	4.0	6.0
Capital expenditure	19.6	24.0
Year end cash position	13.0	14.5

HOW WE WILL MONITOR THE PLAN

A number of the priorities reflected in this plan will be delivered through specific projects with clear governance arrangements. Progress with each of these projects will be reported on a monthly basis to the relevant committee within our governance structure.

A set of key performance indicators aligned to our priorities will be reflected in our Performance Management Framework and our Quality Report and will be reviewed monthly by our Main Board and our quality Committee.

As part of our ongoing planning arrangements, our success in achieving our objectives will be reviewed by our senior leadership team, our governors and our Board towards the end of year to enable us to identify priorities for the next planning period.

1.4. Appendices: commercial or other confidential matters

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1.5.