Guy's and St Thomas' NHS
NHS Foundation Trust

Operational Plan Document for 2014-16

Guy's and St Thomas' NHS Foundation Trust

Operational Plan for y/e 31 March 2015 and 2016

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

Name	**Martin Shaw/ Amanda Pritchard**
Job Title	**Martin Shaw – Director of Finance** **Amanda Pritchard – Chief Operating Officer**
e-mail address	martin.shaw@gstt.nhs.uk amanda.pritchard@gstt.nhs.uk
Tel. no. for contact	020 71886040/ 0207 1887475
Date	4 April 2014

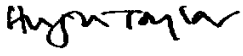
The attached Operational Plan is intended to reflect the Trust's business plan over the next two years. Information included herein should accurately reflect the strategic and operational plans agreed by the Trust Board.

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)*	**Sir Hugh Taylor**

Signature 

Approved on behalf of the Board of Directors by:

Name *(Chief Executive)*	**Sir Ron Kerr**

Signature 

Approved on behalf of the Board of Directors by:

Name *(Finance Director)*	**Martin Shaw**

Signature 

Executive Summary

This plan sets out how Guy's and St Thomas' NHS Foundation Trust intends to deliver high quality, cost-effective and sustainable services over the next two years. It builds upon our 2013/14 Strategic Plan, with emphasis on the work we will undertake in 2014/15. GSTT has had a successful year in 2013/14, delivering better outcomes for more patients, improving patient experience, reducing waiting times, all whilst delivering a very ambitious savings programme. We have built on the strengths of last year's business planning process and will be better prepared for 2014/15, with clearer plans and metrics for success established earlier in the process.

Section 1 sets out our objectives and priorities for 2014/15. The objectives are clearly aligned with our values and are driving the focus of the Fit for the Future programme to improve quality, safety and efficiency. They are tighter and more ambitious than in 2013/14.

Section 2 includes an assessment of the context within which we operate and outlines the challenges we face with our local health economy. We are actively engaged with our local partners in planning transformational change to meet the difficult challenges facing us. We are also a significant provider of specialised services to a wider catchment beyond our local health economy.

Our approach to delivering quality is outlined in section 3 and the operational requirements to deliver activity to meet the projected demand for our services are described in section 4.

Section 5 describes our successful Fit For the Future programme as our approach to delivering quality, safety and efficiency improvements for patients. It is increasingly challenging to become significantly more efficient each year without impacting on quality and performance, and our approach through the Fit for the Future and the Southwark & Lambeth Integrated Care programmes is aimed at meeting this challenge.

Our finance plans are summarised in section 6. We face unprecedented levels of efficiency savings driven by tariff deflation and cost pressures whilst also seeking to support commissioners and other partners who face their own financial challenges.

1. Strategic context and direction

1.1 Who we are

Guy's and St Thomas' NHS Foundation Trust is one of the UK's largest NHS Foundation Trusts, providing integrated hospital and community healthcare services as well as healthcare infrastructure services to other healthcare providers through Essentia. We provide local healthcare in the London Boroughs of Lambeth and Southwark, and specialist services for patients from across south London and beyond. Care is provided from multiple locations including St Thomas' Hospital, located by Westminster Bridge and Waterloo, Guy's Hospital, located by London Bridge, the Evelina London Children's Hospital, based on the St Thomas' campus, as well as over fifty community locations in Southwark and Lambeth. These include GP practices, schools, children's centres, people's homes, nursing homes and satellite clinics across south east London, Kent, Surrey and Sussex.

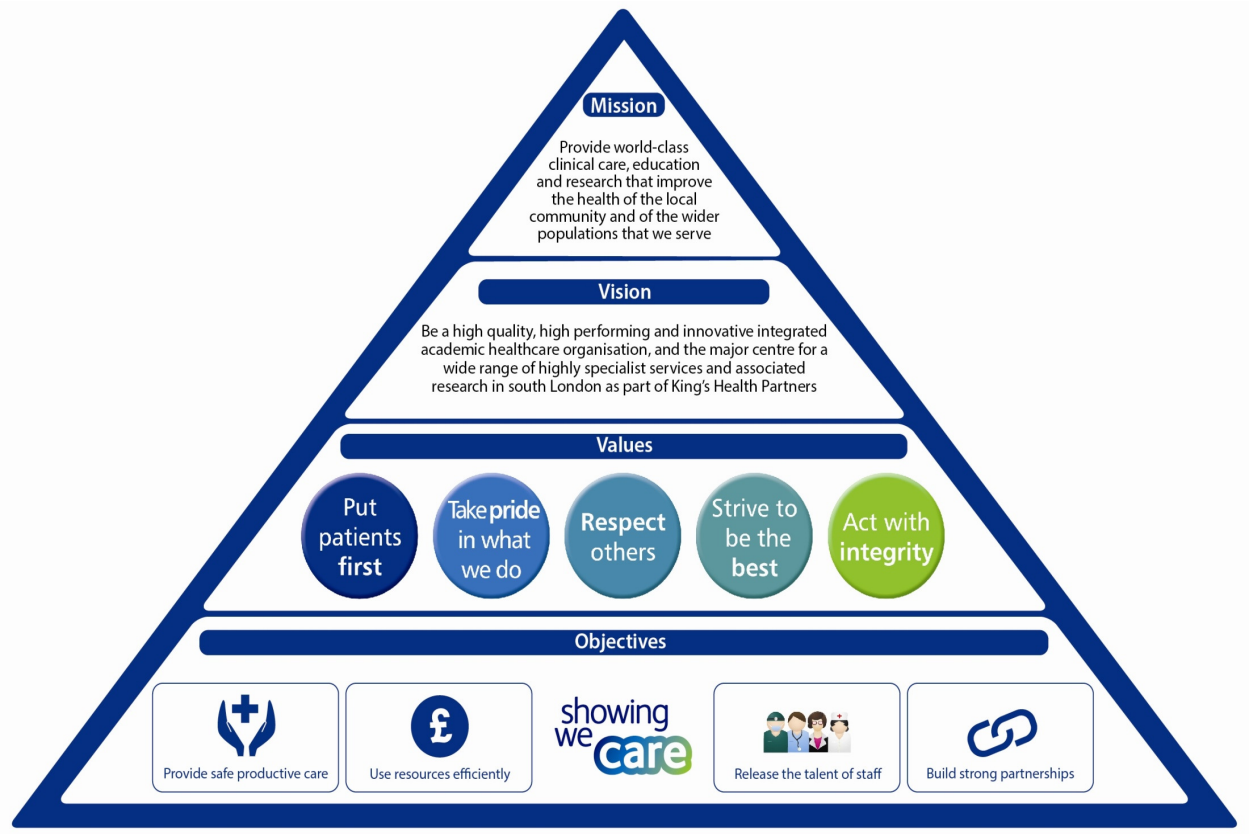
As a Trust in the very heart of central London, we are part of a varied and dynamic local health economy. We are located in close proximity to several healthcare providers and collaborative working and strong partnerships will continue to be at the core of our clinical, research and academic work. These partnerships enable the provision of co-ordinated patient pathways of care across different provider organisations. Collaborations include working as part of the King's Health Partner's Academic Health Science Centre (AHSC), the South London Academic Health Sciences Network, Southwark and Lambeth Integrated Care (SLIC), London Cancer Alliance (LCA) and working with other healthcare providers in south east London and beyond.

We have a long history and established track record in the delivery of high quality clinical care. We are recognised nationally and internationally for clinical services and clinical research. We employ over 13,000 people and, as part of King's Health Partners Academic Health Sciences Centre (AHSC), we play a key role in the training and education of future medical, nursing, dental and other health professionals. Along with our AHSC partners and St George's NHS Trust and University, we are also part of the South London Health Innovation Network (HIN).

1.2 Our Mission, Vision and values

Over the next two years we will continue to be guided by our mission, vision and values, illustrated in Figure 1. In light of the 2013 Francis Report, we intend to continue our renewed focus on placing our core values at the heart of everything that we will do, ensuring that we put patients first. Last year we re-focussed staff recruitment around our values and we will continue to embed this over the next two years.

Figure 1: Mission, Vision, Values



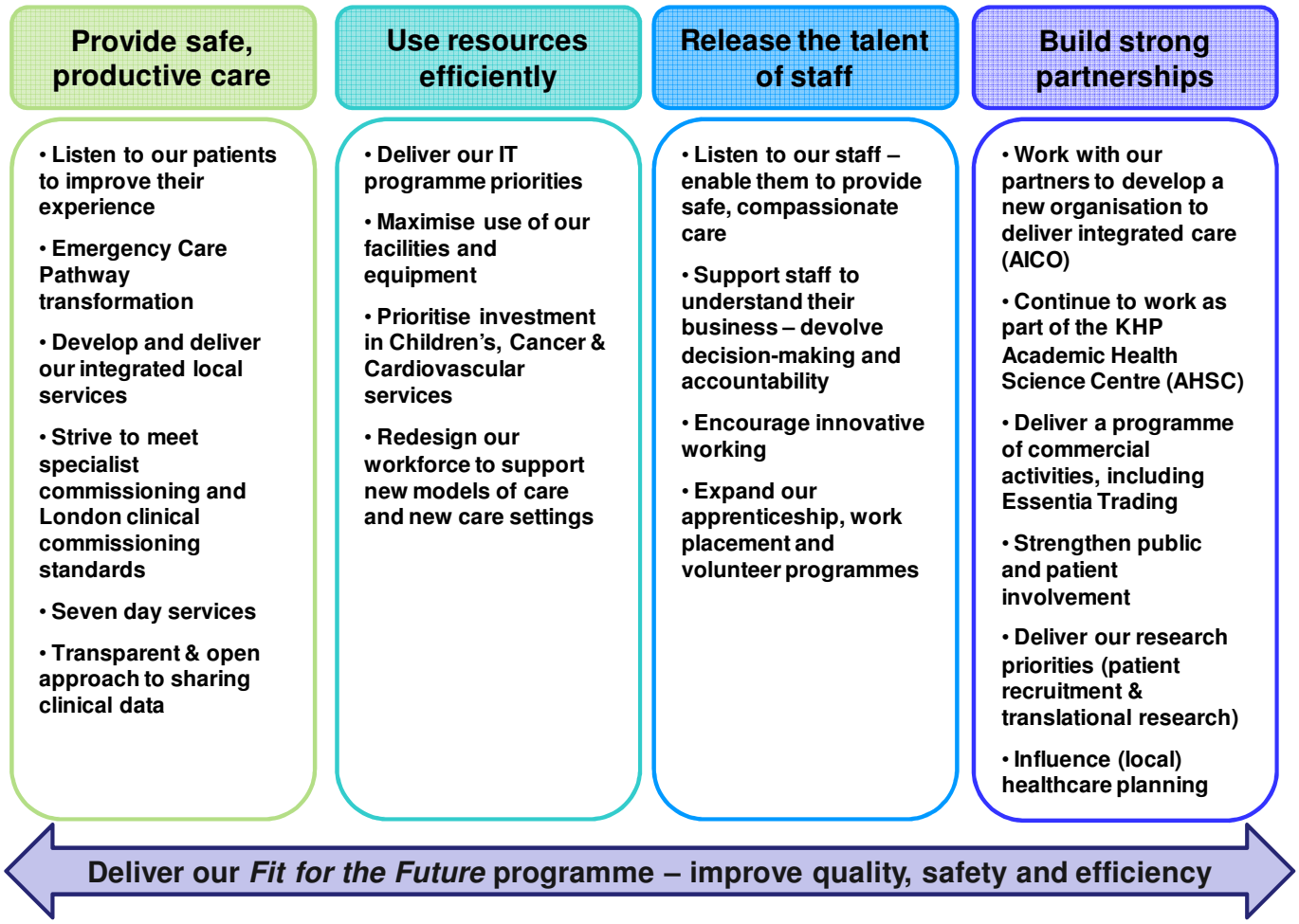
1.3 Our Objectives

We have been refreshing our Trust objectives for 2014/15, building upon those we set ourselves in 2013/14. Key staff groups and our governors have inputted into their development. These, and our priorities under each, are summarised in Figure 2 below. They support our values and are very much in tune with our *Fit for the Future* programme (as outlined in section 5).

The objectives and priorities have been developed in light of our assessment of the short-term challenges facing the Trust and LHE over the next two years. The Trust has over 13,000 employees and in order to ensure that our priorities and objectives are embedded in the work that all our staff undertake, our sixteen clinical and ten corporate directorates have used these to inform their business plans and they will be used as our basis or setting staff objectives.

In addition to those outlined in Figure 2, there are continuing priorities which we also need to deliver. These are our key quality and safety standards infection control and waiting time standards that are fundamental to everything we do – business as usual – not a one-off annual priority.

Figure 2: 2014/15 objectives and priorities



1.4 Kings Health Partners

King's Health Partners is one of six Academic Health Sciences Centres (AHSCs) in England. King's Health Partners was first accredited by the Department of Health in 2009 and was recently awarded a further five years from 2014 following a competitive application process. The partners are Guy's and St Thomas and South London and Maudsley (SLaM), Kings College Hospital NHS Foundation Trusts and King's College London. The AHSC serves over 3.6 million patients each year and includes 31,000 staff, 25,000 students and has a combined annual turnover of £2.8 billion.

The combination of the University and three leading Foundation Trusts in our AHSC enables a strong focus on the integration of our tripartite mission: to equally promote clinical, education and research excellence. Enabling the improved pace of translational research from bench to bedside will support our patients, commissioners, staff and students in their ambitions to be part of highly effective health services that deliver high quality and financially sustainable healthcare.

2. The local health economy

2.1 Planning in partnership

2.1.1 Lambeth and Southwark Local Health Economy (LHE) planning group

We work in close partnerships with other local hospital Trusts and Local Authority provider services to deliver a range of pathways of care across different provider organisations. 28% of our clinical activity is commissioned by Lambeth and Southwark CCGs for Lambeth and Southwark residents. We also provide GUM and health screening services, school nursing and community speech & Language therapy, all directly commissioned by Lambeth and Southwark Local Authorities (LAs), as will Health Visiting in 2015/16. Guy's and St Thomas' has therefore instigated bringing together a Lambeth and Southwark local health economy planning group as a forum for joint planning discussions and to agree some joint assumptions. This group is formed of representatives from Lambeth and Southwark CCGs and Local Authorities, King's College NHS Foundation Trust and South London and Maudsley NHS Foundation Trust.

2.1.2 Southwark and Lambeth Integrated Care (SLIC)

The Trust is a founder member of Southwark and Lambeth Integrated Care (SLIC), a movement for change that aims to genuinely shift how care services are delivered so that they are coordinated around the needs of people, treating mental health, physical health and social care needs holistically. This programme is vital to address the crisis of value within our health economy: quality must improve significantly so that people receive effective care and experience it positively; and a future local system-wide funding gap of £350-400m must be addressed by changing how and where care is provided so that it is more preventative, and less cost intensive per person.

SLIC is governed by a federation of the leading commissioning and provider organisations across Southwark and Lambeth. This includes the two local authorities, the two local CCGs, representation from local LMCs, three foundation trusts (encompassing acute and community services and physical and mental health), as well as the King's Health Partners (the AHSC) and Guy's and St Thomas's Charity. In practice SLIC has fulfilled two main functions: it provides a neutral space where partners come together to work through the difficult practical challenges associated with leading system transformation; and it supports the rapid testing and implementation of specific interventions aimed at improving the value of care received by the frail and elderly.

2.1.3 Outer south east London and greater London

We also serve a large number of patients from outer south east London. We are therefore also actively involved in the post TSA[1] work to develop a south east London strategic commissioning plan. This programme is running in parallel to the development of this 2 year operational plan and our 5 year strategic plan.

20% of our patients come from other areas of London. Members of the Trust are involved in the expert groups of the London Health Commission, led by Boris Johnson. Again, this mostly influences our 5-10 year planning but emerging outputs from this commission are influencing both our 2 year operational planning and 5 year strategic thinking.

2.1.4 Specialised Services

Approximately 45% of our acute clinical income is specialised service activity commissioned by NHS England. The planning of specialised services, including the development of 5-10 year strategic service development, is being progressed on a national basis and to a lesser extent at a regional level. The Trust is seeking to engage with NHS England (London) to try to agree joint planning assumptions, but NHSE have been unable to confirm any assumptions beyond 2014/15. The development of specialised services

[1] South London Healthcare NHS Trust Special Administrator (TSA) programme

is being driven by the development of service specifications and the Trust has achieved compliance with the vast majority of those which apply, with actions in hand for the small number of outstanding issues.

Over the next two years our key focus will be on meeting the service specifications for the small number of specialised services for which we are in derogation. NHS England has signalled their intention to consolidate specialised service providers to between 30 and 15 providers. They intend to begin this process in 2014/15. This will be an unprecedented change in the provider landscape of specialised services, carrying both numerous opportunities and considerable risks for both this Trust and the LHE. Making important medium to long-term investment decisions within this considerable planning uncertainty will be a key challenge in the short-term.

2.2 The financial challenge

2.2.1 The National picture

National NHS England analysis has highlighted that, based on current expected funding levels, there could be a funding gap of £30 billion between 2013/14 and 2020/21. Table 1 below shows national planning assumptions for the next two years.

Table 1: NHS two year planning assumptions

Monitor - Guidance for annual Planning review	2014/15	2015/16
NHS Efficiency Requirement	4.0%	4.5%
NHS Affordability Challenge	3.1%	6.6%
Assumptions on input cost inflation	2.6%	2.9%

NHS efficiency Requirement – in individual providers
NHS Affordability Challenge' – the remaining gap in local health economies
Assumptions on input cost inflation – pay and procurement

Planning for the implementation of the Better Care Fund starts in 2014/15. This integration transformation fund is worth £3.8bilion in total nationally. It is not new money in the health and social care system but a pooling of existing budget aiming to incentivise local health and social care economies to work together to create integrated, joined-up health and social care pathways. This directly impacts overall CCG allocations and the impact of the fund on Lambeth and Southwark CCGs is outlined below.

2.2.2 The Local picture

Although the boroughs of Lambeth and Southwark have historically three financially strong healthcare providers (Guy's and St Thomas' NHS Foundation Trust, King's College Hospital and South London and Maudsley NHS Foundation Trusts), the health and social care system in Lambeth and Southwark is now facing a widening gap between projected costs and available funding. Safeguarding our future by ensuring that we have a balanced two year financial plan is an important objective and key challenge for the Trust over the next two years. We see this as critical to support the delivery of effective clinical services.

Negotiation of an integrated acute and community services contract with Lambeth and Southwark CCGs for 2014/15 has progressed well and we anticipate being able to sign a contract in March. This signifies the extent to which the Trust and its lead CCGs have been able to reach a mutually acceptable compromise which shares risks fairly between all parties. We are all committed to working together to deliver QIPP schemes which seek to ensure that commissioners can continue to afford the costs of acute and community services.

2.2.3 Demand and cost pressures

The LHE planning group has agreed the key demand pressures in Lambeth and Southwark over the next two years, including:

- **The need to accommodate increased service demand as a result of population growth in a flat cash commissioning environment** – There was an 11% increase in the population of Lambeth and Southwark

between 2001 and 2011. A further 1-12% growth is expected between 2011 and 2021[2].The near-by major development at Nine Elms will begin in 2014/15. We expect ~6000 construction workers to be working on the Lambeth and Wandsworth Nine Elms development sites by 2016 and circa.10,000 new residents by 2017/18. Significant developments are also underway in Clapham Park and Myatt's Field in Brixton, Elephant and Castle and on the Walworth Estate.

- **Growth in children and young adult population** – A 1.39% per year increase in the south east London's population aged zero to fourteen is expected (compared to 1.12% across London and 1.27% across England[3]). Lambeth and Southwark CCGs and LAs have particularly highlighted the financial and service provision challenges associated with meeting the health and social care needs of increasing numbers of children and young adults with learning disabilities.
- **Growth in frail very elderly population** – Over the next two years, in line with the national trends, our services expect to continue to experience increasing demand from the frail elderly populations who often have very complex needs and co-morbidities. The high acuity of these patients will continue to place pressures on our ward staffing levels. The additional costs associated with meeting their health and social care needs are not reflected in NHS tariffs.
- **Social determinants of health** – The LHE group believes that pressure on social care budgets, in the face of increasing demand, will impact acute and community NHS services as Lambeth and Southwark residents who using social care services may seek alternative options.

Within Guy's and St Thomas' in addition to the affordability challenge for the health economy, the Trust cost pressures include:

- Pay and inflationary pressures
- Reduction in our education funding
- Strategic investments – such as investing in re-building our A&E at St Thomas'
- Costs associated with meeting ambitious quality and safety standards

2.2.4 Allocation and income pressures

South East London Clinical Commissioning Groups

Financial modelling carried out by the south east London strategic commissioning programme indicates that the scale of the financial challenge (ie the savings required) for all south east London CCG increases from circa £60million in 2013/14 to £74million in both 2014/15 and 2015/16. Lambeth CCG savings are £15million in 14/15 and £20million in 2015/2016 and Southwark targets are £16million and £13million respectfully.

Lambeth and Southwark CCG;'s contribution to the Better Care Fund is £42.5m over two years, equating to approximately 5% of their overall CCG allocation.

Local Authorities

Southwark and Lambeth Local Authorities are facing unprecedented pressures on their resources, looking to save circa one-third of their current expenditure over the next 3-4 years..

Guy's and St Thomas' NHS Foundation Trust

Table 2 below outlines the financial challenge facing Guy's and St Thomas' as a result of the national and local pressures outlined:

[2] Difference between Greater London Authority ONS estimates and estimates in Outcomes benchmarking support packs: LA level, NHS Commissioning Board, 2012.
[3] [3] South East London Commissioning Strategy Programme: Case for Change. DRAFT. 28th February 2014

Table 2: Efficiency requirement for Guy's and St Thomas' NHS Foundation Trust in the next two years

Requirement (£M) :	2014/15	2015/16
National Efficiency	34.1	38.3
QIPP/CQUIN targets	13.7	9.1
Education income loss	2.0	2.0
Corporate cost pressures	2.0	2.0
Cost Pressures/Strategic investment	11.4	10.0
Debt service	4.8	4.6
Total efficiency requirement	**£68.0million**	**£66.0million**

Achieving these levels of savings over the next two years is unprecedented. As part of our five year strategic planning, we will begin to implement programmes we identify to address the challenge at pace. We have confidence in our ability to deliver our one – two year financial plan. However, given similar savings requirements are likely to be required in a 3-5 year time horizon, there is considerable uncertainty across the LHE about how this will be achievable whilst maintaining the current level and quality of services.

2.3 The challenge to provide good quality, integrated services

The LHE has a vision to provide local populations with integrated, well co-ordinated, personalised health and care services. This is a vision for the whole system and not just health and social care. The Southwark and Lambeth Integrated Care (SLIC) programme is the LHE's vehicle for delivering this. Working in parallel to SLIC, the main challenge and focus for the Trust over the next two years is to improve our integrated local services offering for Lambeth and Southwark residents, building on the progress made in integrating acute and community services in the area under one Trust.

To achieve our integrated care and local services ambitions over the next two years we need to have the right numbers of staff with the right skills and behaviours, working in the right place.

Although we have achieved our very challenging efficiency targets in 2012/13 and 2013/14, continuing to achieve the same levels year on year for the next two years creates a huge operational challenge. Increasing the efficiency and productivity of our services, to contribute to achieving our savings requirement, is a key goal over the next two years. Concurrently, we see our renewed focus on maintaining and improving our high quality and safety standards in light of the Francis Inquiry and Berwick reports, as just as important. Although we have received very positive feedback from our CQC inspections in 2013/14 and we perform well against key quality standards, we are not complacent. Achieving planned savings requirements whilst maintaining and improving quality and safety is a huge challenge for both the Trust and across the LHE. Section 5 outlines our cross-organisational approach to achieving this within the Trust.

As outlined in our objectives, achieving the London clinical commissioning standards is a key two year priority. We know there is variation in meeting these across the LHE. The key challenge is to achieve these standards without increasing our cost base. Although we have already achieved most of the standards through changing our patterns of working and models of care, achieving several of the standards will require the Trust to fund and recruit additional Consultants and other staff posts at the same time as tariffs are deflating.

In line with national evidence, we see providing seven day services as an important priority to improve the quality, outcomes and access to our services. Many services are already now providing care six-seven days per week. We are now working through how we can implement this across a wider breadth of clinical and supporting services without making services unaffordable in current tariffs.

Both the Trust and the whole LHE recognise that Information Management and Technology is one of the most important enablers of change for providers. The ability to share information within providers, at different delivery sites, and between providers is essential. In addition, the infrastructure to support telehealth and virtual clinic models will be critical. However, achieving IT transformation at pace will be hugely challenging for the LHE.

The LHE is committed to joint working to achieve better utilisation of the estate, particularly in regard to the considerable portfolio of properties in the community.

We expect to see more local services being tendered in the next two years. This will continue to create considerable resourcing challenges within the Trust at the same time as we are focussed on reducing costs. The Trust is keen to engage with new commissioning models where these incentivise the provision of high-quality, co-ordinated and integrated pathways of care. However, there is a key challenge and risk that we continue to respond to individual CCG tenders in the absence of a clear picture about the structure of the overall provider landscape. This risks the duplication of services, service development projects and supporting contractual and finance infrastructures. Trusts are competing for the same activity in a flat-cash commissioning environment, resulting in increased costs across the system. The tendering processes puts the Trust and members of the LHE in direct competition with each other at the same time as we are striving to work in partnership to achieve integrated, co-ordinated care for our populations. The challenge for the LHE is to balance the tension between the achieving benefits for patients from integration programmes of work alongside the uncertainty about the future provider landscape in the medium-term.

3. Quality

As reflected in our 2014/15 Trust Objectives (Figure 2), we aim to provide patients with an excellent experience of care and be the UK leader in reducing avoidable harm. The publication of the Francis, Berwick and Keogh reports prompted us to bring a renewed focus to bear on ensuring that patients are at the heart of all that we do. It also reminded us that strong quality governance and assurance systems serve to increase the confidence of our patients, Foundation Trust governors, staff and everyone else who takes an active interest in our work.

We received very positive feedback in 2013/14 from Care Quality Commission (CQC) inspections and the national inpatient survey, but we are not complacent. We have immediate challenges to face in improving waiting times for our cancer patients, as well as how we involve patients in decisions about their care and when they are preparing to leave hospital.

Our quality strategy for 2014/15 is to ensure that we improve our contribution to healthcare not just hospital care, as well as mitigate any quality risks that result from that progression and from our challenging financial cost improvement plans, outlined in sections 5 and 6. It is not possible to describe quantified milestones for all of this work, but we will ensure that the quality of our clinical services will not be compromised by our efforts. However, we will continue to deliver on the pledges set out in our Francis response document. We view quality, safety and efficiency as mutually beneficial. Our commitment to this principle underpins both our quality priorities outlined in our 2014/15 Quality and Safety priorities, and our *Fit for the Future* programme.

3.1 Quality Priorities 2014/15

3.1.1 Patient Safety

Achieve compliance with the London Quality Standards for emergency care

We will further improve the quality and safety of acute emergency services for adults and children if we reduce the variation between service arrangements for weekdays and weekends. We will improve our adherence to the London Quality Standards (and any national standards that are introduced during the year to supplant them), and we will achieve the CQUINs agreed with our commissioners.

To do this we will agree a model of staffing to meet the standards in a sustainable way; increase out of hours consultant decision making and supervision; develop a staged plan to increase out of hours support for consultant-led care; ensure our patient at risk score becomes fully consistent with the National Early Warning Score; monitor post partum women using the national modified obstetric warning score; implement real time, risk rated, ward bed occupancy and establish a clinical audit programme to monitor progress against the London Quality Standards for emergency care.

Investment to improve patient safety by the standardisation of how clinical decisions are described and recorded

We have been working to reduce the thousands of forms in use across the trust and to digitise 130 hospital forms. These forms will be accessed electronically via Microsoft SharePoint software, which will also offer read-only feeds from various other systems including the A&E and community systems with just one log-in. Different health professionals will have different views of the portal, including a summary view of a patient's most important information.

This e-noting project will eventually replace the system for collating patients' paper notes. It will reduces duplication of effort, since the forms can be pre-populated with data from the patient administration system; improve our information governance; and make it far easier for clinicians o find and access patient records when they need to.

The project includes electronic recording of nursing observations, calculation of patient risk scores and pain assessments; and will allow integration with Medchart (the trust's new electronic prescribing and medicines administration system) as it is brought into use across the trust.

This is not just about going paper-light. Prompts will let staff know what needs to be done for a patient and they can add alerts to the record, such as a warning that a person has dementia. Observations and records of medication will be easier to monitor, and we intend the portal to drive a huge range of reports and dashboards using real-time information.

Bring in new ways of working to ensure safe and seamless handovers

Clinician handover is a recognised patient safety risk. To date, handover has not been taught formally and clinical staff learn how to handover through experience at work. We have identified this as a specific area for improvement and will use a trust wide approach to control the risk.

Observation of handovers across the Trust showed large variation between specialities in how handover meetings are run, a lack of formal documentation and no standardisation of verbal handovers. The Trust will develop an electronic handover system within EPR and training and education in human factors and team skills for effective verbal handover during handover meetings.

A number of key, senior stakeholders are involved in this work to ensure change is system wide and rapid and includes IT, postgraduate medical education and good representation from all grades of doctors and SNPs.

The EPR handover process testing started on the Guy's site on 17th March and training and testing on handover meeting 'housekeeping' will start mid April.

Consolidation of progress in basic patient safety practices

Our focus on reducing major harms over the past five years has led to reductions in avoidable harm and has driven improvements in patient safety and experience.

We will consolidate the progress we made last year in preventing health care acquired infections (HCAI); avoidable pressure ulcers; acute kidney injury and never events, and to embed the safety thermometer. We will continue to work with surgical teams and Directorates to keep use of the WHO Surgical checklist and VTE risk assessment at the level of 95% of all applicable cases. A new Falls Pathway will both assess all patients for their Falls risk and ensure that the most vulnerable patients receive an in-depth multi-factorial assessment with individualised interventions to help prevent a fall and ensure appropriate follow up on discharge. This approach will provide more assurance that the overall risk of falls is reduced, not just the risk of falls associated with fractures. It will be underpinned by a new Falls Competency for all clinical nursing staff to demonstrate knowledge and skills in assessment, prevention and management of falls.

Catheter associated urinary tract infection (CAUTI) is the most frequent harm identified through GSTT Safety Thermometer data. We will reduce this incidence and achieve the lowest rate of CAUTI achieved by peer organisations.

3.1.2 Clinical Effectiveness

Develop new models of practice with our health and social care partners

Guy's and St Thomas' hospitals have historic and deep roots in the communities of Southwark and Lambeth. We want to provide our local patients with a seamless experience when moving between acute, community and social services and generate further reductions in avoidable deaths from heart disease, stroke, cancers, respiratory and liver conditions.

We will work this year with our colleagues in the Southwark and Lambeth Integrated Care partnership to model, test and refine new practices and services.

Continuing our focus on patients with dementia and their carers

We will continue to focus on individualised care for patients with dementia and their carers. We will consolidate the work done by the 'Barbara's Story' project to develop a culture of understanding, knowledge and empathy amongst all staff. We will increase our efforts to improve the preparation and management of vulnerable patient groups through surgical pathways. We will increase the activity of the peri-operative older people service (POPS) to improve the experience and outcomes for a greater number of this group of patients. We will also ensure the 6 C's are embedded into our daily practice.

Increase access to information on quality benchmarked against peers

Our staff are not always aware of the solutions to common challenges already developed by colleagues, and we want to promote an attitude of borrowing from the best when we are not already the best. Each quarter we will identify and introduce a new way of addressing improvement challenges that we have borrowed from another NHS organisation.

Integration of Guy's and St Thomas' acute and community services

We have the opportunity to integrate acute and community services for children's health so from 1 April 2014 Evelina London Children's Healthcare will start to deliver joined up healthcare to our local population. We already have examples of joint working between acute and community children's services supporting families with children with complex and multiple needs through care pathways and we will look at how we can integrate and improve care pathways across hospital and community services. In future years we will consider the benefits for patients of integrating other hospital and community services.

3.1.3 Patient experience

Improving community based services

We are responsible for managing both the acute and community services used by the residents of Lambeth and Southwark. This gives us the opportunity to improve the patient experience, smoothing the patient journey into and out of hospital services. Evidence shows that going to hospital imposes its own stress on patient health and well being, so we will give priority next year to the development of our district nursing service; and the Guy's and St Thomas' @home service.

Improve our complaints and PALS services

We learn most about patient experience from our mistakes and we recognise complaints as a valuable source of information from patients and their families. We want to ensure that patients are satisfied with how we respond to their complaints and that we miss no opportunity to learn from what they tell us.

We will reduce the most common (modal) time taken to investigate and to achieve satisfactory resolution of complaints by 10%. We already ask every person who has made a complaint to tell us if they are satisfied with how their complaint was dealt with, but we will look for new ways to improve the amount of comment we receive. We will look again at the benefits and potential problems with providing an integrated complaints and PALS service and agree a structure for 15/16.

Continue to monitor patient satisfaction

The Trust is committed to listening to and learning from our patients. We want to ensure that as many of our patients as possible have a positive experience of our services. We want to ensure that we have

timely feedback from patients to ensure that we can respond promptly to any suggestions for improvement.

We will continue to work to improve the participation of our patients in the friends and family test and other satisfaction surveys. We will work to improve our scores about the patient experience of care.

The Consent audit and patient survey will run during April and May 2014. During this time we aim to survey around 500 patients Trust wide about how well we involved them in the consent process.

Implement the new principles of care for dying patients

The highest quality of care in the last days of a person's life is essential to ensure that patients and their families have the best experience possible at a difficult time. The Trust has developed a new tool to support staff when they are delivering care at the end of life. Our aim is to guide clinicians in developing an individualised end of life care plan with an emphasis on regular review. Education and training in the use of the tool will be provided to staff throughout 14/15. We will audit practice to ensure that the tool is being used and that staff, patients and families feel supported.

3.2 Quality assurance

Our Trust objectives, values, quality and efficiency strategies provide a clear message to all staff that high quality services and excellent patient experience are the first priority for the Trust Board. This message is reinforced through individual directorate objectives. Delivery of a set of measures to meet the Trust objectives will be monitored at directorate performance reviews and staff appraisals. These are used to clearly define accountability and to monitor delivery and risks to meeting our objectives. Delivery of our quality standards will be monitored at weekly quality reviews with Executive Directors, and progress will be reported to the Board Quality Committee and Trust Board. Feedback and discussion is undertaken with governors at the Patient Experience and Service Strategy Working Groups. The Quality Committee will also continue to review our progress against a range of quality performance indicators and our performance against CQC's essential quality standards.

The Board members participate in regular walkabouts of frontline services, applying a set of critical questions which seek to provide assurance about the quality of our services and to identify the need for corrective action where necessary. The ward accreditation scheme and ward walkabouts, led by the senior nursing team, governors and the patient safety team provide further monitoring and assurance. A self-assessment, undertaken by directorates for the annual governance statement, will provide assurance that our risk register is supported and fed by quality issues captured by clinical services. The self-assessment has identified areas where our systems can be developed further and targeted projects will improve these risk management systems. High and medium rated risks are reviewed by the Audit Committee and Trust Board.

We continue to improve our staff satisfaction and engagement levels and our directorates have put in place mechanisms that promote listening exercises, enabling staff to raise concerns and ultimately lead to improvements in patient care as well as staff satisfaction. We will use the annual staff survey and Family and Friends test for staff to help us monitor progress.

We have a strong model of clinical leadership and empower managers to take decisions; our leadership and management development programmes will help us develop existing and aspiring leaders to come forward through our talent pipeline. We have linked pay and performance in our annual appraisal systems and place great emphasis on the development of all our staff. We have developed programmes that enable us to widen access to jobs and careers within the Trust and all our staff have a personal development plan. We have introduced "pulse surveys" to enable us to spot those staff who need development to meet expected performance levels and importantly, to identify those who show exceptional talent and potential.

In a flat cash environment, with lower take home pay and high cost of living (particularly in London), we are placing greater emphasis on our non pay benefits to help recruit, retain and motivate our workforce. We are developing an innovative reward and benefits stack and supporting staff to maintain and improve their own health and wellbeing; we have put in place good systems of evaluation. We believe that despite the economic downturn and the increasing acuity of the patients they care for, our staff are motivated and engaged - but we are not complacent and will continue to work with our staff to ensure that satisfaction remains high.

Despite our quality strategy and work to improve our critical infrastructure , we have declared that the Trust is at risk of not meeting the 85% threshold for first treatment within 62 days of an urgent GP cancer referral, or 90% for first treatment following an NHS screening referral in 2014/15. Issues relating to not meeting these targets are complex and multi-factorial. A key factor in our performance is that we often receive referrals from other hospitals offering specialist diagnostics and care late in the patient pathway and this is not directly in our control. Our priority in 2014/15 is to build on our relationships with these hospitals to improve these patient pathways.

We also face a risk of not meeting the 90% target for admitted patients treated within 18 weeks as the waiting list for our elective services has grown as explained in section 4. We plan to reduce the backlog of patients waiting over 18 weeks whilst continuing to achieve all targets, but there is a risk that demand increases beyond planned levels, as it did this year. We plan to mitigate this risk by close monitoring of demand and flexing capacity where necessary.

We must also register our concern regarding the target for CDiff infections in 2014/15. At the time of writing, we have been set a target of 37, which is a further reduction of 21% when the numbers are already at minimal levels for a trust of our size. We have appealed to Public Health England and NHS England to review the methodology for setting these targets.

4. Operational Requirements and Capacity Plan

4.1 Projected Demand for services

Elective Activities
Each specialty elective activity plan takes account of significant trends in referral rates; the current waiting list; and the capacity available to meet demand. The planned increase in elective outpatient and inpatient activity volumes is largely driven by a requirement to respond to increasing demand and the need to clear RTT backlog waiting lists, in order to sustain RTT performance.

In 2013/14 the Trust has delivered a 10% increase in new outpatient attendances (on 2012/13 outturn), against a plan to increase activity by 5%. This has been driven by a 12% increase in GP referrals to the Trust, considerably higher than anticipated. Elective inpatient and day case activity has increased by 6% against a plan to grow by 8%. Consequently, the referral to treatment waiting list has grown, although patients waiting times have remained within national standards.

The projected demand and waiting time pressures are calculated to derive an activity plan target for each specialty and this is the basis for the Trust plans, except in rare circumstances where it is not possible for the speciality to deliver the activity required. The significant example of this is Paediatric Orthopaedics, where workforce, theatre and bed constraints mean that it is only possible to plan for an activity level which just exceeds demand but not sufficiently to achieve a satisfactory reduction in the waiting list, ie to achieve the 18 week standard.

For 2014/15, the Trust is planning a 9% increase in new outpatient attendances and elective inpatients and day cases and this has been the basis for our proposals to commissioners. Some specialised activities, like oncology or renal dialysis attendances, do not fall into the outpatient or inpatient activity categories but are included in plans separately.

Emergency Activities
In 2013/14 the Trust has experienced about the same level of demand for A&E attends and non-elective admissions as in 2012/13, although there has been a reduction in short-stay admissions and an increase in longer stays. Consequently there is minimal change proposed in emergency activities for 2014/15.

All activity plans are consistent with income and expenditure plans. The activity and finance plans do not include any estimates of activity, income, costs (revenue or capital) and workforce implications associated with reconfiguration of services within South East London following the implementation of the TSA's report or other potential service reconfigurations within King's Health Partners. Any such service changes will always be subject to agreement with commissioners and provider Trusts and subject to stringent capacity, workforce and financial planning prior to implementation.

4.2 Implications for Capacity

The Trust has achieved significant improvements in efficiency and productivity in 2013/14 which have enabled the delivery of increased activity with marginal increases in workforce and within the constraints of the Trust space and other resources. Some improvements in capacity required to deliver 2014/15 activity are already in place as specialties have taken actions to increase activity run-rate during 2013/14 so that the full year effects will be delivered in 2014/15. This accounts for about half of the growth planned for 2014/15.

The Trust business planning process required clinical directorates to calculate the activity volumes required to meet demand and reduce waiting times as described above. The general brief for planning increases in activity was to assume that there would be no additional beds or theatre time available, but to plan increases in productivity to realise the increases in activity.

A range of improvements in the utilisation of outpatient clinics are being implemented by directorates and the fit for the future workstream and the delivery of growth in this activity is not constrained by space.

Where necessary specialties will make marginal increases in workforce and/or extensions of clinics into evenings or weekends, but most of the growth can be delivered through productivity gains.

The planned increase in elective inpatient and day case activities represent an estimated increase in beds required of about 13 beds, and this will be delivered by improvements in day case rates and reductions in elective length of stay. The increase in elective activity in 2013/14 was delivered within the same number of beds used as in the previous year. The increased theatre time required will be delivered by improvements in productivity, but mostly by extension of the operating time into evenings and weekends. Theatre time is the key contraint for the Trust's clinical service capacity, and plans are in hand to provide additional theatres in the medium term.

Whilst non-elective admissions have decreased this year, this has been due to avoiding short-stay admissions (10% fewer) but the numbers of admission for over 1 day has increased by 2%. The overall beds required has increased by 2%, about 10 beds. The Fit for the Future workstream on clinical pathways, combined with the Southwark and Lambeth Integrated Care programme, is expected to deliver even greater reductions in admissions and the earlier discharge of those who are admitted, resulting in the reduction in bed requirement by at least one ward (28 beds).

4.3 Variability and Risk

The key risk to delivery of the planned increased activities and reduced waiting times whilst continuing to improve quality and safety of services is the hourly/daily/weekly/monthly variability in the demand for services. This will be mitigated, as in 2013/14, by the systems in place to identify peaks and trends in demand and to ensure services respond by temporary increases in capacity and by making permanent changes where this is required. The Trust has established the use of "magic numbers" which are the daily/weekly activity volumes which need to be delivered in each service clinics/theatre list/etc to ensure that we remain on target. Combined with monitoring of waiting lists, ie the changing numbers of patients in the "queues" for our services, we are able to identify the need to flex delivery to keep on plan.

5. Transformation, Productivity and Efficiency

5.1 Planned productivity and efficiency gains

Increasing the efficiency and productivity of our services is a key goal for the next two years. It is required to support delivery of our challenging financial plan. As outlined in section 6, we must achieve a very challenging savings plan in 2014/15/16, equating to over 8% pa of our controllable cost base.

The Trust will meet this challenge through the achievement of CIPs devised by services, Trust wide efficiencies derived from workstreams supporting all services, and transformational programmes which will deliver some improvements in the next 2 years but also in the longer term.

5.2 Fit for the Future

The Fit for the Future programme was launched in March 2013 "to build on our distinctive quality in patient experience, outcomes and safety, by: serving more patients; driving operational excellence; and releasing the talent of staff within our organisation over the next 3 years".

The programme was set up with 18 workstreams and underpinned by 5 key principles, each designed to support directorates to deliver quality, operational, patient experience and financial improvements (including CIPs).

A staff development programme was launched in December 2013 to support the Programme's ambition to release and nurture the talent of our staff and to contribute to the delivery of specific priority projects including improving the heart failure pathway, transforming the emergency care pathway and using beds in the Evelina London Children's Hospital more efficiently.

Achievements during 2013/14 include:

- Helping the trust to deliver its ambitious 2013/14 CIP target of £78m
- Notable improvements in quality and safety in those workstreams where this was measurable, such as outpatients, clinical pathways, pathology and imaging.
- Significant improvement in efficiency in those workstreams where this was measurable including coding, procurement, medical productivity, clinical pathways and surgical productivity
- Engaging the wider organisation through the award of Fit for the Future badges and events such as quarterly staff sessions, TME Forum, 'speed dating' and Dragons' Den. This has created a culture of enthusiasm and commitment to the programme across the whole organisation

Going forward, we have raised our level of ambition and expectation for the programme. It is now embedded as a key vehicle for the delivery of the 14/15 business plan and we are turning our attention to longer term planning in those workstreams where a more radical approach is likely to deliver larger, longer term benefits.

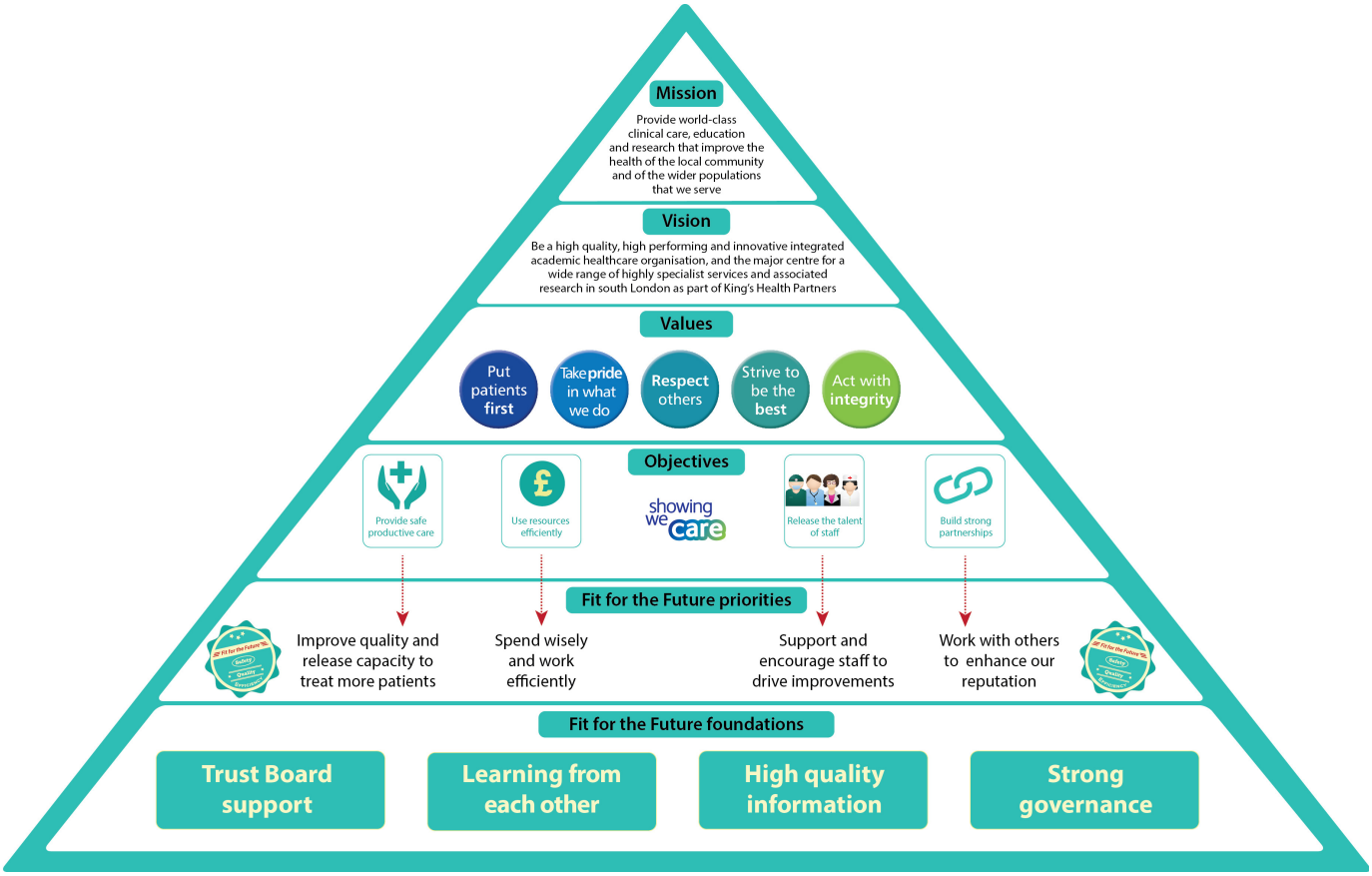
Workstream	Description
Outpatients	Improving the efficiency of outpatient services by improving follow-up to new ratios, improving coding, quality and space utilisation
Nursing, AHP and Pharmacy productivity	To maximise the productivity of this workforce; and to agree a future framework for advanced / specialist nurse job planning and review, monitor productivity gains at service level, implement 7 day working
Clinical Pathway	To improve the inpatient pathway, reducing LoS, and strengthening clinical cover across

	24/7, improving patient flow through the hospital
Clinical Coding	To improve accuracy, completeness and timeliness of clinical coding to ensure treatments are fully described and payment fully received.
Surgical Productivity	To improve surgical productivity (particularly at St Thomas') by increasing day case rate, improving theatre and cath lab utilisation, improving flow in surgical admissions lounge and reducing queues in recovery lounge , improving patient experience in SAL and DSU
Medical Workforce Transformation	Improve junior doctor utilisation (review banding, cross cover, skill mix); medical leadership review and improve consultant productivity
Pathology	Improve pathology demand management through central and directorate initiatives
Medicines Management	Combination of 150 projects to reduce spend on medicines (including demand management, inventory management, waste reduction, supplier management)
SLR/M	To maximise positive patient experience and productivity at clinical pathway level through focused review of financial and activity data and systematic pathway transformation based on data analysis.
Imaging	To maximise the benefit of optimum use of imaging in a patient pathway, ensure turnaround times continue to improve
GP Pathways	To increase GP referrals profitably and sustainably by i) identifying geographical opportunities ii) understanding referrer views iii) reviewing current state of trust enabling infrastructure iv) building directorate toolkit v)pilot with top 3 specialties
Tertiary Pathways	Grow tertiary referrals profitably and sustainably – to become the hospital that 'says yes' by i) mapping current referral flow ii) mapping outreach clinics iii) identifying opportunities to grow referrals iv) strengthening referrals to secure strategic relationships
Private Patients	To increase private patient contribution, including international paediatric patients
Non-Clinical Pay Reduction	To reduce expenditure associated with non-clinical pay, review the A&C functions that support clinical services to ensure the maximum value is gained
Reduce Bureaucracy	Minimise time and resources spent on decision making processes and ensure decision making systems have clearly designed incentives which reward quality and productivity
Maximise benefit from Space	Improving business approach and methodology to incentivise efficient use of space to reduce the requirement to lease buildings and create space for growth
Staff Development	Release the talent of staff through the provision of a development programme
Benefits of technology	Realise the benefits arising from the delivery of the IT programme
Large Scale Procurement	To deliver a 10% reduction in influencable non-pay expenditure by price negotiation, product switches, inventory management, and changing procurement practices

We are adopting a distinctive approach to delivery of the Fit for the Future programme for 14/15 and beyond, based on:

- Setting consistent performance expectations for directorates and workstreams as part of the business planning process.
- Having clear accountabilities at directorate and workstream level, supported by a robust PMO structure
- Building the capabilities needed to deliver improvements through rolling out the trust development programme
- Creating the culture for delivering change across the whole organisation ('engaging the 13,000')

The Trust's vision, values and objectives are embedded in *Fit for the Future.* The delivery of savings identified by individual directorate and by *Fit for the Future* workstreams is interdependent. Establishing both programmes of work mitigates the risk that individual pieces of work do not deliver saving opportunities. At the time of writing, we are projecting to have exceeded our very significant savings target of £78m in 2013/14 and there is a strong commitment within the organisation to continue the success of the *Fit for the Future* programme into 2014/15/16.



5.3 *Fit for the Future* governance

The *Fit for the Future* Programme Board provides strategic executive leadership to the programme. The Board is chaired by the Chief Executive and is comprised of all Executive Directors, directors and representatives of the Programme Management Office (PMO). The PMO is responsible for on-going delivery of the programme, including identifying risks and issues. Directorate leadership teams will continue to be required to report progress through their monthly performance review with the Chief Operating Officer.

5.4 Quality Impact of our Cost Improvement Programme

The Chief Nurse and Medical Director are members of the Programme Board and each of the work streams is led by a clinician to help ensure improvements remain focused on quality, safety and positive patient experience. In addition, each cost improvement project identified by *Fit for the Future* work streams or by clinical and corporate directorates, will be risk assessed and personally signed-off by both the Trust's Chief Nurse and Medical Director. We will provide Clinical Commissioning Groups with a Quality Impact assessment. This will provide assurance that decisions to change the cost base of a service have been clinically assessed, are safe and will not have a detrimental effect on clinical care.

5.5 Local Services Integration

The Trust has initiated a major programme in 2013/14 to realise the benefits from closer integration of local hospital and community services for adults and children. This is aimed at achieving improvements to the patient pathways without significant organisational structural change, unless this proves to be necessary to secure the benefits for patients.

The relevant hospital clinical directorates have been brought together with the adult community services within the Local Services Delivery Board, accounting to the Trust Board for the delivery of the work programme. The business plans of these local services have been developed together, planning for the potential benefits to patients as well as the efficiencies that also arise from better joint working.

The Evelina London and the children's community services will merge with effect from 1st April 2014 to form the Evelina London Children's Healthcare Service. This presents an exciting opportunity for the ongoing development of the Evelina London as a leading children's service provider.

The hospital and community sexual health services will also merge to provide the full range of services as efficiently as possible for Local Authorities' residents.

The local services integration programme will result in efficiency savings as it delivers improvements in patient pathways from the greater integration of hospital and community services. Although the main driver is to improve the quality of patient care and experience, directorate business plans include the achievement of financial benefits that naturally arise from some of the changes planned.

5.6 Southwark and Lambeth Integrated Care (SLIC)

Building on the first two years of the SLIC programme there is a clear recognition of the need to do more, both in terms of the scope of new services, and in terms of more fundamental changes to the care system. We believe that work over the next two years will significantly improve the effectiveness and efficiency of care leading to material reductions in avoidable emergency admissions, delayed discharges, and admissions to residential care.

To make the fundamental changes needed in the care system we will, through SLIC, work closely with commissioners to transform how care is commissioned, paid for and provided. This work will:

- identify if and how health and social care budgets are brought together to fund services for specified segments of the population (e.g. people over 75 with multiple long term conditions), rather than funding based on settings of care;
- recommend different financial mechanisms (e.g. capitated contracts) and incentives to help providers focus on preventing avoidable activity and providing care in the right place at the right time; and
- establish ways in which the various providers can come together across the full value-chain, either in formal or virtual organisations and networks, to manage contracts and sub-contracts for the provision of coordinated care.

This type of transformation is well aligned with the Call to Action, endorsed by NHS England, Monitor and the CQC. However, as is widely recognised, such a transformation will require a fundamental change in the way that resources (including people, buildings and infrastructure) are utilised within the whole health economy. When viewing similar types of transformation in other geographies or other industries these changes necessarily, and intentionally, cause a disruption to the existing business models. In order to be successful in meeting the imperatives of improving quality and experience and reducing average cost we will work collaboratively, at all levels of the system, to navigate the uncertainty and disruption of a transition to better value care.

6. Financial Plans

In 2013/14 the Trust set a financial plan to break-even prior to accounting for capital donations, impairments and transfer of community assets, with an aspiration to achieve a £10 million surplus. The forecast year-end position as at January 2014 is that the Trust will have an underlying surplus of £6.6 million. Our financial strategy for the two years covered by the plan is to continue to focus on delivering productivity and efficiency improvements and to reduce costs. Being a financially sustainable organisation will be critical to support delivery of safe services and achieve surpluses to enable reinvestment in clinical services through our capital programme.

Key capital priorities include, delivering the new emergency care pathway and emergency floor redesign, completing the new Cancer Treatment Centre, and the development of the Evelina London Childrens' Hospital. We will also be implementing our IT strategy to deliver investment in business intelligence and deliver transforming technology, such as e-noting, e-prescribing and community infrastructure to deliver new ways of working to assist in the drive to reduce administrative costs.

Our 2014/15 income and expenditure plan is based upon progress to-date with contractual discussions with our commissioners (including NHS England, CCGs and Local Authorities) and the detailed expenditure plans of our directorates. As with all provider organisations, we face significant financial risks associated with the changing financial flows of new commissioning arrangements. Risks include uncertainty around our planned income and engaging with commissioners to plan for, agree and manage contracting arrangements.

We plan to deliver a surplus of £3 million in 2014/15, with the aspiration to achieve a £10 million surplus. Our financial targets are driven by national efficiency and commissioner QIPP requirements, an estimated reduction in education levies and unavoidable cost increases including servicing our loans for capital investment (interest, depreciation and principle). These financial pressures require the Trust to develop efficiency savings of £68 million in 2014/15. This equates to approximately 9% of our controllable costs. Delivery of the *Fit for the Future* programme (section 5) will support directorates to achieve the savings through a combination of cost reduction and increased productivity to deliver additional activity at a marginal cost. However, delivering this level of savings is still a significant challenge. The *Fit for the Future* programme and continued income diversification are our main strategies to help us deliver our financial plan.

The Trust has identified a savings requirement of £66 million for 2015/16 to deliver a £6.5 million surplus, which is required to service our Independent Trust Financing Facility loans. The Trust has not yet developed plans on how these savings will be delivered and will look to identify opportunities through the fit for the future programme during 2014/15 to ensure a robust financial plan is in pace for April 2015.

The Trust has identified a number of risks to achieving its financial plan for 2014/15 such as slippage in the deliver of the agreed savings initiatives, commissioner affordability, potential changes in central funding for the Trust's specialist activity (Project Diamond) and changes in VAT which if materialising would need the Trust to develop additional savings opportunities or to review the capital programme to live within the funding available.

The Trust is currently developing its five year strategic plan which will be completed by the 30th June 2014.

Given the scale of financial challenge facing the NHS we do not believe that we will be able to deliver the scale of savings required without significant changes to the way health care is delivered within South East London. The Trust's two year operational plan does not include the impact of these longer-term challenges etc. and is focused delivering productivity and efficiency savings.