Royal Surrey County Hospital NHS
NHS Foundation Trust

Operational Plan 2014/15 – 2015/16

Operational Plan Document for 2014-16

Royal Surrey County Hospital 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

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	Melanie Hughes
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Date	**4th 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.

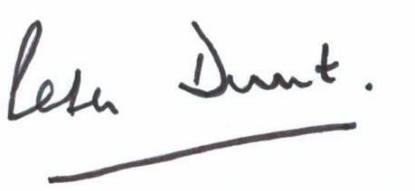
In signing below, the Trust is confirming that:

- **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)*	Peter Dunt

Signature



Approved on behalf of the Board of Directors by:

Name *(Chief Executive)*	Nick Moberly

Signature

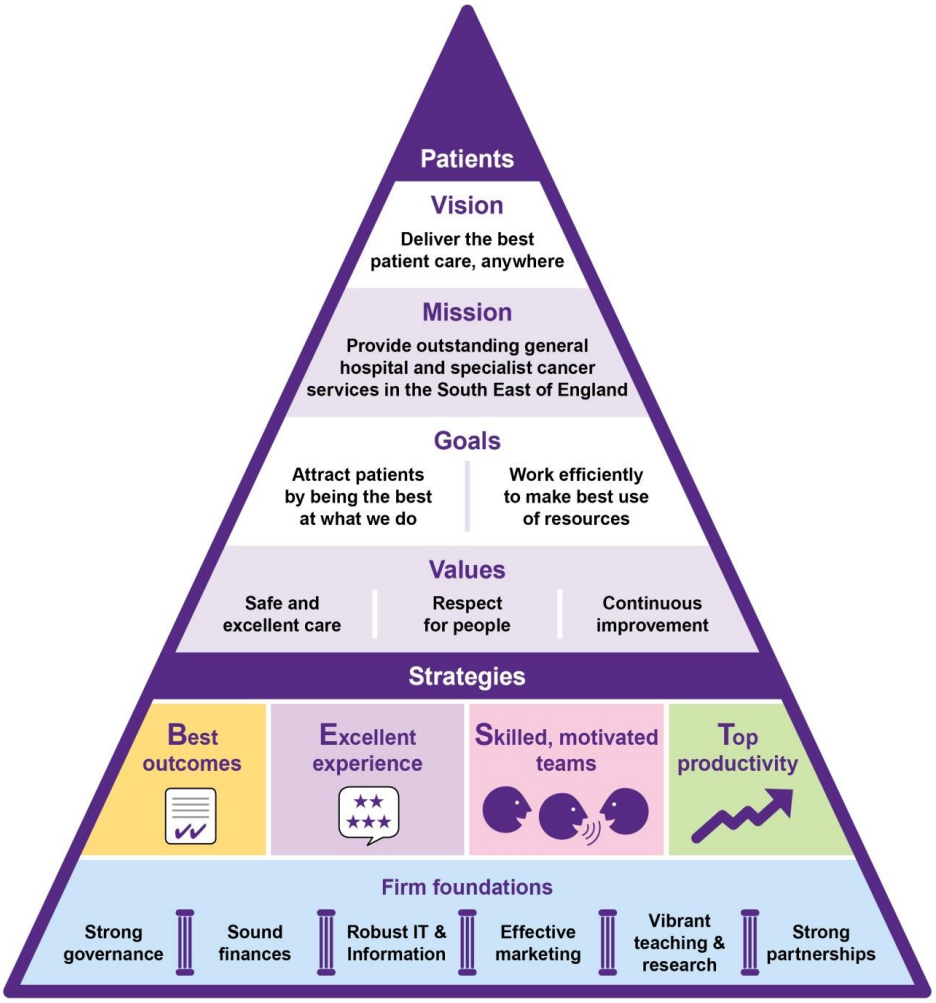
Approved on behalf of the Board of Directors by:

Name *(Finance Director)*	Peter Ridley

Signature

1.2 Executive Summary

The Trust's overall strategic vision, summarised below, is to deliver "the best patient care, anywhere". 5 strategies support this overall vision – Best outcomes, Excellent experience, Skilled, motivated teams, Top productivity, and Firm Foundations.



Linked to this strategy, we have identified a number of key principles which guide how we work, which are summarised below:

Best outcomes

Working together with our partners, we will deliver outstanding care for our patients
- We will strive to deliver outstanding outcomes for our patients
- We will put safety at the heart of everything we do
- We will work with partner organisations to ensure that care is delivered seamlessly across the whole health system

Excellent experience

We will treat our patients as we would wish to be treated ourselves
- We will treat our patients with courtesy and compassion
- We will focus on making sure that all aspects of our service are genuinely user-friendly
- We will listen to the views of our patients, their visitors and our staff, to improve what we do

We will ensure that everyone at Royal Surrey is working to their full potential to deliver our vision

- We will ensure that every one of our staff is focused and engaged in delivering our vision of best patient care, anywhere
- We will empower staff to lead their services by devolving accountability and decision making to the lowest possible level
- We will foster cohesive team based leadership and ensure that our clinicians play a central role in shaping and managing their services
- We will strive to attract the very best people and enable them to reach their full potential, recognising excellence and proactively addressing poor performance

We will continuously review what we do and how we do it, simplifying and standardising processes wherever possible

- We will simplify and standardise our processes, maintaining flexibility for clinicians to exercise their expert judgement and respond to the specific needs of individual patients
- We will continuously improve the way we do things, using lean management techniques to maximise efficiency
- We will seek to learn from others and ensure that we always follow best practice, tailored where necessary to meet our unique circumstances

Alongside these principles we have developed a suite of Key Performance Indicators that are used to measure Trust performance and highlight any areas where improvement is required

A range of breakthrough initiatives have been identified to deliver the strategy and performance objectives identified. These reflect both major longer term strategic objectives, such as growing our cancer centre, developing our partnership with Ashford and St. Peter's NHS Foundation Trust, and exploring opportunities to establish an Integrated Care Organisation, and also a range of more focused clinical, operational and financial initiatives. These are summarised as follows:

Best Outcomes
Take forward ASPH partnership development for clinical and corporate services
Deliver and embed outreach radiotherapy and Chemotherapy across the network
Develop Integrated Care Organisation proposition
Deliver 2014-15 CQUINs and other Trust quality goals
Deliver CQC Action plan

Excellent Experience
Further define cancer strategy, including scope, capacity, resource and finance required
Expand cancer catchment - Ashford Cancer Treatments Centre and Haemato-Oncology service
Develop joint venture inpatient renal service at ASPH
General Hospital market share- develop and implement plans to increase OP outreach clinics
Transform customer service - deliver Outpatient Re-design using BEST
Transform customer service- redesign patient administration processes
Transform customer service- expand car parking with new travel plan

Skilled & Motivated Teams
Strategic alignment - fully implement strategy deployment and other aspects of "Strategic Alignment" toolkit
Outsourcing – implement Hard FM outsourcing and embed Soft FM outsourcing
Resourcing - roll out resourcing plan to achieve 95% fill rate
Leadership/talent - implement effective leadership development and talent management processes
Medical Effectiveness project
Employee engagement - design and implement effective employee engagement processes

Top Productivity
Pharmacy homecare – design and deliver phase 2 of the plan
Expand Surrey Pathology Service to include HWP and Royal Berks
Achieving Excellence - roll out “Frontline Operational Excellence” toolkit across wards (including BEST vision, strategy deployment, standard work, visual management/CIE, Daily review/coms cells, practical problem solving, DECODER)
Value stream redesign - refine and continuously improve end-to-end emergency processes (LOS)
Value stream redesign - review and redesign key oncology processes
Service line reviews - implement service line reviews across the Trust (including medical workforce productivity)

Robust Foundations
ASPH partnership – establish clear road map to EPR
Consolidate finance foundations - complete redesign of core finance processes
Consolidate information foundations – implement data warehouse and improvements to data capture/quality
Web-based reporting further phases - e.g. consultant scorecard, operational metrics, outcomes data
Consolidation IT foundations - delivery of core infrastructure projects
Refine & implement Estates Strategy including specific projects and ensure on-going effective maintenance
Private patients - maximise private patient income
Introduce key clinical IT systems - Chemo e-prescribing
Create short/long term marketing and communication strategy and plan

A detailed financial plan has been developed to reflect this plan, which delivers a secure financial performance over the coming 2 years.

1.3 Operational Plan

2a The Short Term Challenge

The local CCG have set an ambitious QIPP programme designed to remove activity from the trust and transform service delivery. There is a particular focus on unplanned care, with investment in primary care and in community service step-down packages, to reduce A&E attendances, admissions and support earlier discharge. We are working with the CCG to deliver this programme with joint action plans around A&E and significant re-configuration of our internal discharge and liaison teams.

There are also a number of schemes to reduce planned care in specific specialties, the most significant being in Orthopaedics where we will deliver a non-consultant led triage service and have co-produced new pathways for patients alongside the CCG. The short term challenge is to remove capacity and costs to mitigate the income lost as a result of the QIPP programme and to ensure that we work effectively with partners to secure the delivery of new pathways of care. Our plan takes a prudent approach to the deliverability of cost reductions and acknowledges the lead time in achieving some of these.

Our internal CIP programme is increasingly transformational in nature in order to deliver the scale of savings required. The challenge is in designing and delivering more the more complex and far reaching changes that this requires. We have developed a three year approach to CIP delivery and have project plans for implementation of these changes. An example of this is our outpatient transformation and our patient administration process review. These aim to standardise our processes, centralising teams to release productivity benefits whilst securing data quality and patient experience benefits. The challenge here has been to ensure that sufficient savings are delivered in year 1 of the programme whilst we work through the year 2 and 3 opportunities and delivery

2b Quality Plans

Key Priorities

Our quality improvement priorities for 2014/15 are outlined below and are aligned to our trust strategy to deliver best care, anywhere. We plan to focus on three key areas:

Patient Safety:

- Responding to the deteriorating patient: – We recognise the importance of effective clinical decision making and that the timeliness of this is critical to the safety of patients whose clinical condition is rapidly deteriorating. Therefore we intend to focus on equipping our staff with the necessary skills to enable them to do this.

Patient Experience:

- Implementing clear standards of communication with patients and their relatives: – This is an important quality priority for us locally and one that has been informed through observed trends from complaints and incidents. Our work in this area will also help to give our patients a voice, which is part of our promise within our Francis declaration.

Clinical Effectiveness:

- Developing quality and safety consultant level dashboards: – We want to ensure that we are transparent about the performance of our clinicians.

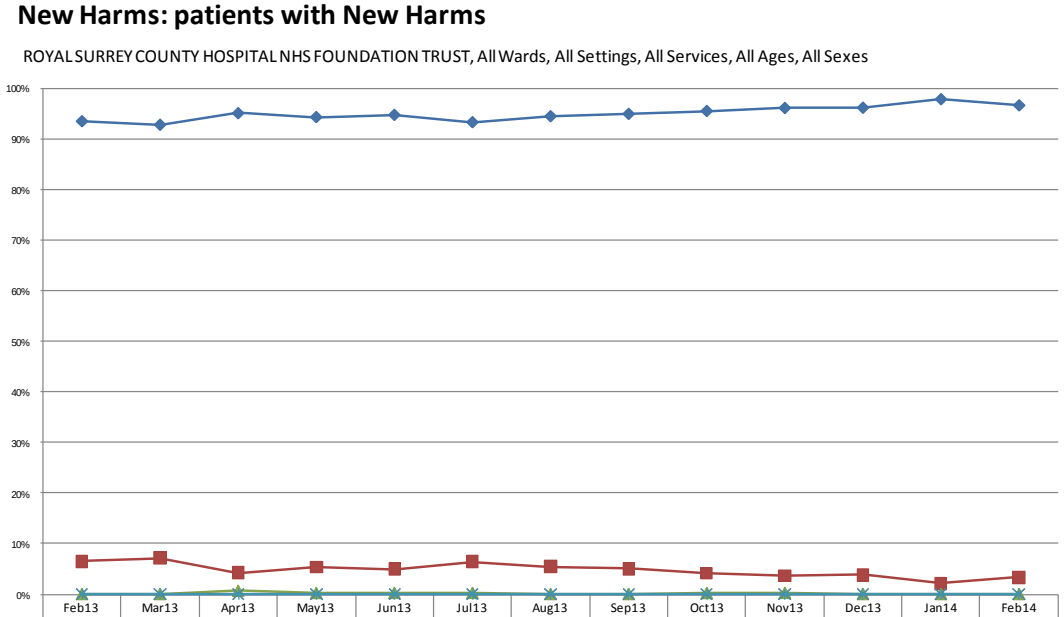
Quality Strategy

We have developed a new quality strategy to shape our quality improvement work for the next three years (2014 -2017). We plan to achieve better symmetry between our quality strategy and our annual quality accounts.

Quality Indicators

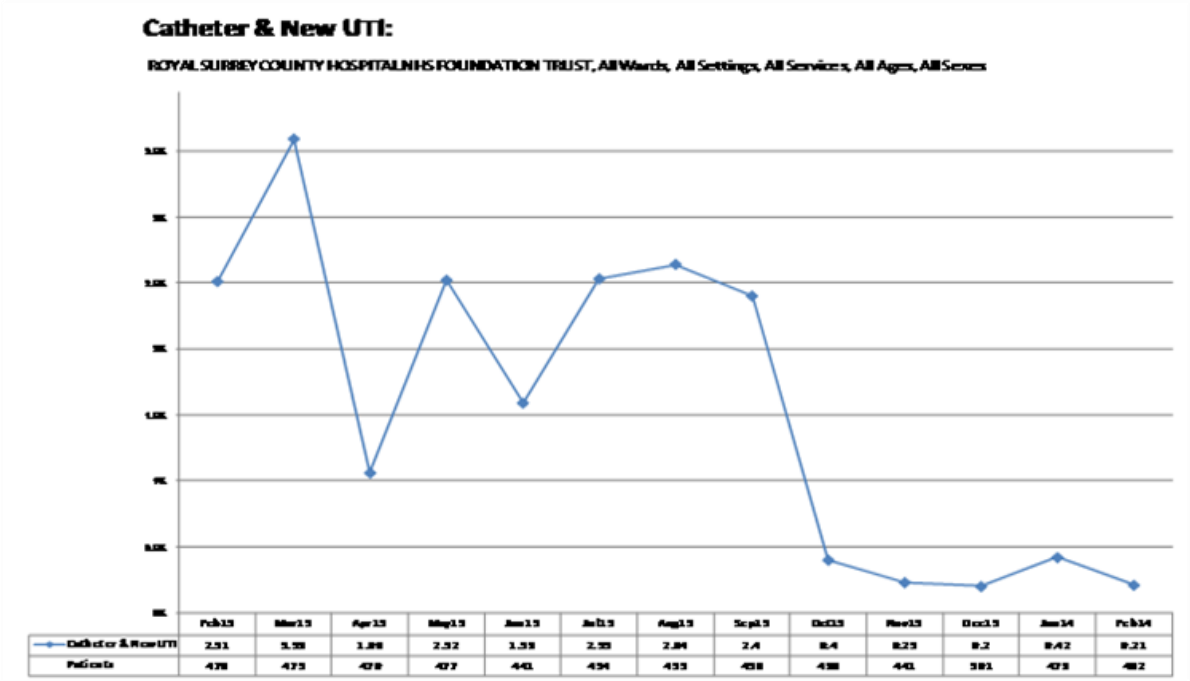
Safety Thermometer and Harm Free Care.

There has been good progress with the Safety Thermometer audits in 2013-2014 with our percentage of patients who are free from all harms (on the day of the audits) rising from 90.38% in April to 93.15% in February. There has also been an increase in the percentage of our patients who are remaining free from harms that are sustained within the hospital.



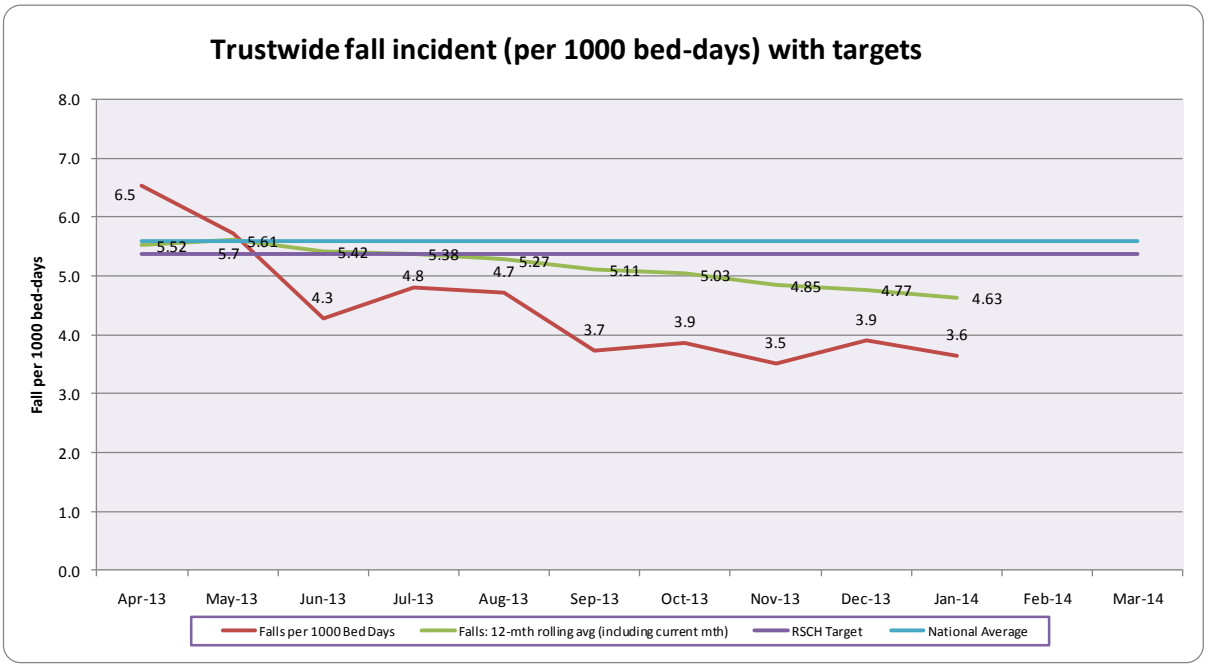
	Feb13	Mar13	Apr13	May13	Jun13	Jul13	Aug13	Sep13	Oct13	Nov13	Dec13	Jan14	Feb14
No New Harms	93.51	92.81	95.11	94.34	94.78	93.32	94.51	94.98	95.56	96.15	96.21	97.91	96.68
One New Harm	6.49	7.19	4.26	5.45	4.99	6.45	5.49	5.02	4.23	3.63	3.79	2.09	3.32
Two New Harms	0	0	0.64	0.21	0.23	0.23	0	0	0.2	0.23	0	0	0
Three New Harms	0	0	0	0	0	0	0	0	0	0	0	0	0
Four New Harms	0	0	0	0	0	0	0	0	0	0	0	0	0
Patients	478	473	470	477	441	434	455	458	496	441	501	479	482

Through the audits the Trust identified that we had a high number of patients with catheter associated urinary tract infections (CAUTI). Following a focused piece of work and action plan in 2013-2014, there has been a dramatic reduction in the numbers of patients with an indwelling catheter and those with a CAUTI. We will continue to map progress against this action plan to maintain the reduction in CAUTI's.



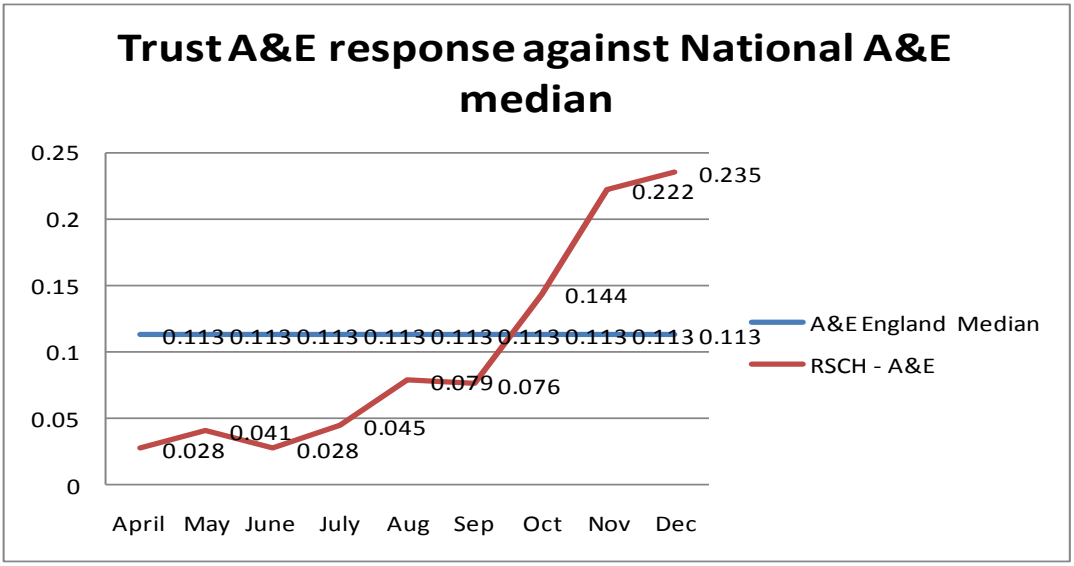
Although there has been a reduction in the number of pressure ulcers, the Trust will be focusing on methods to reduce these further in 2014-2015.

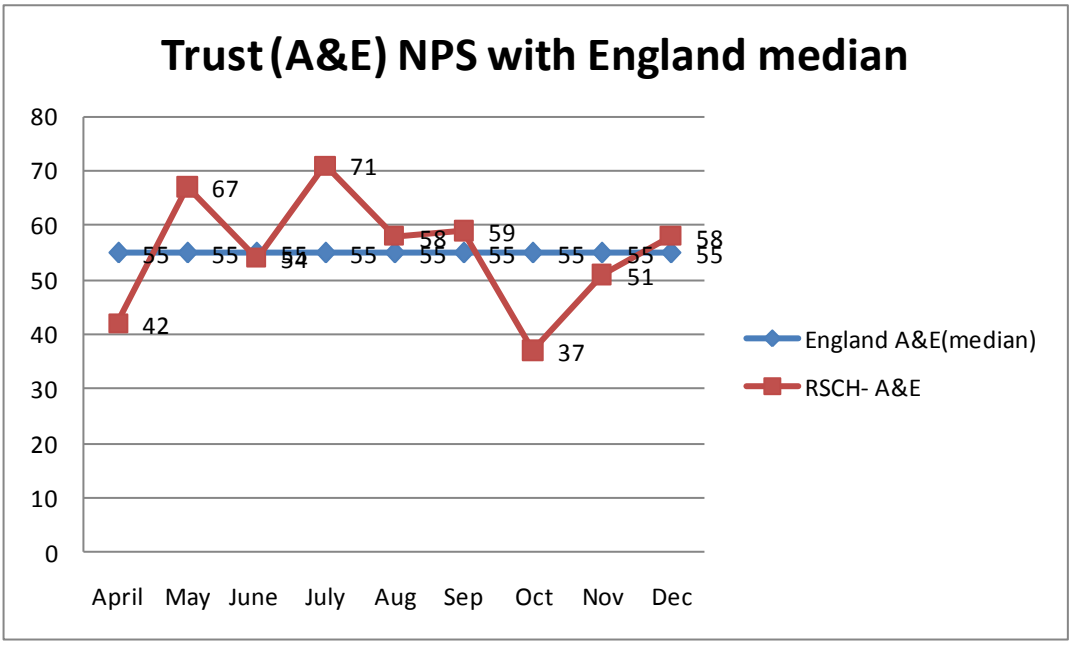
The Trust has seen the falls rate continue to reduce during 2013-2014. Our rolling average per 1000 bed days continues to be below the national average of 5.6.

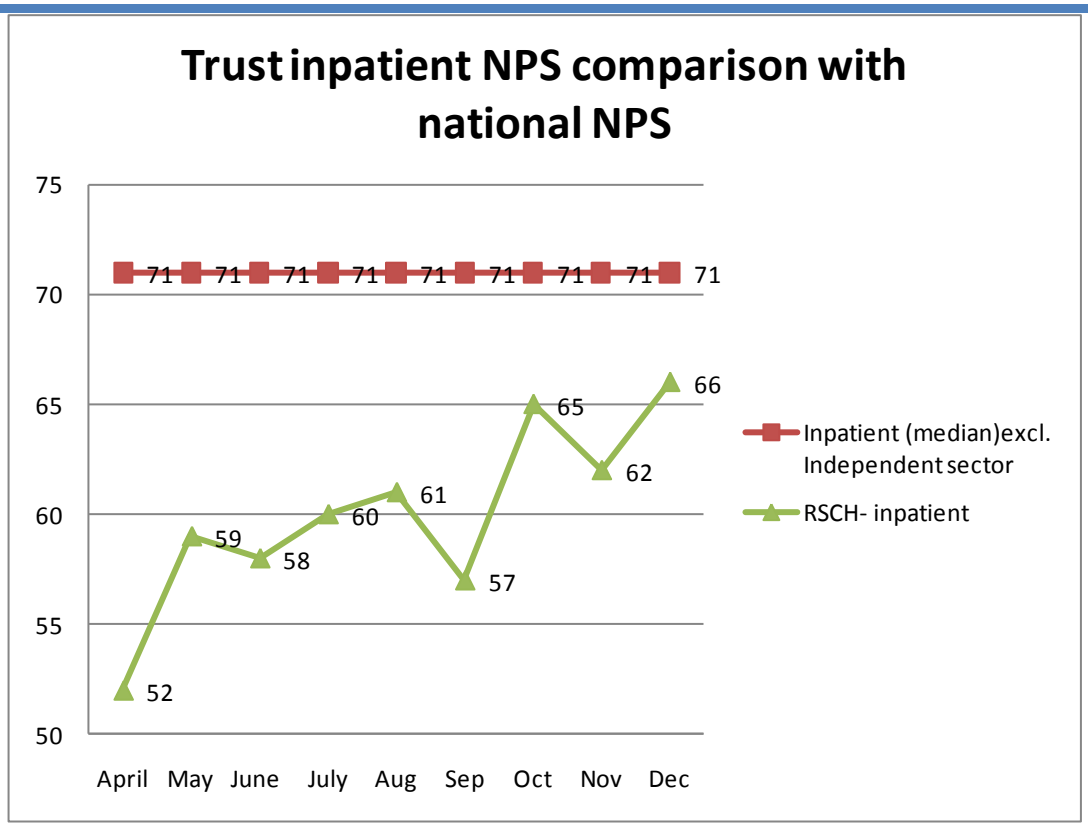


Patient Experience.

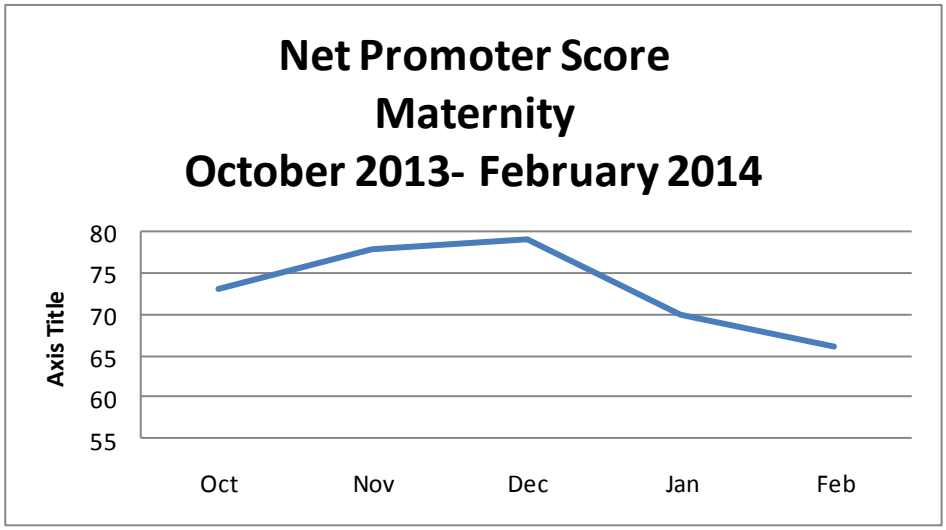
In 2013- 2014, the Friends and family Test has been rolled out to A+E, Inpatients and also to Maternity services. We have seen an increase in our percentage response rates however there is further work required to increase the Net promoter scores for A+E and Inpatients.







Friends and Family was rolled out to Maternity in October and their results are detailed in the graphs below.



Quality Mark for Elder- Friendly Hospital Wards (QM)

"The Quality Mark for Elder-Friendly Hospital wards is a voluntary quality improvement programme for hospital wards focussing on the quality of essential care of patients aged 65 and above" (Royal college of Psychiatrists). This involves gaining feedback from patients, staff, hospital management and hospital governors. Each area receives a detailed report that identifies

areas of good practice and areas for improvement and encourages an environment of continuous improvement.

Wisley and Ewhurst wards participated in Stage 2 of the Quality Mark having achieved Stage 1 in 2012-2013. The initial report shows that they appear to have met the requirements for the QM however the final results will not be known until April 2014.

Eashing ward commenced Stage 1 of the QM in 2013 -2014 and are about to submit an action plan to the College. They will enter the next stage in September 2014.

2c Operational Plans and Capacity

Emergency Care Pathway

With the appointment of a Clinical Director covering all aspects of emergency care the Trust expects to re-profile the emergency care pathway. This will be initially supported by ECIST. The Trust will work with primary care providers to ensure patients receive treatment in the right facility and the right location for their health needs. The Trust will work with the CCG in relation to the implementation of admission and attendance avoidance schemes and expect to see the impact on activity grow over the course of the year as primary care services develop a robust infrastructure to support choice in the community setting.

We have had particular pressures in achieving the 4 hour wait target in A&E over the second half of 2013/14. In partnership with the local CCG we have developed an extensive action plan to improve performance going forward, with a particular focus on patient flows, rapid assessment and treatment processes, joint weekly performance meetings with the CCG and greater partnership with the CCG Primary Care Plus project.

The emergency pathway will also take account of discharge planning and utilising the in-reach and out-reach services to maintain patient flow and a competitive LOS.

ICU Expansion

The Trust opened the ICU extension in March 2014, providing an additional 7 beds capacity. A further 2 beds will open in each of March 2015 and March 2016. Key to the success of the project is recruitment of operational staff, both nursing and medical, from overseas - as detailed in later sections to reduce our reliance on agency staff.

Outreach Radiotherapy

The new RSCH St Lukes Radiotherapy Service (2 Linear Accelerators and 1 CT) will be opening in Redhill at the end of July. Patients that would have had to travel up to Guildford every day will now be able to have a local service provided on site at Surrey and Sussex Hospitals, with only complex head and neck cases needing to come to the RSCH site. This service will be staffed by RSCH Radiotherapy medical physics and Oncologists.

Outreach Chemotherapy

Chemotherapy closer to home is now being offered to patients at 3 local acute trusts. Currently this service is being offered to patient receiving chemotherapy for breast cancer at all sites, further plans to roll this out to all tumour sites are underway.

SASH - the service is nearing the completion of delivering all the locally agreed portfolio of breast regimens. Discussions have commenced to plan the roll out of the delivery of chemotherapy for other tumour sites .This will then support the availability of both chemotherapy and radiotherapy to most tumour sites by the end of the year

Frimley -Delivery of breast regimens with good uptake of patients treated over the last 3 months. This service is to be established over the next few months with planning of next phases of roll out of transfer of treatment of other tumour sites to start from April 2014

ASPH -The transitioning of UCLH breast service has commenced, dual working of both the ASPH and UCLH teams during March to test pathways and governance arrangements. Handover of service to ASPH from April 2014 now confirmed .The breast service to be embedded then progress to the next phase of delivery of chemotherapy to lung patients Oct 2014

Outpatient Management

The Trust is embarking on its Outpatient transformation strategy which is designed to improve the patient experience, improve utilisation of services in terms of capacity. This will include the expansion of an outreach service within the community setting. One area where the Trust plans expansion is in paediatric out-reach activity and there is a clear strategy to increase market share. The Trust is not expecting to see a significant decrease in general outpatient activity as it migrates to choose and book

Bowel Screening

In line with the national pilot programme the Trust plans to increase the bowel screening programme across the surrey network through the appointment of additional endoscopists.

Endoscopy

This specialty has experienced a continued increase in activity in 2013/14, the speciality will work with the GP to define clinical pathways for diagnostic procedures, however it is anticipated that the level of activity in 2014/15 will be commensurate with the previous financial year.

RTT Target Achievement for Admittted patients

We are flagging a risk of non- achievement against the 90% target in Q1, we are planning to accelerate the clearance of our backlog in 3 specialties (T&O, Urology and General Surgery). We have particular pressure in T&O following an unexpected increase in referrals. We have an action plan in place to achieve the target by the end of Q2

CCG QIPP Programme

The CCG QIPP Programme as described elsewhere is designed to reduce activity levels in a number of areas. We are working with the CCG to implement new pathways and support more joined up working across the health economy. The impact of the programme if fully achieved will be as follows:

POD	QIPP Impact
A&E attendances	10,251
NEL other	1,577
NEL same day and short stay	915
NEL excess bed days	4,599
Daycases	101
Diagnostic Imaging	1,300
Direct Access	63,792
OP Attendances	6,707
OP Procedures	1,716

These reductions are built into our planning in 2014/15. Our plan is aligned to the plans of G&W CCG and we achieved early agreement to our shared assumptions. We are concentrating our efforts on delivering the financial position of the whole health economy and see this as a key stepping stone to meeting the bigger challenges of the Better Care Fund in 2015/16. Good relationships with our CCG in particular and a mutual position of trust is enabling our clinicians to develop new models of care with local GPs.

Better Care Fund Impact

The BCF amounts to £11.6m for G&W CCG in 2015/16. The assumption in our operational plan is that the full value of this fund will be applied to RSCH. Whilst we have not yet established the detailed activity breakdown of this removal we have applied the results of our detailed work on the potential for cost reduction as a result of the 2014/15 QIPP programme in our plan. The better Care Fund impact in2015/16 is held centrally under 'other NHS Revenue activity' and will be allocated out to specialties as the plans are developed in the coming months.

We have also begun discussions with the CCG and other partners in the health economy to jointly develop an offering for integrated care. This partnership has the potential to significantly change patient pathways and the settings in which care is delivered and, in particular, will aim to provide a much more seamless service for the patient. As a result of our leading role in this programme we estimate that we will receive income of £3.9m back from the BCF to lead the

delivery of new service models, with the associated costs built into our plan.

Capacity

The physical capacity of the Trust is limited given the configuration of our estate and current levels of activity and growth of services in the last 2 years. Particular issues are bed and theatre capacity, patient experience in outpatients, and accommodation of cancer services where there is ongoing pressure for additional treatment facilities. At the same time there is also a need for more accommodation for support staff and car parking.

To address these issues the Trust has developed a new Estates strategy for implementation over the next 10 years. The overall capital cost is over £100m during this period and is affordable providing the Trust continues to meet its financial targets. The first phase of this plan is already underway and will be completed in the next 12-18 months with the key projects as follows:

- Completion this month of the new extended ICU at a total capital cost of £4.6m.
- Opening of an outreach Cancer Radiology unit at Redhill in July at a capital cost of £10m. Additional and similar units are under consideration for building at Ashford hospital in the next 12 months, and potentially on other hospital sites.
- Immediate commencement of a new waiting and treatment rooms in Ophthalmology to improve patient flows and overall patient experience. This will has a capital cost of £1.4m and will be completed by Christmas.
- Development of a new Urology centre that will begin late this year and completed for the summer of 2015. Estimated capital cost £4m.
- Relocation and a new building for our Day Surgery Unit which is currently located in the Nuffield building. This is being also considered alongside additional theatre and short stay capacity with plans to be finalised in Q1.
- Development of potential haemato-oncology unit and a replacement Linac in St Lukes.
- Other developments that will also be got underway are:
    - Plan for ward refurbishment and initial commencement of preparation works. There will also be review of ward capacity should length of stay and primary care initiatives not release beds.
    - Plan for further developments across outpatients following completion of the Ophthalmology project.
    - Additional and the relocation of office accommodation arising from the above, new research undertakings and retail development
    - Provision of an additional 400 car parking spaces if planning permission is secured
- Ongoing implementation of the back log maintenance programme in line with priorities identified in the Six Facet survey with a capital cost of £2m plus a year.
- An investment of £2.5m in the IT infrastructure of the trust as we continue to develop our plans for EPR.

The above will involve detailed and careful planning both to implement and not to disrupt hospital services whilst under construction.

Workforce

The Trust's clinical workforce strategy for 2014/15 supports and embraces the Trusts strategic objective of a Skilled and Motivated workforce. Building on the strategy outlined in 2013/14 we will be particularly be focussing on:

- Continued close management of the Trust's pay bill and its relationship with the quality of care provided as well as levels of activity and income. Interventions are already underway to increase our substantive staff establishment fill to 95% and so reduce reliance on agency and bank staff which at the same time will improve standards of care. Particular focus will be on nursing, ODPs in theatres and the use of locums in high spending medical staff areas.
- Effective recruitment and induction processes that address current UK wide skill shortages in nursing and certain types of medical staff e.g. A&E. This will focus in obtaining staff from overseas, 'out of area in the UK, and providing innovative role redesign or new ways of working, where appropriate and safe to do so. This will also support the reduction of agency and bank staff.
- Shaping our workforce through structures which are clear and aligned with our clinical models and pathways, underpinned by methodologies to ensure that we have safe and effective staffing levels. In particular, continue with developments in nursing in the use of the new acuity tool, and developing action plans to respond to the Keogh 24/7 standards for medical staff.
- Improve the effectiveness of medical staff by a further review of job plans, rotas, out of hours cover, and structures,
- Developing a performance management culture where high performance is recognised and poor performance is managed appropriately. Establishing a clear link between performance and incremental pay progression.
- Engaging the workforce by continuing to develop a work place culture underpinned by the values and behaviours which support a culture of compassionate care, transparency, openness and honesty. A new employee communications strategy will be developed focussing not just on top down but also bottom up engagement of staff.
- Ensuring strong empowered leaders and managers who, as role models, will work in ways which empower staff, foster trust and mutual respect and allow for appreciative feedback..
- Implementing a Health and Wellbeing Strategy which support staff to improve attendance, maintain and improve their health and wellbeing and deliver a high quality service.

Strategy Deployment and Individual Performance Contracts:

All staff will be set team and individual objectives based on the strategy of the Trust to deliver Best Care Anywhere. This is being rolled out through the use of a new web based HR tool and will culminate in all staff having agreed individual performance contracts.

Education commissioning:

We will continue to work with Health Education Kent Surrey Sussex (HEKSS) to design, develop and deliver a workforce that will lead to sustainable improvement in health and well-being and provide care where it is most appropriate.

Workforce development:

We will support inter-professional learning and support teams to develop and implement team objectives to meet service developments. Effective leadership and management development will be a priority through in-house provision. A new leadership programme in conjunction with Ashford and St Peter's Hospital will also commence.

Staffing:

Building on the review of the nursing workforce, we will be actively recruiting staff through a range of local, national and international campaigns using innovative methods. We intend to fully roll-out the e-rostering system across inpatient areas which will enable the effective allocation of nursing staff to shifts. Staff re-profiling, as a result of specific clinical needs will be undertaken wherever necessary.

We plan to continue the development of seven day and extended day working to improve service responsiveness. Further work will be undertaken to ensure that clinical resources are being fully utilised and supported. We will review the use and deployment junior doctors to ensure we use all opportunities to optimise the organisation of our clinical workforce whilst ensuring the continuing quality of junior doctors' training as a key priority. Supporting all doctors to achieve revalidation through annual engagement in enhanced medical appraisal is an important priority. Similarly, revalidation in nursing will implemented once national standards are determined.

For the unregistered clinical workforce, such as Health care Assistants, we will continue to ensure that they have the right skills with access to high quality and consistent training programmes in line with the Francis Inquiry recommendations. We will continue to work with our partner universities to ensure these staff can access pre-registration nursing, midwifery and allied health education programmes.

Employee Relations:

The Trust has good employee relations and a good record for managing ongoing change through our partnership arrangements with the trade unions. There will be continued focus in reducing absence which is already below the national average and performance management, appraisals and the link with other compliance processes. Outsourcing of non-core activities is also part of the strategic plan of the Trust. Recent contract extensions with additional outsourcing in the Soft Facilities management will be embedded during the coming year and there will also be contract change and further outsourcing in our Hard Facilities management function. Effective management of staff consultation and the TUPE process are key to retaining and engaging staff and making outsourcing a success.

2d Productivity and CIPs

The Trust has worked hard to meet the challenge of the efficiency requirement for the NHS. The CIP programme is a three year programme with the first 2 years presented in the operational plan.

A target of £14m has been set for both 14/15 and 15/16. In recognition of the difficulty of removing the full 5% via local departmental schemes we have targeted savings totalling £10m from trust-wide and transformational schemes, with the remaining £4m identified locally. The

cross departmental schemes focus on reducing costs through redesigning patient pathways to reduce length of stay and hence closing beds, or through increased efficiency in areas such as Outpatients where this will increase throughput and hence income, or reduce the need for additional clinics.

We will continue to roll out our service line review programme during the period following the successful pilot in 2013/14. This process supports speciality teams to analyse the activity they carry out, identify any productivity improvements and looks to more closely match resources to activity.

Other major areas of focus are in procurement and non-pay spend reductions. These will be delivered through our programme to standardise the operations of the trust, establishing a Royal Surrey way of operating to improve both quality and efficiency. We have also targeted commercial income growth both through own schemes and in partnership with other organisations.

Finally our programme seeks to recognise the importance of the efficient use of our asset base. We will implement new facilities management services, take forward a programme of improved energy efficiency and a new energy centre and are carrying out a full review of our estate.

CIP Summary for 2014/15 to 2015/16

	Scheme	2014/15 £000	2015/16 £000
1	Integration & Outsourcing	758	1,388
2	Commissioning Transformation	-	1,100
3	Service Line Productivity	1,357	1,450
4	Specialist Service Market Share	496	620
5	Commercial Income	1,385	800
6	Procurement	2,087	2,080
7	Pharmacy Opportunities	625	600
8	Staff Productivity	920	1,525
9	Asset Usage Efficiency	2,299	300
10	Local SBU Schemes	3,280	4,000
	Total CIP Identified	13,207	13,863

Project initiation Documents have been completed for all schemes that detail any enabling actions that are required, milestones for implementation and assign a RAG rating. Each project is led by a member of the Executive Leadership team with support provided by the CIP programme office and the Patient's First programme.

We have also assessed schemes to ensure that there is no adverse impact on quality or safety. These assessments review the impact in terms of our wider aspirations under the BEST strategy and are completed by project leads where the scheme is either material in financial terms (over £25,000), involves an impact on front-line staff or where there is a specific concern. These assessments and considered and signed off by the Medical Director and Director of Nursing and Patient Experience.

The CIP programme will be monitored as part of the business as usual process of the SBU review cycle. A detailed monitoring system has been set up to track schemes and forecast any

shortfall to enable mitigating actions to be put in place.

2e Financial Plan

Income

The Trust has worked collaboratively with the host CCG Guildford & Waverley, and has a signed heads of terms in place, this has been jointly developed based on the following assumptions;

- Activity/Income baseline – calculated from Months 1-6 times 2 plus an overlay for forecast out turn (seasonality, known additional business cases coming on line, RTT additional activity etc.)
- RSCH business cases for 2014/15 and beyond were assessed and activity to be funded agreed with the CCG (e.g. the delivery of a new sleep service and extension of ICU).
- G&W CCG have developed their QIPP plans for 2014/15, these amount to £6.8m, RSCH have built this reduction of income into the plan. We have also carried out an analysis of the costs that can be removed as the result of activity reduction. In acknowledgment of the relative difficulty in removing costs when compared to income we have assumed that we will only achieve 30% of marginal cost reduction in 2014/15 with the full 60% of identified savings achieved only in 2015/16.
- The Better Care Fund has an impact of £11.6m in 2015/16 for which 30% savings have been assumed, and a reinvestment of £3.9m in transformational services
- Contracts with Surrey CCGs are aligned for all organisations apart from minor business cases for service that will commence in- year and will be treated as in year variations (EAU Consultant service and Palliative Care service extension)
- Deflation of 1.2% on Commissioned income has been included for both PbR and local prices
- The outreach Radiotherapy project will come on line during 2014/15 (anticipated opening of late July 2014), this has been included
- Negotiations with NHS England are still at an early stage. Our plans assume a 2% growth for incidence of Cancer generally and outreach projects for Chemotherapy and Radiotherapy specifically. It is unknown what NHS England commissioning intentions are for future years but it is expected that there will be a move towards standardisation of local prices for complex cancer activity.
- A prudent level of provisions has been include for such items as Emergency Threshold deduction, Emergency Readmissions penalty, Contract challenges, etc,
- Private patient income is a focus for the Trust both in partnership with other organisations and in its own right. We have seen increases in Robotic surgery, but also face competition from new Radiotherapy services. We are looking to find innovative ways of working with partners for mutual benefit.
- Commercial activities such as the Surrey Pathology Service, will continue to expand and benefit from increased economies of scale and new contracts.
- The Trust faces pressure from decreases in income from deanery funding for junior doctors
- From 1st April the Trust becomes the host for the LCRN network, which brings with it

£14.9m of income but also matched additional partnership costs. RSCH is proud to be the custodian of Research & Development for Kent Surrey & Sussex, and will do its utmost to promote the wider uptake of clinical trials in the network.

Expenditure

In modelling costs the Trust has used a two-fold approach,

- Pay budgets have been based on current establishments with the addition of current business cases in process of being implemented and/or full year effects of 13/14 business cases. Pay inflation has been included as per the recent announcement at a cost of £340k in 14/15 and a further £400k in 15/16. Increment costs have further been funded.
- Non pay budgets have been based on forecast outturn as at Month 7 adjusted for inflation of 2.4% with business cases factored in along with known cost pressures.

For both pay and non pay a 1% contingency has been established to allow for any unforeseen events and to provide for business cases approved during 2014/15.

Capital

The Trust has an ambitious Capital plan to improve patient experience and modernise infrastructure. The SASH Radiotherapy outreach project will come on line during the period as will the final stages of the ICU expansion, the Trust will undertake a major refurbishment of Outpatients and a new Urology department will be implemented part funded by Charitable donations. There are also plans to refresh the IT infrastructure including PCs and servers and developments in Clinical systems.

The Capital programme is constrained by the reducing surplus across the 2 years and by the impact of the extending of asset lives that is expected from the implementation of the new Valuation service.

The Trust has not included any increase in borrowing during the 2 year period, however should major investments for projects such as more outreach LINACs at partnership sites be considered then additional external funding will be required. Donations of £5m are anticipated across the period.

The table below summarise the allocation of Capital Schemes

Categories		14/15	15/16
IT Strategy	1	2,500	2,500
Clinical Equipment	2	2,600	1,900
Backlog Maintenance	3	1,090	2,729
LINAC Replacement	4	2,750	2,000
Outpatient transformation	5	1,100	250
Urology Unit	6	2,000	2,000
Car parking	7	1,000	1,000
Clinical Infrastructure	8	1,686	1,150
Non Clinical Infrastructure	9	550	250
ITU Extension/SASH/BCS	10	2,170	-
Total		17,446	13,779

Liquidity

The Trusts starts the 2014/15 with a strong cash position of £13m, this reduces over the period due to pressure from the capital programme and the repayment of the FTFF loan, management of working capital will be key to maintaining the current asset ratio. It is not anticipated that we will need to utilise the Working Capital Facility of £5m during the period.

Risk Rating

The plan produces a Continuity of Services Risk Rating of 4