Stockport NHS
NHS Foundation Trust

Operational Plan Document for 2014-16

Stockport NHS Foundation Trust

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

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

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Date	**4th April 2014**

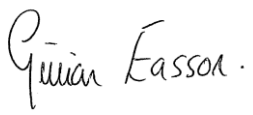
The attached Operational Plan is intended to reflect the Trust's business plan over the next two years. Information included herein should accurately reflect the strategic and operational plans agreed by the Trust Board.

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)*	Gillian Easson

Signature 

Approved on behalf of the Board of Directors by:

Name *(Chief Executive)*	Ann Barnes

Signature 

Approved on behalf of the Board of Directors by:

Name *(Finance Director)*	Bill Gregory

Signature

1.2 Executive Summary

Executive Summary

In 2014 the Trust celebrates ten years as a Foundation Trust. The past decade has brought significant changes to the running of the NHS, the health needs of the population and an austere economic climate. Despite these challenges the Trust has continued to focus on providing a high quality sustainable service, and this is reflected in our strategic priorities for 2013-16:

Quality
Deliver safe, effective and compassionate care, that meets national standards and gains positive patient feedback

Partnership
Work with all our partners such as the Southern Sector Partnership trusts to provide excellent care, 24/7; sharing expertise, skills and facilities in clinical and non-clinical services

Integration
Integrate appropriate hospital and community health services with social and primary care, to provide high quality care in the community through the creation of locality teams in Stockport. The proposed model is focused on adults with complex needs and based on one referral and assessment route, one integrated care plan and record, one contact point and one pooled commissioning budget

Efficiency
Achieve the required efficiency savings each year, avoiding waste and duplication whilst investing in IT, organisational development and modernising both hospital and community facilities

For this two year Plan, we have described the tangible difference we want to make for our patients and their families for the four strategic priorities in the following strategic outcomes:

Priority	Strategic outcomes
Quality	• Patients health and well-being is supported by high quality, safe and timely care • Patients and their families feel cared for and empowered
Partnership	• The Trust is an effective member of a modern and innovative health care community • Effective and efficiently run services across the Southern Sector partnership
Integration	• Patients' lives are easier because they receive their treatment closer to home • Patients' receive better quality services through seamless health and social care
Efficiency	• The Trust is able to demonstrate to Governors, local residents, partner organisations and regulators that it makes the best use of its resources • Trust staff are enabled to deliver their best care within a high quality environment

The actions we will take to deliver the strategic outcomes are set out in the Improvement Objectives Table, and the detailed delivery of this work is explained in chapters for each priority area, namely: Quality, Partnership, Integration and efficiency.

The Annual Plan also includes an Environment section, which explains the context in which we operate and sets out the challenges we face in the short to medium term.

We have also covered how we will manage resources, demand and capacity and the delivery of the Annual Plan. Within this section we have highlighted the key risks to the Plan.

2014-15 will be the most challenging year yet faced by the Trust, and after careful consideration of the current progress, the Board of Directors has concluded that the Trust should aim to deliver in year £12m budget reductions (Cost Improvement Programme) in 2014-15, alongside accelerating its programme of clinical service change that will be aimed at delivering financial benefits from 2015-16 onward. However,

the £12m CIP will result in a planned deficit of £4.9m for 2014-15.

Whilst this is not a satisfactory position, as it reduces the cash the Trust has available to invest in other improvements to patient care, the Trust does remains a Going Concern, which is also indicated by the fact that the plans still deliver a Continuity of Services Risk Rating (CoSRR) of a 3.

2015-16 looks to be an equally challenging year, which after taking account of the brought forward planned deficit position from 2014-15, the CIP requirement is estimated to be is £21.4m.

Whilst these are extremely challenging financial targets, the Trust has launched the "Building a Sustainable Future" (BSF) programme to drive these savings safely from our cost base. The BSF programme is underpinned by an Engagement and Communication strategy, to ensure that our whole organisation is working towards the same goals.

The financial plans include implementing some exciting developments such as Patientrack, a vital signs monitoring system which will greatly improve patient care. We are also continuing to work towards a Full Business Case for D-block, a £17m surgical and short-stay medical ward development.

The Trust continues to face challenges in consistently meeting the A&E 4 hour target, particularly due to difficulties in recruiting additional senior medial staff in this national shortage area. Due to this, the Board of Directors has decided to declare a forward risk of not achieving this target in 2014-15 in the Governance Declarations to Monitor, the Trust's Regulator.

Over the past few months the Trust has experienced exceptionally high levels of increased referrals in Orthopaedics, particularly for foot and ankle and knee surgery. The CCG has reassured the Trust that it is putting in place plans to reduce referrals. Therefore the Trust is not formally declaring a forward risk on its ability to meet the 18 week RTT target, however this is dependent on the CCG's actions, particularly with respect to knees.

Due to the knock-on effects of the challenges faced with complex cancer pathways involving more than one provider, in meeting the Cancer target in the last two quarters of 2013-14, there is a risk that the target will be difficult to achieve in the first quarter of 2014-15. For this reason, we have declared a forward risk against this target, although we expect to meet it for the remainder of the year.

The Trust believes our plans give the Trust the best opportunity of ensuring we "Build a Sustainable Future", and maintain a high quality service for our patients.

This two year plan is our Operational Plan, and in June 2014 we will publish our medium term strategic plan covering the period to 2019.

1.3 Operational Plan

Operational Plan

Environment section

About Stockport NHS Foundation Trust

Stockport NHS Foundation Trust (The Trust) was one of the first ten Foundation Trusts in the country and it provides hospital care for children and adults across Stockport and the High Peak, as well as community health services for Stockport, Tameside and Glossop. The Trust also provides Stroke services across the whole of south Manchester and Urology services to Cheshire and Tameside.

Our main hospital is Stepping Hill which provides emergency, surgical and medical services for people in Stockport and the surrounding area. We also provide hospital services from the Devonshire Centre (neuro-rehabilitation), The Meadows (complex needs and palliative care), and Swanbourne Gardens (respite care for children and young people with complex healthcare needs). Community health services in Tameside and Glossop are run across 17 sites including Shire Hill Hospital in Glossop, as well as across Stockport.

Health and Wellbeing in and around the Stockport and High Peak areas

The populations of Stockport, High Peak and Tameside and Glossop are diverse neighbourhoods stretching from the urban borough of Stockport and the nine towns that compose Tameside, which contrast sharply with the more rural areas in High Peak and Glossop.

Health inequalities - Stockport[1]

Overall Stockport is similar to the national average for deprivation, although it includes some of the most affluent areas in the country, it also has some of the most deprived. Although life expectancy has improved in all areas of Stockport over the past 20 years; marked inequalities still remain.

The main causes of death are heart disease, cancer and respiratory disease, which together account for 75% of all deaths. These diseases link strongly with poor lifestyle choices: smoking, alcohol, poor diet and inactivity. There are also inequalities associated with mental wellbeing in Stockport. Reducing inequalities in health is a key priority for Stockport, and this is reflected in the priorities of the Health and Wellbeing Strategy.

Health inequalities – High Peak[2]

The health of the people of High Peak is generally better than the England average. Deprivation levels are low and life expectancy for men is higher than the average for England. However rural deprivation is often hidden by traditional indicators.

Health inequalities – Tameside and Glossop[3]

The life expectancy for men and women in Tameside and Glossop remain below the average for England. As with Stockport, some of the lowest rates of life expectancy are found in the most deprived wards in the borough.

An aging population, and increasing levels of long term health conditions

Despite improvements in health, demand for NHS services continues to rise. Many people are now living with one or more long term conditions (e.g. asthma, diabetes, dementia). All of the boroughs served by the Trust are experiencing an ageing population which is forecast to become increasingly older and an expectation of and requirement for increasing access to healthcare. This is occurring at a time when medicinal advancements are pushing the boundaries of what is achievable, but at a cost. These trends are seen clearly in the year on year rise in A&E attendances and unplanned admissions to hospital.

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[1] **Heath Inequalities, A refresh April 2013, Stockport Joint Strategic Needs assessment, and 21st Annual Public Health Report for Stockport**
[2] **Profile of High Peak. Public Health contributing to the Joint Strategic Needs Assessment process 2012, Derbyshire County**
[3] **Tameside and Glossop Joint Strategic Needs Assessment 2011-12**

Health and wellbeing strategies

The three local communities that the Trust serves have developed their Health and Wellbeing Strategies, based on the analysis of the needs of the population. These Strategies set out the main focus for improving health and wellbeing and broadly similar and relate to the same period as this Annual Plan (see table below), and provides the one of the foundation stones of the commissioning plans of the local Clinical Commissioning Groups (CCGs).

	Health and Wellbeing Strategies for populations served by the Trust		
	Stockport 2012-2015	Tameside & Glossop 2013-2016	High Peak (Derbyshire) 2012-2015
Themes	Children and families	Starting well – ensuing the best start in life for children	Improve health and wellbeing in early years
		Developing well – enabling all children and young people to maximise their capabilities and have control over their lives	
	Leisure, activity and healthy weight	Living well – creating a safe environment to build strong healthy communities and strengthening ill health prevention	Promote healthier lifestyles
	Mental wellbeing		Improve emotional and mental health
	Alcohol		
		Working well – creating fair employment and good work for all	
	Prevention and maximising independence for everyone	Being well – promoting independence and working together to make Tameside a good place to grow old	Promote the independence of people living with long term conditions and their carers
	Healthy ageing and quality of life	Dying well – ensuring access to high quality care to all who need it	Improve the health and wellbeing of older people

Other Challenges facing the Trust and the Health Community

The UK continues to face an extremely challenging economic situation, and the recovery has been slower and more difficult than first envisaged by the Government. The NHS is also facing funding pressures, which are occurring alongside the introduction of the new 2012 Health Act that brought about a dramatic restructuring of the NHS. This includes a greater focus on clinical leadership, clinically lead commissioning and the quality of care, combined with closer integration with social care, which locally results in a planned shift of £10m of resources from health to the social care sector in 2015-16 as part of the Better Care Fund. The Trust anticipates a minimum year on year financial pressure of 4% to result from these conditions, and will need to implement significant changes in the way it operates to meet these challenges.

The Trust is actively involved with the transformational change that is taking place across Greater Manchester, with its Southern Sector Partners (University Hospitals South Manchester (UHSM), Tameside NHS Foundation Trust and East Cheshire NHS Trust). This work is identifying opportunities for collaboration, and in a number of cases, move to one service across providers that can improve patient care and sustainability as well as respond to the challenges identified by the Greater Manchester CCG's led review of health services across the conurbation, "Healthier Together". This is likely to lead to some changes in the configuration of services and consultation on related proposals is expected during 2014-15.

The Trust is also part of one of the eleven health economies selected by Monitor to gain additional strategic planning support in producing the five year strategic plan due to the scale of challenges faced by the four providers and six CCGs in the health economy.

The Trust has continued to experience significant pressures on its A&E and unplanned care services over the last year, and as result it has not consistently achieved the 4 hour A&E standard. Risks to other targets have also been identified and addressed during this period. Without further change to the way services are provided, these risks will remain going into the new planning period.

The number of births at the Trust have been falling over the past two years. The Trust is reviewing the reasons for this, and despite the financial pressures it has caused is investing further in this high quality service with the creation of an ambulatory labour area for women in the early stages of labour. This will

be particularly helpful for women and their partners from the High Peak area, as it will reduce the number of journeys they need to make to the hospital.

The Trust has developed an on-going dialogue with Governors about its priorities and strategic plans through quarterly Council of Governors meetings and governors sub-committees for governance, membership and patient safety and quality. The further reaching changes of the local economy plans are subject to public consultation via the CCG.

Workforce challenges

Whilst the Trust has an average staff turnover rate of approximately 10%, there are a small number of areas where it is harder to recruit, for example medical consultants and middle grade doctors in some specialties. These areas generally reflect the national shortage areas with the main area being emergency medicine. This has in part been exacerbated by our intention to extend the senior medical presence in the A&E department by increasing our number of consultants. Plans have been developed to respond to this challenging recruitment which should start to have a positive impact in 2014-15.

The Trust continually reviews its plans around nurse recruitment, and a programme of events will take place during 2014-15 commencing with a recruitment day for qualified nurses in April. This supports plans to reduce the requirement for temporary nursing staff, where appropriate, thus improving the continuity of care, and reducing costs while building a more sustainable workforce. However, we will consider new and innovative approaches to recruiting and retaining staff; particularly as the competition for nurses will increase following the national recommendations on staffing numbers.

Operational Plan

Responding to the Challenge

The Trust recognises the challenges it faces, and is committed to a comprehensive and solution focused approach to addressing these. The Trust's response has been developed both top down and bottom up, drawing on clinical and managerial expertise. The review of local challenges has not been introspective; instead the Trust with the local partners have considered the national policy agenda, and what this means for the local health and care economy. In 2012-13 the Trust set out its three year strategic direction, which is encompassed in the four priorities:

Quality
Deliver safe, effective and compassionate care, that meets national standards and gains positive patient feedback

Partnership
Work with all our partners such as the Southern Sector Partnership trusts to provide excellent care, 24/7; sharing expertise, skills and facilities in clinical and non-clinical services

Integration
Integrate appropriate hospital and community health services with social and primary care, to provide high quality care in the community through the creation of locality teams in Stockport. The proposed model is focused on adults with complex needs and based on one referral and assessment route, one integrated care plan and record, one contact point and one pooled commissioning budget

Efficiency
Achieve the required efficiency savings each year, avoiding waste and duplication whilst investing in IT, organisational development and modernising both hospital and community facilities

The difference we want to make for our service users for each strategic priority is described by two strategic outcomes, which translate the priorities into the tangible benefits we want to achieve.

Priority	Strategic outcomes
Quality	• Patients health and well-being is supported by high quality, safe and

	timely care • Patients and their families feel cared for and empowered
Partnership	• The Trust is an effective member of a modern and innovative health care community • Effective and efficiently run services across the Southern Sector partnership
Integration	• Patients' lives are easier because they receive their treatment closer to home • Patients' receive better quality services through seamless health and social care
Efficiency	• The Trust is able to demonstrate to Governors, local residents, partner organisations and regulators that it makes the best use of its resources • Trust staff are enabled to deliver their best care within a high quality environment

The Trust is focusing its improvement efforts on these Strategic Outcomes over the next two years. The Improvement Objectives are the actions the Trust intends to take over the next two years are broad-based and ambitious, as many require partnership working.

Improvement objectives for 2014-15 and 2015-16

	In 2014-15 we will:	In 2015-16 we will:
Quality		
Patients health and well-being is supported by high quality, safe and timely care	✓ Meet national service standards: • A&E 4 hour • Referral to treatment times 18 weeks • Cancer treatment times • Hospital acquired infections (*MRSA, C diff*) ✓ Develop revised quality strategy with stakeholders ✓ Reduce hospital related mortality: • Implement Patientrack, a vital signs monitoring system, to enhance use of early warning signs indicators • Reduce incidence of ventilator acquired pneumonia • Increase presence of senior clinicians 24/7 ✓ Provide harm free care: • Reduction in the number and severity of pressures ulcers acquired in hospital and community settings • Reduce incidence of falls • Reduce incidence of urinary tract infections • Reduce incidence of venous thromboembolisms	✓ Maintain achievement of national service standards: • A&E 4 hour • Referral to treatment times 18 weeks • Cancer treatment times • Hospital acquired infections (*MRSA, C diff)* ✓ Begin implementation of revised quality strategy ✓ Evaluate early benefits of Patientrack and identify development plan for roll out and use
Patients and their families	✓ Friends and Family • Rollout patient survey to day-case	

feel cared for and empowered	and outpatients • Increase response rate above 20% in all areas • Develop strategy to improve patient experience from feedback provided ✓ Responding to Francis and Keogh • Increase the proportion of ward leader time dedicated to supervision • Review nurse staffing against standards and acuity and make necessary changes • Develop and deliver a programme to embed our caring values and behaviours across all services • Publish ward staffing numbers outside each ward ✓ Improving dementia care focussing on dignity and respect, but also ensure 90% of appropriate patients are assessed for dementia on admission ✓ Focus on improving communication by Trust staff with patients and their carers, including electronic discharge letters	✓ Implement the patient experience strategy ✓ Continue delivery of programmes to enhance caring values and behaviours ✓ Evaluate improvements in communication by Trust staff with patients and their carers with a particular focus on dementia care
Partnerships		
The Trust is an effective member of a modern and innovative health care community	✓ Take a leading role in shaping the plans and implementation of new approaches to health and community care in conjunction with CCGs and local authorities • Support CCG in the development of a Stockport urgent care strategy • Engagement with Tameside and Glossop, and Stockport on integration of community services, ✓ Work with Stockport stakeholders through the Joint Transformation Board to develop and agree a Strategy for the shape and development of a new health and care community for coming years ✓ Delivery of CQUIN measures	✓ Assist in the roll out urgent care strategy to the whole of Stockport and the highest need patients ✓ Implement approach to more fully integrating Tameside and Glossop community services with other services in the borough ✓ Begin the implementation of wider joint development strategy within Stockport ✓ Delivery of CQUIN measures
Effective and efficiently run services across the Southern Sector partnership	✓ Reduce costs of back office functions, including identified internal efficiencies and recently identified opportunities for collaboration with Southern Sector partners ✓ Scoping of a sector wide electronic patient record system ✓ Agree approach and begin implementation of “single service” across the Southern Sector for at least	✓ Implementation of a sector wide electronic patient records system (subject to business case approval)

	two clinical services ✓ Scope and develop clarity of future objectives for further clinical services for joint working ✓ Implement of pathology services shared service	✓ Implementation of further agreed clinical shared services ✓ Full implementation of pathology services shared service to realise £1.2m of savings
Integration		
Patients' lives are easier because they receive their treatment closer to home	✓ Begin to develop a strategy and associated workforce plan for community services that improves care closer to home ✓ Implement initial elements of the Strategy which will reduce admissions to hospital, including: • Integrated IV therapy service • Hospital at home • Outreach services ✓ Develop a business case for a community electronic patient record system	✓ Support the CCGs in development of further locality hubs that provide access to urgent care other than the A&E department (to reduce demand on A&E and bed numbers) ✓ Support the CCGs and local authority in the implementation of the Better Care Fund local delivery plan
Patients' receive better quality services through seamless health and social care	✓ Implementation of phase 2 of the child and family services integration ✓ Implement enhanced assertive in reach for highest risk patients who use emergency care frequently ✓ Support the Public Health Prevention Strategy	✓ Evaluation of the effectiveness of the new integrated service, and identify how this can be expanded ✓ Enhanced assertive in reach patients in emergency care, with a focus on drugs and alcohol misuse and homeless people
Efficiency		
The Trust is able to demonstrate to Governors, local residents, partner organisations and regulators that it makes the best use of its resources	✓ Safely reduce costs and embed transformation ethos across the Trust. ✓ Roll out at least two transformation projects in-year ✓ Achieve a Monitor Continuity of Service Risk Rating of ≥3 ✓ Strengthen holistic approach to managing performance including horizon scanning and the integrated performance reporting framework ✓ Strengthen the process for approving investment decisions ✓ Develop and implement a comprehensive Workforce Plan with the aim of reducing dependency on temporary staff	✓ Safely reduce costs and embed transformation ethos across the Trust ✓ Roll out at least a further two transformation projects in-year ✓ Maintain Continuity of Service Risk Rating of ≥3 ✓ Continue the implementation of the comprehensive Workforce Plan
Trust staff are enabled to deliver their best care within a high quality environment	✓ Delivery of the values and behaviours and clinical leadership and workforce planning elements of the Organisational Development strategic work programme ✓ Refresh the staff appraisal framework	✓ Delivery of the other elements of the Organisational Development strategic work programme ✓ Coaching Strategy implemented ✓ Complete embedding the Strategic

	and embed the Strategic Objectives within staff appraisals ✓ Complete the roll out of the e-prescribing system ✓ Complete market evaluation of the Electronic Patient Record system ✓ Commence construction of the new surgical and short stay medical facility "D Block Scheme", subject to Business Case approval ✓ Development of improve retail and café facilities, including planning for a new main entrance concourse ✓ Open retail pharmacy premises, subject to Business Case approval	Objectives within staff Personal Development Plans ✓ Implement the Electronic Patient Record system, subject to Business Case approval ✓ Commission the 'D' block scheme ✓ Implement new main entrance scheme, subject to Business Case approval

These improvement objectives will be delivered through our existing internal and externally facing work programmes. The internally focused work programmes are designed to increase efficiency and build sustainable services, as well as improving our performance. Complementing this is the predominately externally facing work programmes looking at integrating services, and the shift from acute to community based care. This includes Healthier Together review, Southern Sector Partnership collaboration, and our work within Stockport which includes the Local Authority, the CCG and other agencies.

Annual Plan

Internal transformation (BSF)	Performance and quality	Partnerships
People and policies	National targets	Healthier Together
Service transformation	Quality and Safety	Southern Sector partnership
Engagement and culture	Reducing avoidable deaths	Stockport Transformation Board
IT for 21st century		
Estates and facilities		
Income generation		

These work programmes will be underpinned by comprehensive programme management arrangements. Through our refresh of the appraisal process, the annual objectives for all staff will be clearly linked to the delivery of these plans, and hence the Trust strategic priorities.

Alignment of plans with local and national priorities - building a safe and sustainable service

The Trust priorities, underpinning strategic outcomes and improvement objectives contribute towards the delivery of national outcomes as laid out in the three Frameworks for health, public health and social care, and supports the delivery of the Health and Wellbeing Strategies as well as the local CCGs priorities.

Alignment of local and national improvement plans

Trust Strategic Priority	Trust Strategic Outcomes	Aligned with local health and wellbeing strategies	Aligned with Stockport CCG strategic priorities	Contributing to the delivery of the National Outcomes Frameworks	Monitor / CQC requirements
Quality	Patients health and well-being is supported by high quality, safe and timely care	✓	✓	NHS, Social Care, Public Health	✓
	Patients and their families feel cared for and empowered	✓	✓	NHS, Social Care	✓
Partnerships	The Trust is an effective member of a modern and innovative health care community		✓	NHS, Public Health	✓
	Effective and efficiently run services are available across the Southern Sector partnership		✓	Public Health	✓
Integration	Patients' lives are easier because they receive their treatment closer to home	✓	✓	NHS, Social Care	✓
	Patients' receive better quality services through seamless health and social care	✓	✓	NHS, Social Care, Public Health	✓
Efficiency	The Trust is able to demonstrate to Governors, local residents, partner organisations and regulators that it makes the best use of its resources		✓	Public Health	✓
	Trust staff are enabled to deliver their best care within a high quality environment		✓	NHS, Social Care, Public Health	✓

The detailed delivery of the 2014-15 Trust Improvement Objectives are set out in the following chapters of this operational Plan, which is arranged under the four priorities of **Quality, Partnership, Integration** and **Efficiency**.

Quality Priority

Deliver safe, effective and compassionate care, that meets national standards and gains positive patient feedback

The Trust places quality at the heart of its approach to healthcare, and as such the Quality section is one of the most substantial sections in this Plan.

Strategic Outcome: Patients health and well-being is supported by high quality, safe and timely care

Assurance of Quality Care

We care passionately about the services we provide. We are committed to providing high quality patient focused healthcare that meets the needs of a diverse population.

In March 2014 the Care Quality Commission (CQC) has again awarded the Trust the top band six rating; which demonstrates they consider the Trust to have a low risk rating and to be delivering their outcomes effectively. The Trust has a process in place for internal monitoring and inspection to ensure ongoing full compliance with CQC outcomes, in full readiness for the next visit which will be under CQCs new inspection regime.

The Trust's quality vision embodies three overarching aims of reducing patient harm, reducing mortality and improving the patient experience. All of the individual annual quality improvement objectives lead

back to one of these aims. The Trust is beginning the process of reviewing its Quality Strategy with stakeholders, as part of the development of the medium term five year Plan.

The Board views quality as being of great importance, and derives its assurance on quality and safety from a number of sources which are brought together in the quality reports which commence each Board meeting, including a patient story.

Quality Reports received by the Board:

- Detailed monthly Board Quality Reports which provide updates and exception reporting on the Trust's strategic quality objectives;
- Monthly High Profile Report which details all the high profile inquests, incidents, complaints and claims within the preceding month, enabling them to question on actions taken and learning implemented, and also ensure that no emerging trends are over-looked;
- a matrix table identifies when additional in-depth subject specific quality reports are presented to the Board, for example a quarterly complaints report or updates on mortality, and
- the Strategic Risk Register which contains all the strategic risks to the organisation.

The Trust is not complacent about the delivery of high quality care, and continues to evolve its arrangements to support ever more focused and timely intervention. The Trust is implementing an overarching integrated performance report from May 2014 which will include access, workforce and finance alongside quality. This will enable more proactive horizon scanning together with improved management of performance. The Trust is also reviewing the governance framework to keep it relevant to the rapidly changing NHS environment, this will be informed by the findings of three yearly Monitor Governance review that is due to report in May 2014.

Clinical Audit and Advancing Quality

In 2013 the Mersey Internal Audit Agency upon instruction from the Trust Board undertook an audit on the systems, processes and controls in place relating to clinical audit across the organisation. This resulted in a 'Significant Assurance' level on the outputs from the clinical audit.

In 2013 the Trust held an Audit and Quality Improvement event, inviting staff from the Trust and the local Clinical Audit Network to encourage shared learning with local organisations. This was a forum to showcase the excellent work that has taken place in the Trust, share good practice and recognise positive contributions to improving patient safety and experience.

The profile of audit as a Quality Improvement tool as well as a governance methodology to provide assurance has increased in recent years, and NHS England has included in the 2014/15 NHS Standard contract that Providers must implement a programme of clinical audit and that Commissioners may request the findings from any audit. They are also evolving the National audits to be reported at consultant level.

National service standards

For the past two years, the Trust has not consistently met the national service standard for the four hours in A&E target, and was placed in significant breach of its terms of authorisation by Monitor, the Foundation Trust Regulator. There has been significant improvements in the patient journey in unscheduled care though the change programmes the Trust has put in place, including:

- a 50% increase in the number of Acute Clinicians who now provide seven day coverage of admission to the Hospital, and we are continuing to implement a range of approaches to expand the consultant workforce in the A&E Department itself;
- a new Ambulatory Care Unit where patients are seen, assessed and treated rapidly and go home on the same day, rather than being admitted to hospital;
- implemented a ground-breaking iPad based patient management system in the A&E Department, which allows all patients to be tracked electronically and alerts clinicians as to when test results and decisions have to be made, to improve care and reduce patient waits. This system also captures important clinical information in a systematic way, that can be transferred at the touch of a button and reported directly to the patient's local GP.

This year, the Trust will implement phase two of its unscheduled care plan. This phase will focus more on community services providing alternatives to A&E, reaching in to the Trust to take patients home earlier, and providing their care closer to home in a safe environment. Working with our Southern Sector partner the UHSM we have recruited an additional three cardiologists to support enhanced clinical input for inpatients, provide quicker treatment, thus reducing length of stay, and freeing up capacity within the hospital for urgent admissions.

These plans link clearly to Stockport CCGs strategic themes of wider primary care services, an enhanced model of integrated care, and reducing avoidable time spent in hospital. The CCG has set itself ambitious targets for the reduction in avoidable emergency admissions and A&E attendances. It is investing in a range of projects to deflect avoidable attendances from A&E, for example a new complex care pathway is being piloted in a demonstrator area, and a Community IV Therapy service. Despite these initiatives in primary care, and the remodelling of the secondary care non-elective pathway, emergency admission rates remain high. The Trust recognises the need to work closely with Stockport CCG to understand the barriers to achieving a sustainable reduction in emergency admissions and A&E attendance rates. The importance of this work cannot be underestimated, and as such is reflected in a large proportion of the Trust's Improvement Objectives.

However, despite the significant progress made, the Trust remains concerned about it's ability to consistently achieve the target whilst the difficulties in securing substantive senior medical cover persist. The Board of Directors have therefore decided to declare a forward risk to the A&E 4 hour target in 2014-15.

The Trust is continuing to be an increasingly popular choice for orthopaedic patients. The Trust has found it challenging to keep up with the pace of this growth; and as a result some waiting time standards were not met during parts of last year. This problem was exasperated by the unavailability of another CCG commissioned provider during the year. The Trust identified the scale of the problem across the Orthopaedics specialties quickly, and in order to improve waiting times for the greatest number of patients, planned to treat some patients sooner, which then resulted in the target being proactively breached. Monitor was notified of this decision.

The Trust is determined to improve the quality and timeliness of its elective care, and in 2014-15 we will improve waiting times for patients. The CCG have also indicated that they are putting in place alternative triage and service provision arrangements for foot and ankle surgery, to return Orthopaedic referrals to 2013-14 planned levels. However, the Trust remains concerned regarding the high levels of referrals for knee surgery, and the ability of the CCG to control these referrals, and this is where the main area of risk to the Trust lies.

Challenges have also been experienced in ophthalmology, and we have been successful in appointing a new Consultant which should help ease these pressures. We are also redesigning pathways across community and acute teams; to ensure the 18 week referral to treatment standards are met in key pressure areas. The Board of Director's have discussed the position, and have decided not to formally declare a forward risk to the RTT 18 weeks target, however this is dependent on the CCGs ability to control referrals.

The Trust has seen ever increasing numbers of patients referred for cancer treatments, and is expanding its capacity to ensure patients have low waits and a high quality of service. Due to the knock-on effects of the challenges faced with complex cancer pathways, in meeting the Cancer target in the last two quarters of 2013-14, there is a risk that the target will be difficult to achieve in the first quarter of 2014-15. For this reason, we have declared a forward risk against this target, although we expect to meet it for the remainder of the year. Over the coming year we will work with partner organisations to improve the more complex cancer pathways, that require patients to be treated at more than one hospital, allowing quicker access to diagnostics and treatment at Stepping Hill and other hospitals.

In 2013/14 the Trust's *C-Difficile* target reduced considerably from 56 to 38, making achieving this target ever more challenging. Over the last year the Trust has introduced new methodologies around testing for

the presence of infection and trialing new technological advances in the cleaning of clinical areas which has helped to reduce the number of infections in the hospital and helped us achieve the target. We will continue to pursue these methods over the next year, and strive to maintain the rates, as the 2014/15 target is broadly the same as 2013/14's.

The Trust has been upgrading the e-prescribing system to enhanced antibiotic stewardship, and will support increased antibiotic ward rounds and contribute towards minimising the risk that patients become susceptible to *C-Difficile* infection or ventilator acquired pneumonia (VAP).

Develop Revised Quality Strategy

The Trust is beginning the process of reviewing its Quality Strategy with stakeholders, and will develop a five year Strategy based on our previous exposure to the ideas from the Institute of Healthcare Improvement (IHI). This will enable further improvements in avoidable mortality and ensure the Trust continues to be considered a low risk organisation by the CQC. Since the quality agenda has moved on with the Keogh and Francis reviews, the Trust is in the process of developing our next Quality Strategy in line with the key principles.

Reduce Hospital-related Mortality

The Trust is working hard to reduce hospital-related mortality, and this work aligns with the CCGs strategic objective of reducing avoidable death in hospital. We are intending to refresh our approach to mortality reviews and improving the structure the data provided to individual Consultants.

In 2014/15 we will focus on three main strands of work. We will implement a vital signs monitoring system, Patientrack, over the next two years, which will enable the Trust to have far greater visibility over, and set escalation trigger points for patient Early Warning Scores.

We will also aim to reduce Ventilator Acquired Pneumonia by improving our use of standardised care bundle interventions. In 2014/15 we aim to improve the avoidable deaths (crude mortality rate) for pneumonia and sepsis.

We are also aiming to increase the presence on-site of senior medical staff 24/7. This will be a gradual approach, but will involve the systematic review of rotas commencing with the Acute Physicians, Stroke Consultant and Cardiology Consultant rotas.

Providing harm free care

Pressure ulceration is a significant problem in terms of both human and financial costs. They are a source of great pain and suffering, and are the cause of 3-4% of all admissions to hospital. They can increase length of stay by up to 5-8 days, and account for increased District Nursing caseloads for many months. Development of a pressure ulcer carries a 2-4 times increased risk of mortality, and can lead to complaints, litigation, and Coroner's inquests.

Monthly pressure ulcer assurance meetings have been established for all ward managers on wards where a new pressure ulcer has developed, to agree improvements needed and make recommendations which are then applied to the Trust as a whole. The incidence of pressure ulcers for hospital patients has reduced from 0.53% to 0.31% in the last two years.

However, the reduction in prevalence will be the greatest challenge as it will only be achieved by engaging the whole health economy in improving practice. A health economy-wide quality improvement project is proposed, to develop and implement a fully integrated pressure ulcer prevention and management pathway. If successful, this will be the first in the UK, benefiting patients through improved continuity of care, that is based on best practice. The project will also provide an overview of the scale of pressure ulcers and the length of time they take to heal in Stockport health economy as well, as ensuring that data is accurate, comparable and transparent.

The Trust is also taking forward plans to improve harm free care, by reducing the incidence of falls, urinary

tract infections, and detection of patients at risk of venous thromboembolisms. This work is based on best practice and embedded in the Trust Nursing Strategy. During 2013-14 a working group has been established to review the practice relating to catheter usage in the Trust and develop a strategy. The aim is to avoid un-necessary catheter insertions, review the need for long-term catheters which should in turn reduce catheter associated urinary tract infections.

In 2013-14 the Trust set itself a Target to reduce major to catastrophic falls by 10% from the previous year when there was 27 falls. The delivery of a multi-faceted approach is well underway, and the number of falls in these categories has been reducing. In 2014-15 the Trust will develop a falls pathway for the patients' journey across community and acute care. Patients who fall frequently and need to attend A&E, and patients who are considered at risk of falling when discharged from the Trust, will receive focused support. The CCG has also identified as one of its strategic themes the need to reduce falls, and intends to develop a falls service as part of its Anticipatory Care Programme.

Strategic outcome: Patients and their families feel cared for and empowered

Culture of caring

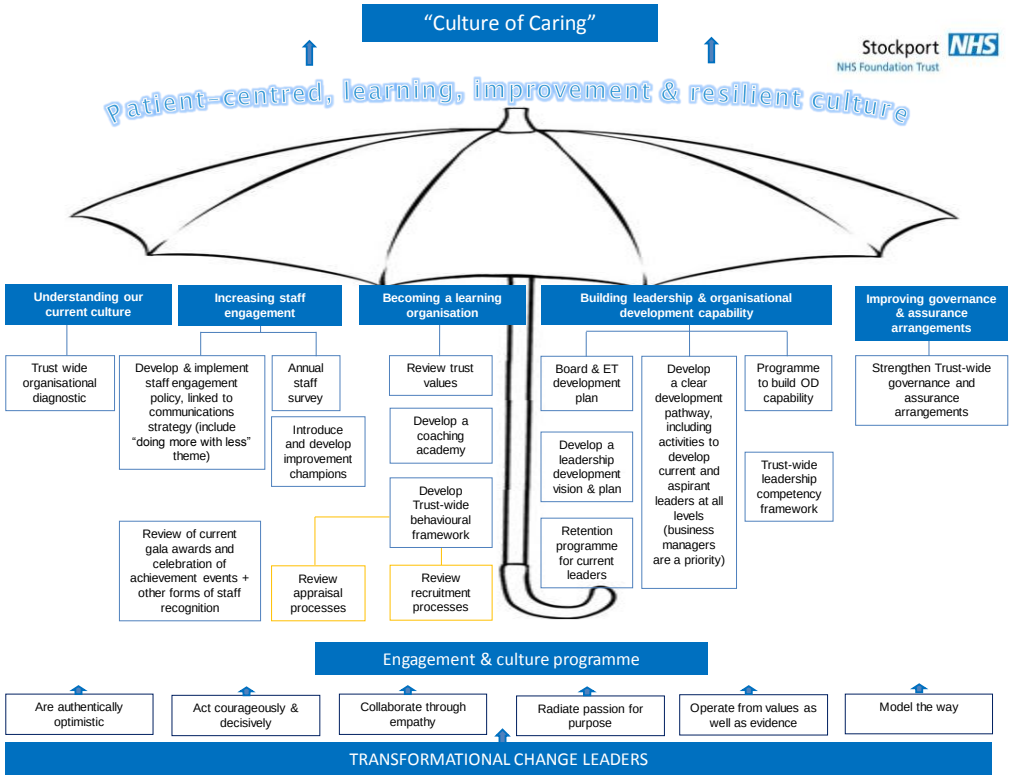
At the Building a Sustainable Future (BSF) summit in November 2013, it was acknowledged by senior Trust leaders that having the right culture and an engaged workforce is a key enabler to successfully delivering our strategic priorities.

The aspiration of the Trust is to strengthen our "culture of caring", through fully engaging our workforce. We want a culture which is open and transparent; where everyone is accountable for their actions and have the ability and willingness to hold themselves and others to account.

Much of the activity required to embed this culture will be undertaken as part of the "Engagement and Culture" programme within the BSF Transformation work. The programme covers 2014-2017 and its overall aim is:

To strengthen our "culture of caring", through fully engaging our workforce to consistently deliver safe and high quality care; through continuous learning, improvement and "putting patients at the heart of everything we do".

The Engagement and Culture programme started in February 2014 by the initiation of five core projects that are aligned with existing initiatives, which are shown in the 'umbrella diagram' below:



Patient, Friends and Family views

In order to learn and make improvements in the patient experience, we are embarking on the next phase of developing our learning culture, and adopting a holistic cycle of continual listening, learning and service improvement.

We will do this by utilising and building on current methods for collecting patient and user feedback including surveys and questionnaires; the Friends and Family Test; Patient Stories, some of which are shared at the start of Board meetings; complaints and issues raised through a variety of patient representative groups and forums currently in existence. We will ensure our staff seek and follow up on issues raised so that this becomes an integral part of their role, and utilise this feedback to inform in the planning and decision making processes across the Trust.

The Staff Survey is also an important source of feedback, and the following staff survey results are based around the Family & Friends Test, which asks whether staff would recommend our organisation to others.

Extract from staff survey results

Staff Survey question	Our score 2013	National average 2013	Our score 2012
"Care of patients/service users is my organisation's top priority"	73	68	67
"My organisation acts on concerns raised by patients/service users"	75	71	71
"I would recommend my organisation as a place to work"	66	59	58
"If a friend or relative needed treatment, I would be happy with the standard of care provided by this organisation"	73	64	66
"Staff recommendation of the trust as a place to work or receive treatment"	3.83	3.68	3.71

We have a track record of implementing changes after listening:

- New patient food trolleys from December 2013,
- Introduction of a suite of measures, such as soft-closing bins on the wards, to reduce noise at night, and to enable patients to sleep, and
- Upgrading maternity facilities, including providing accommodation for fathers.

We will draw on this experience as we rollout the Friends and Family survey to the day-case and outpatient areas in 2014-15, and we have set ourselves the target of increasing our response rates to above 20% across all areas of the Trust where it is already implemented. To ensure we make best use of this important feedback, we will develop, and then implement a refreshed Strategy to improve patient experience, drawing heavily on the results on the Friends and Family survey.

Continuous improvement and being a learning organisation – responding to Francis and Keogh Reports

In response to the second national Francis report in February 2013, the Trust developed a local action plan incorporating the key recommendations, and this was presented to the Board of Directors in March 2013. Some actions have been already been completed, whilst others have led to strategic changes which will evolve and come to fruition over the next two years, including developing the staff culture and engagement. More specifically, we are reviewing the complaints management process in the light of the Francis and Clwyd / Hart reviews and we are currently undertaking a detailed review of nurse staffing, discussed further below.

The Berwick reviews have also been reported to the Board and the findings have added to the action plan

resulting from the Francis Report. The Keogh reviews in particular have shaped the Trust's CQC compliance policy from April 2014 onwards as we prepare for the CQC's new inspection regime. The Berwick review has informed the Trust response to 'Compassion in Practice' (the 6Cs) the national nursing and midwifery strategy, with our local aims in the Trust Nursing Strategy for the next year, focusing on nurse leadership and staffing, the challenge of dementia, health promotion and the increasing use of technology to improve patient safety. This strategy will enable a programme to be developed and delivered to embed our caring values and behaviours across all services.

The Trust has earmarked the 0.3% of the tariff uplift for the implementation of the recommendations arising from the Francis, Berwick and Keogh reports. We are carefully balancing maintaining and strengthening staffing levels with the difficult financial climate by implementing a staged approach over a number of years, using acuity tools to guide us to where the investment will make the biggest impact on patient safety and quality. The local CCGs have also chosen to support us in delivering these measures, by applying this tariff uplift across community and non-tariff areas. This will enable us to strengthen nurse leadership in some areas by increasing the proportion of Ward Leader time spent on supervision. We are also pressing ahead with plans to publish our nurse staffing levels outside every ward, for our patients and visitors to see.

Supporting people with dementia

As the population ages there is an equivalent rise in the number of people living with dementia and the impacts are far reaching for individuals and all elements of society. It is estimated that one in three people over 65 will develop dementia. It is also estimated that half of the people living with dementia go undiagnosed meaning that they do not always have the care and support they require. At any given time, one in four acute hospital beds is occupied by a patient with dementia. Patients who have dementia can experience many more complications and stay longer in hospital than those without dementia.

Over the past year the Trust has rolled out a training programme for staff to increase their skills in delivering care; focusing on dignity and respect, and we now have 50 dementia champions across the Trust. There has also been a training programme in dementia awareness for non-clinical staff put in place, this will continue in 2014-15.

The national CQUIN for Dementia and Delirium in 2013-14 and 2014-15 relate to patient identification and screening on admission, to identify patients who could benefit from dementia care, with support for their family. A dedicated resource was put into place in January 2014, to help achieve these targets and the forecasts suggest the target will be achieved for 2013-14. The Trust is now focusing on how this can be made sustainable in 2014-15, and is an integrated part of the initial medical assessment of the patient in order to ensure that at least 90% of appropriate patients are assessed for dementia on admission.

Improving communication with patients and their carers

The Trust is conscious that the area which often concerns patients and carers most is ensuring we communicate effectively with our patients and their carers. Our culture of caring work emphasises this and will help to improve communication by Trust staff with patients and their carers. Specifically, in 2014-15 we will put in place robust arrangements to improve the provision of timely electronic discharge letters to GPs. This will mark a step change improvement in communication across the interface, and address a major concern of GPs. In 2015-16 the focus on improving communication will turn to dementia care, dovetailing with the previously described work on dementia care and the CQUIN measure.

Partnership Priority

Work with all our partners such as the Southern Sector Partnership trusts to provide excellent care, 24/7; sharing expertise, skills and facilities in clinical and non-clinical services

The Board considers that effective partnership is a cornerstone for building sustainable services in the

future. The Trust works closely with many partner organisations to support initiatives and develop joint working plans.

Strategic Outcome: Stockport Foundation Trust is an effective member of a modern and innovative health care community

Shaping the plans and implementation of new approaches to health and community care

One of the major strategic exercises that has been underway since 2012 in Greater Manchester is "Healthier Together". The CCGs are leading this process to address four major challenges:

- The need to respond to growing and changing demands on health (and social care) services, particularly arising from an ageing population, changing patterns of disease and the increasing capability of new treatments and technologies.
- The need to sustain and improve access to uniformly high quality services, across the conurbation, consistently achieving compliance with best practice, and securing improved health outcomes for the population of the area.
- The need to design services to make best use of the limited pool of clinical skill and expertise available.
- The need to provide affordable, best-value services in the context of reduced public sector expenditure and significant financial pressures anticipated by healthcare providers.

"Healthier Together" has identified the need for reform in three interdependent areas of service:

- *Primary care and preventative services*
- *Integrated services for people in the community.*
- *Hospital provision*

The "Healthier Together" project has conducted a broad discussion across Manchester on the case for change. The model for reformed hospital care, which will be the subject of formal consultation, has not yet been finalised but the objectives which will underpin the model are already clear. The key features of the system, as currently proposed, include:

- Two types of hospital sites – one providing local / low risk services, the other providing specialist/high risk services (in some cases alongside local services).
- Hospitals working together in groups to provide a single service across a number of locations.

This would entail a reduction in the number of sites providing emergency surgery and other services deemed "specialist", and greater concentration of such services into designated centres. The Trust is actively working with the Healthier Together team to support this analysis which will feed into the public Consultation.

Integrating Community Services

We are delighted to continue to be Tameside and Glossop's provider of choice and have just signed a new two year contract. During these two years we look forward to working in partnership with our commissioners to help develop and implement their vision for Integrated Care.

In 2013-14 we won the tender to provide an Integrated Diabetes service which is a three year contract separate to the Community contract. This shows that our community services can successfully provide services that have historically been acute based.

In terms of Stockport, we have just completed the first four months of the pilot for integrated locality teams within Marple and Werneth. The plan over the next twelve months is to complete continuous learning from the pilot, and roll the model out across the borough. We are actively engaged with all partners in delivering the integrated care model, and this is described in the Partnerships section.

Work with Stockport Stakeholders through the Transformation Board to develop and agree a

strategy

Within Stockport, a Transformation Board, representing Commissioners, Primary Care, the Trust and Local Authority has established joint programme management arrangements to oversee the major reform planned in unscheduled care and anticipatory integrated care.

Stockport CCG's draft three year plan outlines plans to establish integrated hubs across four localities in the Borough, aiming to reduce emergency demand, and aligning with reform of the A&E "front-end", to deliver a significant reduction in non-elective admissions. The Trust intends to work with partners during 2014-15 to develop and agree a Strategy for the shape and development of health and care services over the coming years.

Delivery of CQUIN measures

The CQUIN Programme for 2013-14 has resulted in a range of excellent improvements that have enhanced the care experience for patients and their carers, and delivered efficiencies in the Trust. It has also been an opportunity for us to recognise some shortfalls which we can begin to address, within the scope of the programme, resource requirements and the need to agree challenging but potentially achievable targets before the start of a new financial year.

Using these learning points for 2014-15 the Trust started the planning and negotiations with the commissioners earlier, which allowed us to involve staff in building the indicators and the milestones. This has resulted in CQUINs which although still very challenging, are more achievable and we have the engagement of the clinical teams from the start. We would hope to repeat this process in 2015-16, to ensure we continue to work with our commissioners to deliver improvement in quality, patient experience and outcomes.

The 2014-15 programme has a fewer number of indicator's which means we were able to agree more challenging ones that we can focus on, several of which build on the work undertaken during 2013-14 such as dementia care.

Strategic Outcome: Effective and efficiently run services across the Southern Sector Partnership

The South Sector Partnership was established in 2013 with the signing of a four-way memorandum of understanding across four Trusts, who decided to collaborate where practical and feasible to benefit the patient and improve quality and effective use of resource. The partnership comprises:-

Partners involved in the Southern Sector arrangement

	East Cheshire NHS Trust	Stockport NHS Trust	UHSM	Tameside NHS Trust	Totals
Budget	£176m	£275m	£400m	£160m	£1,011m
Staff	3,500	5,300	5,500 + contracted out services	2,400	16,700
Population	450,000	400,000	750,000 (including tertiary flows)	250,000	1,850,000

The partnership is designed to provide an alternative to formal organisational integration or merger, and to establish a strong and formal network of collaboration across multiple partners, services and sites, whilst allowing the retention of the values and principles of the partners. Each partner will develop its own purpose and strategic direction under the umbrella framework / strategy of the sector therefore enabling

true collaboration and co-operation for patient and customer benefit whilst ensuring economic value for money and improved outcomes. This allows in the future for greater concentration of centres of excellence for both patient and research benefit.

The Partnership allows us to respond to the needs of Healthier Together and other external developments and changes utilising the best elements of the partnership and sourcing partners as required to meet gaps or provide further opportunities.

The partnership is still in its development stages but there is very strong support across the clinical and non-clinical community to progress the model and its wider deployment. Whilst it is clear that significant financial benefits should accrue from the work, these are unable to be fully quantified at present, and therefore the only clinical service impact included in our financial plan currently relates to the Pathology reconfiguration.

Reduce costs of back office functions, including identified internal efficiencies and recently identified opportunities for collaboration with Southern Sector partners

The Southern Sector programme office, working alongside KPMG, is also undertaking a full review in two phases of some of the corporate services in all four Trusts, with a view to re-configuring these services into a more streamlined and a single way of doing business, whilst providing effective support to the front end patient services. The opportunity for efficiency savings both financial and non-financial are also being explored and appear to be significant over a three to five year planning horizon. This work is well advanced and will be a strong litmus test as to the strength and unity of the partnership and its model of operation.

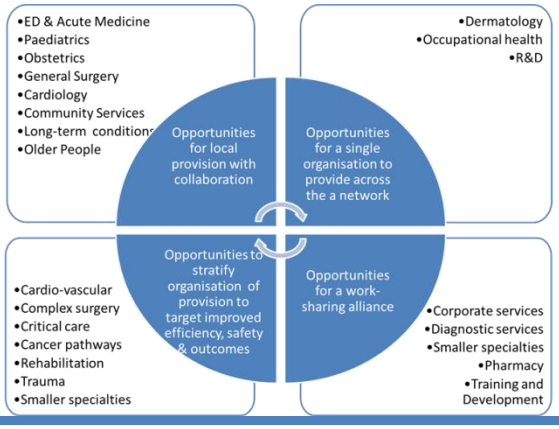
The partnership will move to more integrated IT operations, and is exploring utilisation of single decision support systems to underpin the work of the partnership, and help it plan its future strategic direction, such as the implementation of a Sector-Wide EPR, which would be a key enabler of the Partnership programme, and would support and underpin the development and delivery of inter-organisational clinical pathways. The Trust is working with UHSM and East Cheshire to undertake EPR supplier assessment, benefits realisation and the development of an Outline Business Case.

Agree approach and begin implementation for "single service" across the "Southern Sector" for at least two clinical services; and scope and develop clarity of future objectives for clinical services for joint working

Guided by a need to balance resilience and quality, the Trust's strategic vision for clinical services is founded on a determination to:

- Provide a range of services locally, easily accessible for local people;
- Ensure services meet the requirements of best practice with regard to quality and safety;
- Aim to achieve a positive financial contribution from all services by driving efficiency. Where this is not possible, the underlying financial impact will be understood and under-written by remaining services.

The Trust's has undertaken a comprehensive review of its portfolio of services, levels and types of service which the Trust expects to provide in future, which was discussed in last year's Annual Plan document, and are set out in the following diagram:



The work to commence re-configuration of clinical services to align to quality and safety and patient choice / demand and commissioner's challenges, has commenced. In 2013-14 we have worked on the transfer of Dermatology services to another partner and therefore in 2014-15 we aim to agree the approach and begin implementation for a single service across the Southern Sector for at least two clinical services. Building on this, we will also scope and develop clarity of future objectives for joint working over future years.

Implement South Sector Pathology Shared service

The work is underway to approve the business case and complete competition clearance. The IT systems are being reviewed and new governance arrangements are being created.

Integration Priority

Provide appropriate hospital and community health services with social and primary care, to provide high quality care in the community through the creation of locality teams in Stockport. The proposed model is focused on adult with complex needs and based on one referral and assessment route, one integrated care plan and record, one contact point and one pooled commissioning budget

The Trust is not content with improving patient pathways in the community and secondary healthcare settings; it is leading the way in transforming how health and social care is delivered in a fully integrated way. The progress and next steps for these two closely linked strategic outcomes are described in detail below.

Strategic Outcome: Patients lives are easier because they receive their treatment closer to home

Care closer to home strategy and workforce plan

Delivering services for patients in the most appropriate location, as close to their home as possible, has been a priority for the Trust for several years. To support this supply of seamless care, the Trust bid for and was successful in being awarded the contracts for the delivery of community services to both Stockport and Tameside and Glossop.

The Trust and local CCGs recognise the need to invest in developing out of hospital services, particularly focussing on the expansion of health visiting. As part of the CCG's priority to have in place four locality hubs across Stockport we will develop a strategy and workforce plan to support this locality model to provide alternate services to those found in the hospital setting. These hubs will also be a central part of the integrated model proposed as part of the CCGs out of hospital care strategy. The integration of hospital and community services with social and primary care presents a number of workforce challenges and opportunities. A Workforce and Organisational Development Enabling Programme will have responsibility for overseeing this work which will include the development of an updated workforce baseline on which further workforce development and workforce planning will be based.

Implementing Plan for Reducing Demand for Hospital Urgent Care

The Trust, CCG and local authority partners are in the process of developing a medium term plan to manage and reduce the demand for A&E attendances and associated admissions to hospital. In the short term this plan will consolidate and further develop the new services that were put in place during the winter of 2014. This includes a community based IV therapy service and step down / up beds at the Meadows.

In 2014-15, in conjunction with our CCG, we will seek to implement a series of additional plans that have demonstrable benefits to reducing urgent care demand. These are likely to include supported "Hospital at home" and other services, such as a 7 day Community Assertive In-reach Model to work within the emergency portals and Acute Medical Unit (AMU) to identify patients who can safely transfer into

community health and social care services, earlier in their patient stay. This team would work in partnership with the ward teams, working on the concept of parallel care planning and shared care across Business Groups and external organisations.

In 2015-16 this redesign work will developed further, in conjunction with partners, as part of the Better Care Fund initiative. Ultimately, we anticipate that this work will help reduce the hospital's reliance on increasing bed capacity to cope with peak periods e.g. winter and flu outbreaks.

The CCG is planning to invest £5.5million in out of hospital care over three years. Of this, £0.9m will be spent on IV therapy, £0.3m on the Ambulance pathfinder scheme and £1m on intermediate care, the aim of these is to treat people at home without the need for hospital admission. A further £0.5m is earmarked for the integrated service team that will be involved in proactive management of adults and carers with complex needs.

Modernising community patient record systems

The Trust is considering the future development of community services, and how services can be integrated to provide more focussed care around the patient. The Trust has a number of difficult decisions to make on the future shape of the services, and the enabling systems used by staff. One such example is the review of the IT systems used within the community setting. These systems are owned by the commissioners, but critical to our ability to modernise.

Community services delivered in Stockport and Tameside & Glossop currently use a national IT system called iPM that provides clinic scheduling and recording and capturing patient and care contacts. As the national contract for iPM ceases in 2016 the Trust has established a workstream to develop options and prepare a business case during this the life of this plan. As part of the original transfer of community services this work will be carried out in conjunction with both our community service CCGs, to understand the risks and opportunities to progressing the business case, and the most appropriate funding mechanisms.

Strategic Outcome: Patients receive a better quality of service through seamless health and social care

Implementing Integrated Children's Service with Stockport Metropolitan Borough Council

Phase One of the development of an integrated children's service will be complete by summer 2014, and establishes an integrated structure between health and local authority services. This new structure will enable services to be designed around children and families. The vision for Phase Two is the development of four Locality Teams across Stockport, with a Specialist Hub to provide streamlined support to families which meets their needs; rather than the service being structured around different professional groups. The implementation plan is currently being prepared, with input from all partners in the work. From a health perspective Health Visitors, School Nurses and the Parenting Team will be involved, along with the MOSAIC Drug and Alcohol Service which is hosted by SMBC. This work clearly demonstrates how the Trust successfully turns vision into action. The development of integrated health and social care teams fully supports the CCGs strategic priority of providing out of hospital care.

Support to the Public Health Prevention Strategy

The Trust has developed a close working relationship with Stockport MBC (SMBC) during 2013-14 especially regarding Public health services. During 2014-15 the Trust will provide lifestyle advice to the population of Stockport, called Healthy Stockport. In addition, the Trust will also provide clinical support to the Director of Public Health in the promotion of public health objectives and service development, with a particular focus on smoking cessation, weight management and alcohol.

Efficiency Priority

Achieve the required efficiency savings each year, avoiding waste and duplication whilst investing in IT, organisational development and modernising both hospital and community facilities

Strategic Outcome: The Trust is able to demonstrate to Governors, local residents, partner organisations and regulators that it makes best use of its resources

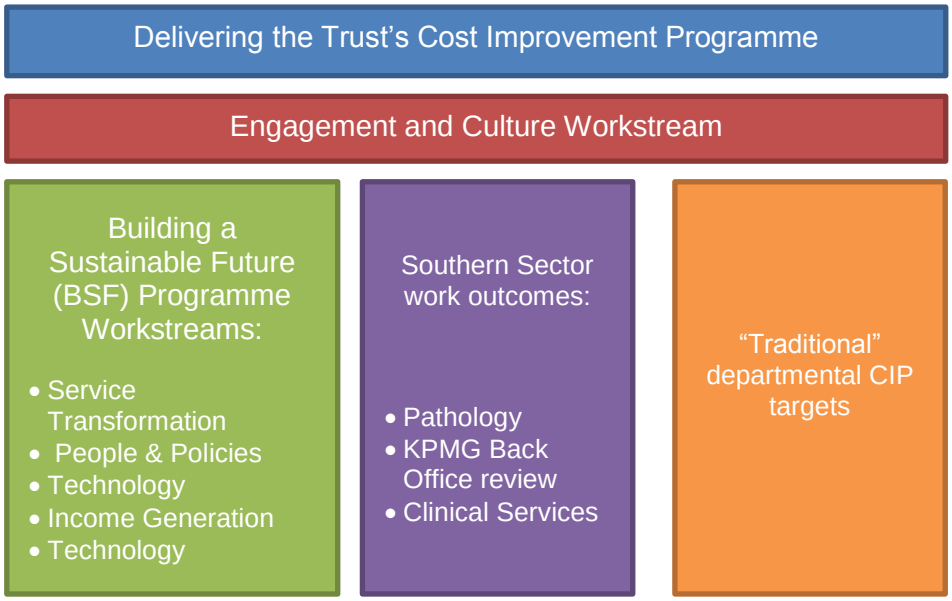
The Trust must ensure that it uses its cash and physical resources (including staffing, buildings and equipment) efficiently and effectively. In order to ensure this occurs, the Trust undertakes an annual comprehensive financial and capacity planning exercise, which then sets the budgets and establishments that the Trust then works to for the year. Through a financial governance structure which includes ward staffing surgeries, monthly Performance Management meetings with the Business Group management teams, quarterly Executive Assurance Meetings, Productivity and Efficiency Board and Audit Committee, the Trust is challenged and held to account with regards to its use of resources and ultimately these processes enable the External Auditors to offer a view on the Use of the Trust's resources.

However, given the current financial climate, the Trust recognises the need to reduce costs whilst ensuring that they are removed safely to ensure a sustainable organisation delivering high quality care.

Safely reduce costs and embed transformation ethos

The Trust's Cost Improvement Programme (CIP) for 2014-2016 has three main strands to it. The transformational Building a Sustainable Future (BSF) Programme, supported by an over-arching Engagement and Culture workstream to embed the transformation ethos, led personally by the Chief Executive, and a traditional department CIP target approach. The BSF programme is being led by the interim Director of Performance, who is focussing almost exclusively on this.

This approach is illustrated in the diagram below:



However, at present only £10m savings in 2014-15 have been identified from this, and full delivery of this is at risk as some areas are only in the early stages of implementation. The Board of Directors have considered the Director of Finance's risk-assessment of this £10m, which concludes that only £7m of this is fully secure without further effort to develop and implement all the identified schemes fully. They acknowledged that this was a prudent position, and concluded that increased pace and focus needs to be advanced to ensure the identified £10m is delivered. However, the Board felt that the organisation should be able to deliver the 4% efficiency requirement of the health sector, and therefore set the 2014-15 CIP target to be £12m. They have however made clear that during 2014-15 they expect schemes totalling a full year effect of at least £16.9m to be initiated. The rationale for these figures is explained further in the Financial Plan section.

In order to accelerate the pace and progress of the CIP we have undertaken a number of workshops attended by Executive and Non-Executive Directors to look specifically at ways of reducing the cost of the workforce, which accounts for 74% of the Trust's costs. This has identified a potential package of

measures for discussion with Staff-side representatives, and these conversations have commenced.

A range of mechanisms are in place to control workforce costs at both corporate and business group levels and the Trust will continue to offer the Mutually Agreed Resignation Scheme periodically in 2014/15 to facilitate reductions in workforce costs.

The interim Director of Performance has strengthened and clarified lines of governance across all programme and project areas. Each programme must complete a Programme Initiation Document signed off by the Executive Sponsor and Programme Lead, a Quality Performance Impact Assessment signed off by the Medical Director and Director of Nursing & Midwifery and a Equality Impact Assessment signed off by the Equality & Diversity Manager. The Trust has put in place a process to ensure that our partner CCGs have the opportunity to ensure they understand the impact on Quality and Safety from our CIP.

Roll-out at least two transformation projects in-year

The Trust plans to make significant progress in implementing a minimum of two transformation projects each year for at least the life of this Plan. When the project scope extends beyond acute care, the Trust will work closely with partners, through the established programme boards, to deliver improvements across the patient pathway. In 2014/15 the Trust is focussing on the Outpatient project, which is a joint venture between the Stockport CCG and the Trust. The aims are improving patient experience by reducing the number of outpatient follow-up appointments, leading to shortened waiting times for new appointments within the current capacity. The other benefits will include the possibility of creating a single outpatient's area which will provide a modernised outpatient experience for patients and an improved working environment for staff. A second area of focus is Ophthalmology – this project is looking at a full review of the service in order to reduce waiting times across the whole pathway and make the service more cost efficient and financially sustainable for the trust. It has full clinical engagement and support.

Achieve a Monitor Continuity of Service Risk Rating of ≥ *3*

The Trust's over-arching financial priority is to remain a Going Concern. The CoSRR rating is a good indicator of going concern, and the Trust aims to maintain this at 3 or more. The presented financial plan achieves this objective.

Strengthen holistic approach to reporting and managing performance

As part of the Trust's quality improvements, the performance reporting framework is currently under review by our new Director of Performance. The refreshed reports will be more holistic and fully integrate activity, quality and finance. This will enable more effective horizon scanning, and allow the trust to respond sooner to emerging issues, and deploy its resources more effectively. It is planned to pilot the new Integrated Performance Reports in May 2014.

Strengthening investment decisions process

The Trust intends to refresh other business planning processes, aligning them with the changing governance frameworks, and reflecting best practice. The work will include a strengthening of the processes currently in place for evaluating and approving investment decisions. This development will take place alongside the arrangements in the various partnership groups the Trust is involved with, thus ensuring the Trust procedures meet internal and external requirements, and minimise the need to reproduce business cases for different audiences.

Strengthen integrated workforce planning

The refreshed business planning process will strengthen service level workforce plans, and equality and quality impact assessments, and fully integrate these with the activity and financial modelling. The bottom up workforce plans, will combine to form an overarching Trust wide workforce plan, that will be complemented with a workforce development and delivery strategy and action plan. The intention is that improved workforce planning can reduce the Trust's dependency on temporary staff.

Efficiency outcome: Trust staff are enabled to deliver their best care within a high quality environment

Deliver Clinical Leadership and Workforce Planning elements of the Organisational Development

strategy

Earlier in this Plan the work on developing the culture of caring was explained. This work around values, behaviours and strengthening clinical leadership will provide the firm foundations for the drive to safely remove costs from the organisation, while maintaining and where possible improving the quality of care.

Refresh the Staff Appraisal and Objectives framework

The priorities and strategic outcomes the Trust has set out in this Plan will be transferred into the business group and corporate enablers business plans for 2014-15 and 2015-16. The refreshed staff appraisal framework will clearly tie the delivery of the business group plans into employee's personal objectives, thereby linking the delivery on the ground to the strategic vision.

Implementing further systems to support clinical care

The information and technology utilised across the Trust supports timely and high quality care, through the use of simplified and effective systems and processes. The Trust has a successful track record in investing in and implementing IT solutions. Looking forward, the Trust intends to implement and evaluate a number of new systems over the next two years:

- e-record another major step on the Trust's paperless journey is the introduction of "Evolve" which involves the scanning of paper health records and presenting them electronically to clinicians via a PC or mobile device;
- AdvantisWARD is an electronic version of the ward Whiteboards that provides improved communication within the clinical teams, patient status information available 'at a glance', accurate and fully auditable transactions, organised patient flow and multi-disciplinary interaction. This will then deliver improved throughout of patients resulting earlier discharges;
- Patientrack is an electronic system which helps identify and proactively manage deteriorating patients in hospital, allowing managed escalation to the most appropriate clinician. The system is due to go live as a pilot at the end of March 2014 with the subsequent rollout across the medical, surgical wards taking place during 2014/15. This is a major patient safety project which will improve patient care and outcomes. Increasing the quality of patient's observation will also result in reduced clinical risk and potential reductions in mortality and morbidity;
- Electronic prescribing & medicines administration (ePMA) is live across all adult beds in the Trust. In 2014-15 the system will be upgraded and rolled out across ICU and Laurel Suite (chemotherapy).
- Electronic Patient Record (EPR) is an ambitious project at its early stages, that will see the replacement of a number of standalone IT systems across the Trust. The Business Case is currently being produced.

Developing the Trust's estate

The physical environment that care is delivered in can have a significant effect on the quality of the patient experience. Stepping Hill Hospital has a mixed estate, much of which is older stock and modernisation is hampered by the landlocked nature of the site. The Trust has in place a rolling repairs and maintenance programme, together with planned capital developments. The Trust is investing £3 million in the replacement of the kitchen with a new facility designed to improve the quality and efficiency of the catering service.

Business case for 'D Block'

In the short term the Trust is considering the business case to build a new surgical and short stay medical facility 'D Block'. Patients and members of Healthwatch have offered a valuable contribution to many aspects of the design process, for a patient friendly, safe and clean environment. The Board's decision to progress to the building of D Block will be dependent upon affordability.

Enhancing refreshment facilities

The Trust is progressing plans to improve the retail and café facilities across the site, to improve the offer to patients and visitors, as well as staff.

Opening a retail pharmacy

The establishment of a pharmacy subsidiary (retail pharmacy business) will improve patients experience by reducing out-patient waiting times, and delivering health promotion and greater access to medicines including smoking cessation, substance misuse services, alcohol awareness and flu immunisations. Premises for the subsidiary have been identified, close to the A&E Department, which also provides an alternative place for patients attending A&E to be referred to. It is anticipated that the pharmacy shop will open in September 2014.

Managing resources, demand and capacity effectively

Capacity and Demand forecasting and management

The Trust's planning processes that take into account the external drivers including the national policy agenda, local health and government priorities as well as the Trust's own development ideas. These drivers are triangulated with the Trust's capacity and demand models, and inform the contract negotiations and financial planning processes in the lead up to the new financial year.

As part of the detailed annual planning process, each Business Group management team meets with members from the finance and information teams to agree at specialty and sub-specialty level, and for each point of delivery e.g. outpatient, inpatients etc., the substantive and non-recurrent capacity available to it in the forthcoming year. The initial planning and discussions with the business groups at the Trust are based on month 8 forecast outturn projections.

Through a series of meetings and discussions over a two-month period the plans are refined to include the current capacity at the Trust and also the current and projected future demands on the Trust's services, not simply looking at referral demand, but also that required to meet national waiting time targets and other requirements such as the impact of cancer screening campaigns.

Increasingly in deriving these demand projections, we evaluate and where relevant incorporate, the outputs of the joint working being undertaken between ourselves and our partner organisations, particularly Stockport CCG and Stockport Metropolitan Borough Council, to assess the requirements, implications and delivery plans for the Better Care Fund and other work on Intermediate Care solutions.

Activity levels

The table below provides an indication of how the activity provided by the Trust has increased in 2013-14. The 2014-15 activity levels are broadly based on 2013-14 forecast outturn positions, with adjustments to ensure target achievement and to take account of non-recurrent events or known changes to services.

In addition to the hospital-based activity below, the Trust provides c.500,000 patient contacts per year within each of Stockport and Tameside & Glossop Community Services.

Activity for 2012/13 out turn and 2013/14 forecast outturn			
	12/13 out turn	13/14 forecast	Movement
Accident and Emergency	90,709	87,078	(3,631)
Adult Critical Care	4,408	4,590	182
Care of the Elderly Continuing Care	8,808	8,641	(167)
Day Cases	26,933	28,224	1,291
Elective	7,647	7,262	(385)
Emergency Short Stay	11,772	12,248	476
Excess bed days EL	1,784	1,931	147
Excess bed days Emergency	17,179	19,350	2,171
Excess bed days Non-Elective	2,178	1,921	(257)
Neonatal Critical Care	5,395	5,478	83
NeuroRehab	6,474	6,779	305
Non-Elective	22,848	21,793	(1,055)
Non-Elective Non Emergency	9,091	4,783	(4,308)
Non-Elective Same Day Emergency Care	1,633	3,084	1,451
Outpatient FA Single Prof Cons Led	73,593	86,713	13,120
Outpatient FUP Single Prof Cons Led	207,685	193,924	(13,761)
Outpatient Procedures FA	7,989	10,203	2,214
Outpatient Procedures FUP	24,605	27,611	3,006
Grand Total	**530,731**	**531,612**	**881**

Elective inpatient care

There has been a significant increase in demand since October 2013 and the Trust has not been able to increase capacity quickly enough in order to treat the patients, resulting in outsourcing to other providers for Orthopaedics and Ophthalmology. Whilst the CCG has indicated that it has or will put in place actions to ensure this level of demand for foot and ankle work does not continue and also reinstate additional capacity at other providers, a significant number of patients are now already be on an 18 week pathway within the Trust. The Trust remains concerned about the level of referrals regarding knees, and this is where the main risk area to the Trust lies.

Based on this work in 2014-15 the Trust suggested the CCG needed to commission an additional £1.2m into the contract in order to maintain the aggregate 18 week target and secure the target at specialty level. The CCG will be charged on a PbR for this activity.

Non-elective patient care

Planning for other services such as A&E, and Maternity an analysis is undertaken of the month 8 forecast outturn projections. Dialogue takes place with the Business Groups to eliminate any one off anomalies in year activity and to include any events they forecast will happen in year using the intelligence from the Business Groups are included in the activity plans.

Other risks and issues

The key risks are that actual activity is greater than planned levels. When this occurs we respond in several ways - by creating additional capacity by our staff undertaking Waiting List Initiatives in sessions which might have otherwise been unused due to leave etc, by contracting with partner NHS or non-NHS organisations to either provide additional medical staff to undertake sessions at the Trust or by outsourcing activity to non-NHS organisations.

Where activity is below planned levels we respond by analysing the reasons why and try to determine if it is a one-off issue or trend, and whether it is a demand issue or resource issue. If it is due to factors that we can control, we put in place an action plan to improve performance. If we believe it is a sustained reduction in demand, then we look to safely reduce costs to match the new activity and income levels. This is often difficult to do as a high proportion of our costs are fixed or semi-fixed in nature, however, we will also try to work with our Commissioning partners to re-specify the service and to determine how best we can reduce costs without impacting on quality.

The Trust is committed to supporting the delivery of Health Improvement and preventative care, one example of this during 2013-14 there was the series of cancer campaigns both at a regional and national level. The Trust has been able to actively support these campaigns, by seeing more patients in Urology, ENT and General Surgery, than were initially forecast in the anticipated demand on these services.

The Cancer campaign programmes for 2014-15 will be Ovarian and Breast cancer in the over-70s at a regional level, and Lung Cancer at a National level. The Trust has proactively reflected these campaigns in its activity assumptions for 2014-15.

Throughout the year the Trust meets regularly with the commissioners to review both elective and urgent care services at an operational level, thus ensuring the quality and safety of services is reaching the necessary standards, and the services are sustainable. At a more strategic level the Trust is an active partner in the Stockport Transformation Board. As the NHS moves towards more medium term planning cycles, the Trust is seeking to develop closer working with its local partners to enable the production of robust capacity and demand plans for the next five years.

The effectiveness of these arrangements is already evident with the transfer of Dermatology services to Salford Royal NHS Foundation Trust. This service transformation has arisen due to the review of the service and subsequent assessment that a more robust service could be provided for our patients by collaborating with the specialist centre. Through discussions with the clinical and management teams at Salford Royal, an agreed service delivery model and commercial terms are being implemented and will come into effect from the 7th April 2014. This new arrangement will ensure our senior medical staffing cover is improved, and patients will benefit from being treated by leading clinicians from the regional specialist service. The Trust is also in the process of undertaking similar reviews with the expectation of

similar outcomes with local partners for our Nephrology and Neurology services. It is hoped that the benefits that will be delivered from these will be similar to those derived for Dermatology.

Managing delivery of the Annual Plan

The Annual Plan will be delivered through the business plans of the business group and corporate enabling services. These service level plans will feed directly into individual's personal objectives that are agreed as part of the appraisal process. The monitoring of the delivery of the Annual Plan will take place at the appropriate levels within the Trust.

- The Board will receive summary information quarterly detailing progress and action requires to address progress against planned delivery trajectories;
- The Executive Team will receive monthly progress reports on an exception basis, and co-ordinate the necessary actions to ensure delivery is achieved;
- Progress on the delivery of the quality objectives will be reported quarterly to the Quality and Safety Committee;
- Business groups and corporate departments will review progress and address operational issues through the Performance Management and Assurance meetings.

The risks associated with the successful delivery of the Annual Plan will be captured and addressed as part of the Trust's well established risk management arrangements. The existing risks to the delivery of the Plan are contained in the strategic risk register, and summarised below.

The Trust calculates the risk rating of the key challenges it faces, by taking the consequence (C) should the risk occur and multiplying this by the likelihood (L) of the risk occurring. The Trust has descriptors to identify the levels of likelihood and consequence, and the Board of Directors receives the strategic risk register each month.

Key risks to delivering the Trust plans for 2014-16

Identified risk	Consequence	Rating Initial (CxL)	Rating Residual after all mitigating actions (CxL)
Trust is unable to deliver CRP savings of £12m in 2014-15	The CRP requirement for future years will increase, and the continuity of service risk rating will deteriorate	25 (5x5)	20 (5x4)
Increase demand and competition for nursing staff	Cost in excess of £1,000,000 on temporary staffing. High requirement for temporary nursing staff	20 (4x5)	12 (3x4)
Failure to deliver A&E waiting times performance standard	Continuation or escalation of regulatory activity. Financial penalties due to contract breach. Reputational issues	20 (4x5)	12 (3x4)
Potential of Healthier Together decisions to radically alter the model of service provision in Stockport	Possibility of the Trust suffering a significant loss of income, and service destabilisation	15 (5x3)	10 (5x2)
Failure to achieve a 25% reduction in the prevalence of grade 2 and above organisational acquired pressure ulcers	Failures to meet internal and national standards as well as patient harm. Category 3&4 PU prone to infection/sepsis resulting in a higher mortality rate, poor patient experience and financial shortfall within the Trust	16 (4x4)	12 (4x3)
Failure to meet National target for cancer cases	Delayed pathways, loss of reputation with failure to meet national standard. Loss of income	16 (4x4)	8 (4x2)
Lack of capacity to deliver the 18 week admitted RTT standard	Reduction in activity and associated income. Inability to deliver plan. Financial penalties if the 18 week standard is not met at specialty level.	20 (4x5)	12 (4x3)
Failure to agree a suitable urgent care contract with host CCG	The Trust will have insufficient funding for urgent care services, or be unable to provide the service to existing standards	20 (4x5)	12 (4x3)

This two year operational plan sets out the work the Trust intends to deliver in the short term, whilst supporting the development of longer term plans and a strategic vision for Stockport and Greater Manchester.

The Trust is also part of one of the eleven health economies selected by Monitor to gain additional strategic planning support in producing the five year strategic plan due to the scale of challenges faced by the four providers and six CCGs in the health economy. Over the coming months the Trust in conjunction with its partners will be developing the strategic plans for the period to 2019.

Financial Plan

2014-15 Financial Plan

The Board of Director's have considered the 2014-15 financial position at length in their February and March 2014 Board meetings through the presentation of two very detailed Board papers explaining:

- the underlying financial position;
- the current status of the contract negotiations;
- the current and risk assessed Cost Improvement Programme (CIP) status;
- the options available to the Board of Directors, presented as a series of scenarios;
- the potential impact of these options.

The Trust's progress with the contracts has been difficult this year, particularly in relation to urgent care. However, despite this, the two Community contracts have now been signed, including NHS England as an associate for the Health Visiting contract.

However, the main acute contract with Stockport CCG still has a significant difference between the two parties views on Urgent Care. Whilst the Trust are requesting c.£3.5m additional funding for the escalation capacity that has been open, and the additional costs incurred to improve patient flow, and take the pressure off the front-end A&E service, such as the opening of an Ambulatory Care Unit, and Short-Stay Older People's Unit. The CCG however want to reduce the Trust's existing funding by c.£3m in order that they can fund pilot schemes which have been in operation during the winter such as NWAS Pathfinder scheme, Community IV Therapy and an additional step down/up ward at the Meadows. The CCG also want a block contract, however at the proposed value the Trust feels that this is too great a risk to the Trust especially as there has been an exceptionally mild winter in 2013-14, which may not repeat in 2014-15. The Trust is trying to work with the CCG to reduce the gap between the two positions by working on an agreed bed model, and the plans for the Trust to reduce the escalation capacity.

There are also a small number of areas relating to elective 18 weeks target activity requirement, outpatients activity relating to the cancer campaigns and AQP Audiology where the CCG do not agree that the activity undertaken last year will repeat, and they have declined to put it in the contract but have agreed to pay under PbR if it occurs. The Trust believes that our demand projections are accurate, as previous year's plans have borne this out, and therefore, in order that we can plan in the most cost effective and safe and sustainable way for the resources required to deliver the activity, we have put this activity into our plans.

With this contract position, it has been difficult to determine the income level for 2014-15, however based on a set of reasonable assumptions as to the likely outcome, the resultant underlying base case income and expenditure position, prior to any delivery of CIP, for 2014-15 is as follows:

2014/15 Annual Plan	Base Case £000
Tariff Income	150,710
Community Income	59,977
Non Tariff Income	50,042
Total NHS Clinic Income	**260,728**
Non NHS Clinical Income	1,271
Other Operating Income	27,400
Total Income	**289,399**
Pay	(218,774)
Drugs	(14,442)
Non-Pay	(60,651)
Total Expenditure	**(293,867)**
EBITDA	**(4,468)**
Financing	(12,475)
Surplus / (Deficit) *	**(16,943)**

* excluding CRP

The base case results in a deficit of £16.9m. This is clearly unacceptable as the Trust would not be financially viable with this ongoing position. Therefore a Cost Improvement Programme (CIP) needs to be implemented to bridge the gap between the expenditure and income.

The Efficiency Section of the Operational Plan details the Trust's progress in identifying the CIP for 2014-15. Working with the interim Director of Performance, the current position in relation to the programme is as follows:

CIP Plan 2014/15	2014/15	Firm	Aim	Stretch
Building a Sustainable Future	(£000's)	(£000's)	(£000's)	(£000's)
Engagement & Culture	0	Enabler		
Estates & Facilities	510	410	100	0
Income Generation	313	213	50	50
People & Policies	3,201	601	600	2,000
Service Transformation	1,566	966	525	75
Technology (21st Century)	100	100	0	0
Departmental CRPs - target £4,189,000	4,189	895	632	2,662
Corporate Departments within scope of KPMG Back Office Review	0	0	0	0
Southern Sector Pathology *	150	150	0	0
Southern Sector Clinical Services - TBC	0	0	0	0
Total Identified	**10,029**	**3,335**	**1,907**	**4,787**

* subject to Programme Board and Trust Board confirmation

Using a risk-assessment approach to review the schemes, it is felt that only £7m of this is currently fully secure.

The Board of Directors considered a range of options with respect to the potential CIP delivery to determine the level that they felt was achievable. They noted their disappointment that there had not been more success in identifying schemes, however were clear that they would only declare a CIP target that they felt was achievable by the organisation.

They reviewed and debated the following options, taking into account the impact of each on:

- whether the Trust would remain a Going Concern;
- the Trust's cash balances;

- the impact upon the capital programme and in particular, the aspiration to approve a £17m capital scheme "D Block";
- the reputational and regulatory issues which may arise, and
- the impact on CoSRR.

Option	Implicit Savings Required £m	Rationale	(Adverse) / Favourable impact on Cash position £m	Estimated March 2015 Cash position £m	Resultant Surplus / (Deficit) £m	Resultant CoSRR	Liquidity Days
Risk Assessed	7.0	Risk assessed BSF Schedule	(9.9)	31.3	(9.9)	3	13
A	10.0	Currently identified 2014/15 BSF Savings (as at 18/3/14)	(6.9)	34.3	(6.9)	3	17
B	12.0	4% Tariff Efficiency Expectation	(4.9)	36.3	(4.9)	3	20
C	16.9	Required CIP to deliver a breakeven position	(1.1)	40.1	0.0	4	26
D	18.0	Required CIP to deliver surplus to cover loan payment (comparable to 2013/14 2014/15 plan)	0.0	41.2	1.1	4	27
E	19.8	Required CIP to deliver 1% surplus	2.9	44.1	2.9	4	30
F	22.0	Initial 2014/15 target, prior to contract negotiations	5.1	46.3	5.1	4	33
G	22.7	Required CIP to deliver 2% surplus, to give more headroom as per Monitor's concerns	5.8	47.0	5.8	4	33
		Opening cash 2014-15	46.5				

The Board agreed that, taking into account the recently announced pay award settlement, and the accelerated work that has been being undertaken on Workforce costs by the Executive Team and a sub-set of Non-Executive Directors, that the Trust should at least aim for CIP delivery in line with the national efficiency requirement which would result in a minimum £12m CIP in 2014-15. It acknowledged that this may require the Trust to invest in additional capacity to undertake this implementation, and to make some difficult decisions in implementing this. In addition, the Board made it clear that the Trust's management and clinical teams should put in place schemes, particularly focussing on clinical service redesign, that would deliver a full-year effect of £16.9m – in order to make an early contribution to 2015-16's requirement.

Therefore, taking all the above into account, the Board of Director's agreed that the financial plan for 2014-15 would be a £4.9m deficit, as a result of only implementing a £12m in-year CIP (Option B above). This results in the following income and expenditure, and cash flow positions and CoSRR shown in the following tables:

2014/15 Annual Plan	£000
Tariff Income	148,926
Community Income	59,584
Non Tariff Income	53,459
Total NHS Clinic Income	**261,968**
Non NHS Clinical Income	1,331
Other Operating Income	28,365
Total Income	**291,665**
Pay	(210,069)
Drugs	(14,334)
Non-Pay	(59,730)
Total Expenditure	**(284,132)**
EBITDA	**7,532**
Financing	(12,475)
Surplus / (Deficit)	**(4,943)**

In summary,

- A deficit of £4.9m (margin -1.7%);
- An EBITDA of £7.5m (margin 2.6%);
- An overall CoSRR of 3;
    - A liquidity risk rating of 4 within this;
    - A Capital Service risk rating of 2 within this;
- A CIP requirement to reduce costs of £12.0m in 2014-15, with a requirement from the Board to put in place schemes totalling £16.9m.
- Activity targets for 2014-15 are based on 2013-14 out-turn activity levels, with the exception of elective activity which has been increased by a total of £1.2m, to reflect plans to allow for the maintenance of 18 weeks treatment targets;
- Capital expenditure plans in 2014/15 totals £11.8m which includes an expectation of the D Block Building progressing. The final decision on this will be taken by the Board in May 2014. This capital programme utilises £5.3m of cash reserves in 2014-15, and a further £10.0m in 2015-16.
- Income deflation and cost inflation for 2014-15 is in the main now quantified and incorporated in the model.
- A closing cash balance of £36.7m.

2015-16 Financial Plan

The 2015-16 Annual Plan has been built from the starting point of the 2014-15 Annual Plan with several key amendments. We have considered and applied generic inflation assumptions based on the most up to date intelligence. Other adjustments which have been made include:

- The impact of the second year, of the recently announced two year pay deal has also been estimated;
- The impact of the additional employers pension contributions which commence in 2015-16 have been included;
- The impact of the E-Records Business Case has been included;
- The impact of the Patient-track Business Case has been included;
- Non-recurrent R&D and Education & Training funding under transition arrangements has been included.

Where activity changes are expected, but the demand deflection schemes to deliver these have not yet specified, then the activity changes have not been actioned in our plan. This ensures that our plan is prudent and evidence based.

The base case income and expenditure position for 2015-16 is a deficit of £15.4m, prior to the delivery of any CIP. However, the £4.9m deficit (CIP shortfall) from 2014-15 will add to this, resulting in a £20.3m gap.

The BSF programme has identified CIP schemes for 2015-16 totalling £11.9m. Whilst work is ongoing to accelerate some of these schemes into 2014-15, £5.9m has been identified for 2016-17, some of which could be accelerated.

Forward CIP Plan 2014/15 - 2016/17	2014/15 (£000's)	2015/16 (£000's)	2016/17 (£000's)	Total (£000's)
Building a sustainable future				
Estates & Facilities	510	0	0	510
Income Generation	313	3,174	561	4,047
People & Policies	3,201	975		4,176
Service Transformation	1,566	3,075	0	4,641
Technology (21st Century)	100	175	1,300	1,575
Departmental CRPs	4,189	3,400	3,400	10,989
Corporate Departments within scope of KPMG Back Office Review	0	800	0	800
Southern Sector Pathology *	150	300	650	1,100
Southern Sector Clinical Services - TBC	0	0	0	0
Total Identified	**10,029**	**11,899**	**5,911**	**27,838**
*subject to Programme Board and Trust Board confirmation				

Therefore, given the ongoing work to strengthen and improve CIP performance, the Board of Directors agreed that in the 2015/16 base case the Trust should aim to deliver a CIP, that returns the financial position to a planned surplus, in order to cover the Trust's loan payment i.e. £1.1m. They noted that this results in a £21.4m CIP requirement for 2015-16, and would deliver a CoSRR of a 4.

Summary 2014/15 and 2015/16 Annual Plan

	2013/14 Plan £m	2013/14 Outturn £m	2014/15 Plan £m	2015/16 Plan £m
Income				
Clinical Income	255.5	263.6	263.3	259.1
Non-Clinical Income	27.7	28.6	28.4	28.9
Total Income	283.2	292.3	291.7	288.0
Expenditure				
Pay Costs	(205.7)	(205.7)	(210.1)	(202.3)
Non-Pay Costs	(69.9)	(73.8)	(74.1)	(71.5)
Total Expenditure	(275.6)	(279.5)	(284.1)	(273.8)
EBITDA	**7.7**	**12.8**	**7.5**	**14.2**
Depreciation	(7.1)	(7.3)	(7.6)	(8.0)
Other Non Operating Expenses	(0.4)	(0.1)	(0.6)	(0.9)
Financing Costs	(4.2)	(4.2)	(4.2)	(4.2)
Net Surplus / (Deficit)	**(4.0)**	**1.3**	**(4.9)**	**1.1**
CoSRR	**4**	**4**	**3**	**4**
CIP Requirement	**8.4**	**9.3**	**12.0**	**21.4**

Capital

The Board also approved the two year capital plan at its February 2014 meeting.

Within it, a key decision for the Board of Directors to make on presentation of the Full Business Case in June 2014 will be regarding whether to proceed, and the timing of the construction of the proposed D block development of c.£17m. The Board of Directors received an update paper on this in the February 2014 meeting, allowing them to consider the revenue affordability position, and the impact of utilising the Trust's free cash on this scheme, in the context of the Trust's overall financial position.

The Trust has three local service provider information systems that reach the end of their contracts from

July 2016:

- iPM solution (ownership of which was retained by the Commissioners when Community services transferred) that manages the patient admin process in each of our two Community Services contracts, and;
- Theatre management system ORMIS.

We understand that there will be the opportunity to extend these contracts although the cost beyond July 2016 is uncertain although it is expected to be substantial. Renewal of Community systems will require a joint approach with Commissioners. The Trust's new Information Strategy identifies options and programmes of work that looks to replace all these systems by 2016. Market assessment work has recently commenced to identify a single strategic option for Community Services that will be subject to a business case by September 2014 and the replacement Theatre system forms a part of the current Electronic Patient Record (EPR) Business case.

The 2014-15 capital and 2015-16 capital programme is therefore:

Description	Capital Plan 2014/15	Capital Plan 2015/16
	£000	£000
Property & Estates Schemes		
Site Security Upgrades	150	0
D-Block Extension - to GMP	5,112	11,944
Catering Strategy (Building)	2,474	0
Minor Projects	270	250
Backlog Maintenance / Site Infrastructure	140	140
Statutory Compliance	245	245
Environmental / CMIP	150	150
Corporate / Facilities	145	145
	8,686	**12,874**
Equipment Schemes		
Medical Equiptment	1,217	1,917
	1,217	**1,917**
IM&T Projects		
IM&T Rolling Programme	1,880	2,059
	1,880	**2,059**
Other	100	100
Totals	**11,883**	**16,950**

Key schemes within this include:

- Replacement Laparoscopic equipment for Urology;
- Echo Machines and EchoPACs;
- Patientrack - vital signs monitoring system;
- Out-Patient Self Service Kiosks;
- Computer server room expansion / refurbishment;
- D-Block Development (Surgical and short-stay medical wards);
- Continuing implementation of the Catering Strategy.

This investment is funded by £6.6m of resources that will be generated from our own resources in-year (depreciation less loan repayments). This means that £5.3m of the 2014-15 programme and £10.0m of the 2015-16 programme will be being funded from using cash balances.

The Trust has also taken the decision to cancel its working capital facility from 1st April 2014.

The 2014-15 and 2015-16 closing cash flow statements are presented below:

Annual Plan Cashflow Summary	14-15	15-16
Opening Cash at 31st March 2014	**46.5**	**36.7**
Income	290.9	289.6
Expenditure	(283.3)	(275.5)
Movement in working capital	7.53	14.13
Financing	(5.2)	(5.2)
Non Operating Expenses	(0.6)	(0.9)
Capital Programme 14-15 (including creditor movements)	(11.5)	(16.9)
Closing Cash Flow 14-15	**36.7**	**27.8**

The financial plans above deliver outcomes, which if achieved, ensure the Trust remains a Going Concern over the period of the plans.