Wrightington, Wigan and Leigh NHS
NHS Foundation Trust

Operational Plan Document

for

2014/15 – 2015/16

Wrightington, Wigan and Leigh NHS Foundation Trust

Strategic Plan for y/e 31 March 2016

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

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Date	**31st March 2014**

In signing below, the Trust is confirming that:

- The Operational Plan is an accurate reflection of the current shared vision and strategy of the Trust Board having had regard to the views of the Council of Governors;
- The 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;
- 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)*	**Mr Les Higgins**

Signature

Approved on behalf of the Board of Directors by:

Name *(Chief Executive)*	**Mr Andrew Foster CBE**

Signature

Approved on behalf of the Board of Directors by:

Name *(Finance Director)*	**Mr Rob Forster**

Signature

1. Executive Summary

1.1 Introduction

The NHS Mandate outlines the key areas in which NHS England expects Trusts to improve the quality of the care offered to patients and the public; in response to these ambitions WWL has developed a range of operational and strategic plans which set out how the Trust intends to deliver appropriate, high quality and cost-effective services for patients over the next two years (1st April 2014 to 31st March 2016). This document outlines the projected activity, pressures and performance to 2015/16 that will ensure services to patients remain high quality and resilient.

1.2 Overarching approach

The Operational Plan 14/16 is written in the context of the Trust's strategic approach which is as follows:

Mission – *to provide the best quality healthcare to all of our patients*
Vision – *to be in the top 10% for everything we do*
Strategy – *to be safe effective and caring*

1.3 Quality Strategy

WWL has developed a revised Quality Strategy for implementation from 2014-17 which outlines the Trust's quality goals over the next three years against its overarching strategy to be safe, effective and caring. The process to develop the Quality Strategy has taken into account the national context for quality including the draft Care Quality Commission (CQC) fundamental standards and the Government's response to the Francis Report as well as increased focus on quality and concerns regarding patient safety in the NHS since 2011. The Quality Strategy considers local challenges experienced by the Trust, for example, the warning notice issued by the CQC in April 2013.

1.4 Operational Plan

The Trust's overarching approach is to meet rising public expectations by improving the quality of the services it provides and responding to the results of the 'Healthier Together' consultation proposals which may result in significant hospital reconfiguration. The Trust will ensure that it has a clear view on the future range of services it offers, that this is aligned and agreed with Wigan Borough CCG and other health and social care providers. The Trust will work in partnership with health and social care to facilitate the delivery of the Borough Integrated Care Strategy to increase integration with primary care, social care and community services building on existing programmes of work already delivered in partnership across the Borough; to facilitate this work the Trust will ensure that it has the capability and capacity to respond to and deliver large scale service changes. This work will be driven by a focus on moving care closer to home for patients and their carers and keeping people healthy in their own homes as long as possible. The challenge for the Trust

will be to manage this transitional period which is likely to see a reduction in overall levels of income as well as an operational challenge in terms of looking to provide services in new ways from different locations. The Trust will need to maximise income opportunities whilst recognising that income will reduce in some areas and associated costs will need to be eliminated. A strong marketing plan which will 'repatriate' Wigan activity to the Trust and attract out of area services uses will be required to achieve the levels of income anticipated. Finally, the Trust will be reducing costs whilst maintaining safe, effective and caring services. The introduction of the new Hospital Information System, and the creation of 'development zones' across WWL will facilitate this process as will a comprehensive and well developed programme of cost improvement plans.

Summary of 2014/15 & 2015/16 CIP Position

Table 1 – Summary of CIP Position

Strategic Themes	**14/15**		**15/16**	
	£M	**WTE**	**£M**	**WTE**
Outpatients	0.8	0.00	0.1	
Good to Great	4.0	41.63	3.5	67.10
Commercial Ventures	0.7	0.00	0.8	
Clinical Service Review 2	2.1	45.00	0.1	
Sub-Total Strategic Themes	**7.6**	**86.63**	**4.5**	**67.10**

Operational Schemes	**14/15**		**15/16**	
	£M	**WTE**	**£M**	**WTE**
Integration & Alliances	0.0	0.00	1.5	12.80
Estates, Facilities & Site	0.6	0.00	0.5	
Procurement & Drugs	2.0	0.00	2.7	
Workforce	0.9	3.90	2.4	28.70
Other	1.4	0.00	0.6	
Sub-Total Operational Themes	**4.9**	**3.9**	**7.7**	**41.5**

Total	**12.5**	**90.53**	**12.2**	**108.6**

2. Operational Plan

2.1 Short term challenge (2014/16)

The Trust will face several areas of challenge during the period between 2014 and 2016.

2.1.1. Responding to public expectations

It is anticipated that the public will increasingly demand high quality, safe and effective services, this will drive commissioners to become more exacting in the quality standards and clinical outcomes that NHS Foundation Trusts deliver. Locally Wigan CCG has become more exacting in the quality standards that it expects the Trust to achieve, while the Trust has also have come under greater scrutiny from organisations such as Health Watch.

2.1.2. Reconfiguration of hospital services

Hospital services across greater Manchester will be undergoing a phase of intense re-organisation and reconfiguration. This will be driven by a number of different initiatives, most notably the Healthier Together programme. At the time of writing this plan the Healthier Together programme are planning to go to public consultation in June 2014 around a proposed future model of care for hospital services. The outcome of this consultation could have profound implications for the Trust. There will also be a number of other factors that will result in hospitals changing the range of services that they provide, such as proposed changes to specialist commissioning and the increasing tendency for commissioners to market test services or issue new specifications. This has been seen locally in Vascular services as well as in Neuro-Rehabilitation services. Key to success here will be through the Trust having a very clear view on what its future range of services as well as having the right skills to manage a number of large scale service changes.

2.1.3. Closer Integration with Primary Care, Social Care and Community Services

There is a broad consensus across the Wigan Health Economy that the best way to ensure the future sustainability of health and social care services is to see a closer integration between health and social care, as well as between hospital services and community based services. The philosophy behind this is simple in that the health economy will look to keep people healthy in their own homes as long as possible and that local people will be encouraged to take more responsibility for their own health. Hospital services will be moved into the community where it can be shown that it is more effective to do so. The challenge for the Trust is for to manage this transitional period which is likely to see a reduction in overall levels of income as well as an operational challenge in terms of looking to provide services in new ways from different locations.

2.1.4. Maximising Income Opportunities

While the Trust recognises that income will reduce in some areas WWL also believes that there are areas where income can be grown. The first area for growth is in orthopaedic surgery. This is an area of expertise where the Trust has a critical mass of staff and facilities and a strong brand reputation. With short waiting times and good clinical outcomes the Trust is confident that it can grow the out of area referrals as well as repatriate Wigan residents from other providers. Similarly in other areas where the Trust has strong services, but are is not achieving the expected market share the Trust believes that with short waiting times, first class facilities and good clinical outcomes the activity can be ‘won back’ bringing Wigan patients to WWL from other providers. Finally as a Trust WWL are increasingly building competence in generating income from other sources of funding which has already been done successfully in catering services and IT services, as well as turning around and improving a declining position in private patient income. The Trust will be looking to build on this existing approach with additional exciting new commercial opportunities.

2.1.5. Reducing costs

The final key short term challenge the Trust faces is how to continue to provide high quality, safe, effective and caring services but at a reduced cost, in short, being able to do more with less. This requirement means that WWL will have to further rationalise estate and maximise opportunities to sell surplus land. The trust will also have to reduce pay costs which will

entail having to reduce the number of staff that are employed, and review the mix of skills that are required. In addition the Trust will also need to ensure that value for money is achieved in non-pay costs. Where investment is made in new facilities and equipment, the Trust will need to ensure that value for money is achieved and that there is a clear benefits realisation plan in place.

2.2. Quality Strategy 2014-17

2.2.1. Quality Priorities

The Trust has developed a revised Quality Strategy 2014-17 for implementation from 2014-17. The Quality Strategy outlines the Trust's quality goals over the next three years against its overarching strategy to be safe, effective and caring.

The Trust has undertaken a process to develop the Quality Strategy which has taken into account the national context for quality, for example, the draft Care Quality Commission (CQC) fundamental standards and the Government's response to the Francis Report. The Quality Strategy recognises that there has been an increased focus on quality and concerns regarding patient safety in the NHS since 2011, following the rise in prominence of a number of high profile cases, salutary reminders of what can go wrong when quality is not put at the heart of Trust business. The Quality Strategy considers local challenges experienced by the Trust, for example, the warning notice issued by the CQC in April 2013.

The process to develop the Quality Strategy 2014-17 goals and the associated metrics to be achieved over the next year (as outlined below) were agreed in consultation with staff, governors and external stakeholders.

The quality goals are outlined in the Trust Quality Strategy for 2014-17 are as follows:

Safe:

- **To reduce avoidable harms**

  The Trust aims to move progressively towards zero avoidable harms in hospital over the next three years.

- **To reduce mortality**

The Trust aims to reach an HSMR of 83 by 2017 and SHMI of no more than 100 over the next three years.

Effective:

- **To improve patient clinical outcomes for planned treatments**

The Trust aims to be in the top 10% of Trust's for PROMS and Advancing Quality Scores, indicators of positive patient outcomes.

- **To improve the recognition and response to the acutely unwell patient**

The Trust will identify specific areas of concern annually as quality account priorities.

- **To improve nutrition management**

The Trust will identify, review and monitor specific areas of concern annually as quality account priorities.

- **To improve discharge arrangements for patients**

The Trust will identify, review and monitor specific areas of concern annually as quality account priorities.

Caring:

- **To be recognised as the most caring Trust in the country by 2017**

The Trust aims to be in the top 10% of similar Trusts for patient opinion surveys. The Trust will also identify specific areas of concerns identified by patient feedback for annual improvement as quality account priorities.

- **Quality Account Priorities for 2014-15**

The Trusts overarching strategy is to be safe, effective and caring, reflecting the Darzi definition of quality (patient safety, clinical effectiveness and patient experience). The Trust has identified metrics to be achieved over the next year under safe, effective, caring and linked directly to the Trusts three year Quality Strategy. These priorities for improvement in 2014-15 are outlined in the Trust Quality Account 2013-14, due for publication at the end of May 2014.

Safe:

Priority 1:	**To attain and maintain 98% of patients experiencing harm free care**
Rationale:	The Trust aims to move progressively towards zero avoidable harms by 2017. Reducing avoidable harms was a priority suggested by Trust stakeholders. 95% of our patients consistently do not experience harm in hospital from falls, blood clots, pressure ulcers or urine infections for patients with a urinary catheter in place but the Trust aims to improve further during 2014-15.

Priority 2:	**To reach an HSMR (Hospital-Standardised Mortality Ratio) of no more than 87 before rebasing and SHMI (Summary Hospital-Level Summary Indicator) of no more than 100**
Rationale:	A priority for the Trust Board is to ensure that mortality rates are below the average of similar hospitals.

Priority 3:	**To reduce harm from medication errors**
Rationale:	In April 2013 the Trust was issued a warning notice for failure to meet one Essential Standard for Quality and Safety: Outcome 9 Management of Medicines. This warning notice was removed in August 2013 following the implementation of a number of actions; however, the Trust continues to improve and monitor medicines safety. This priority requires further consideration about how it will be monitored and reported before it is finalised.

Effective:

Priority 1:	**To improve the management of the deteriorating patient with a focus on sepsis and cardiac arrest**
Rationale:	A three year quality goal is to improve the recognition and response to the acutely unwell patient. The management of these patients has been identified as a theme following the analysis of incidents and inquests.

Priority 2:	**To prevent unacceptable levels of unintentional weight loss for inpatients**
Rationale:	The management of nutrition and fluids has been identified as a 'lessons learned' theme following the analysis of incidents, complaints and claims. Areas for improvement were identified by the Trusts internal compliance review in December 2013 and Trust stakeholders have highlighted the theme. The Trust recognises that an unacceptable level of unintentional weight loss in hospital is 'harm'. This priority requires further consideration about how it will be monitored and reported before it is finalised.

Priority 3:	**100% of applicable patients to receive an expected date of discharge**
Rationale:	Stakeholders have identified discharge as a Trust priority for improvement for 2014-15. In November 2013 a baseline audit was undertaken prior to the introduction of the Trust's Always Events. Further information on the Always Events can be found on page 13. 45% of patients reported that they had received an expected date of discharge. 48% of staff reported that they had provided the patient with an expected date of discharge. This priority excludes patients receiving day surgery procedures.

Priority 4:	**To improve patient clinical outcomes for planned treatments**
Rationale:	All NHS patients having hip or knee replacements, varicose vein surgery, or groin hernia surgery are invited to fill in PROMs (Patient Reported Outcome Measures) questionnaires. Patients are asked about their health and quality of life before they have an operation, and about their health and the effectiveness of the operation afterwards. This helps Trusts to measure and improve the quality of its care. Advancing Quality aims to give patients a better experience of the NHS by making sure every patient admitted to a North West hospital is given the same high standard of care. Advancing Quality works with clinicians to provide NHS trusts with a set of quality standards which define and measure good clinical practice. Compliance against those standards is measured. The Trust participation focuses on the following areas: heart attack, heart failure, hip and knee surgery, pneumonia and stroke.

	The Trust aims to be in the top 10% for PROMS and Advancing Quality scores.

Caring:

Priority 1:	**To be in the top 10% of Trusts for patient opinion surveys**
Rationale:	The Trust Board aims to be the most caring Trust in the country. Patient feedback is a crucial indicator of whether the Trust is progressing towards achieving this.

Priority 2:	**To achieve 90% of patients reporting that they were involved as much as they wanted to be in decisions about care, treatment and discharge from hospital**
Rationale:	Patients responding to the Trusts real time patient surveys are reporting that they do not always feel involved in decisions about their care and treatment.

Priority 3:	**To achieve 90% of patients reporting that they were aware of which consultant was treating them**
Rationale:	Patients responding to the Trusts real time patient surveys are reporting that they do not always know who is responsible for their care and treatment.

2.2.1.1. National, Greater Manchester and Local Commissioning Priorities 2014-15

Type of CQUIN	Name	Description
National	Friends and Family	**1. Achieve national implementation plan** **2. Achieve response rate of at least 30% for inpatients and 20% for A&E in Q4**
National	Dementia (requirements same as 13/14)	**1. Find, Assess, Investigate, Refer (FAIR)** **2. Clinical Leadership for Dementia and Access to Staff Training**
National	Safety Thermometer Submissions (as 13/14)	**1. Reduction in pressure sores**
Greater Manchester	Patient Safety (Learning Lessons Once)	**1. Project to take place in year to make sustained improvements in a recurring theme of SUIs/complaints etc.** **2. Key area to be identified by CA/AE and to be managed through joint QSSG meeting**
Greater Manchester	Clinical Effectiveness (Care of the deteriorating patient)	**1. Aim is to improve care for deteriorating patients through earlier recognition and treatment** **2. Baseline to be established in Q1 via audit (proposed that clinical audit be asked to do this)** **Plan then to be developed with improvement to be demonstrated by Q4 via repeat audit**

Greater Manchester	Ambulatory Care	**1. Aim is to reduce readmissions for certain ambulatory care conditions** **2. Agreed with commissioners to focus on COPD** **3. Project plan to be developed in Q1 and performance against it monitored in Q2 and Q3. Improvement to be shown by Q4**
Greater Manchester	Learning Disabilities	**1. Aim is to improve services for adult patients with a learning disability through implementing GM Best Practice** **2. To be managed through the Health Sub-Group of the Learning Disabilities Partnership Board**
Local	Nursing and Senior Medical Cover	**1. Maintain nursing levels post additional investment** **2. Increase senior medical cover at weekend by Q4**
Local	Discharge Process	**1. Review and if necessary update the current discharge policy/process** **2. Communicate with all stakeholders Ensure all staff are trained to ensure the policy is followed**
Local	HIS (currently not agreed by CCG)	**1. Achieve milestones in HIS implementation plan**
Local	Pregabalin Prescribing	**1. Reduce pregabalin prescribing as a proportion of total pregabalin, gabapentin and low dose amitryptyline**

2.2.2. Implications for Staff

The Trust is planning engagement events for staff to discuss the implementation of the Trusts Quality Strategy, implications for staff and how every member of staff within the organisation can contribute.

2.3. Quality Governance Framework

The Trust aims to maintain effective governance systems and is committed to the continuous improvement of these systems. In 2013-14 the Trust commissioned a review by Deloitte against Monitor's Quality Governance Framework. The Trust achieved an overall score of 6.0. An improvement plan was developed to consider the 46 recommendations from the Quality Governance review and 25 recommendations from a review of Board and Sub-Committee Governance.

Whilst the Trust has aimed to progress or complete a number of the actions by the end of March 2014 amendments to the Trust's organisational structure or reporting requirements will be implemented from April 2014. Specific recommendations are being addressed as part of these changes including:

- The development of a revised Assurance and Escalation Framework.

- An amended Board Assurance Framework to include actions/assurances on controls.
- The development and implementation of a Data Quality Strategy.
- The development of a Corporate Audit Programme for 2014-15 that ensures that appropriate audits are captured and are fully integrated with governance and risk processes.
- A review of the membership and attendance at the Trust's Quality and Safety Committee
- The implementation of a more up-to-date version of the Trust's risk management system. Accountability and responsibilities for incident reporting and management at all levels of the Trust are being clarified as part of this implementation process. Potential for under-reporting of patient safety incidents has been flagged as a risk by the CQC in the Trusts Intelligent Monitoring Report (February 2014). The introduction of a revised risk management system will assist the Trust to mitigate against this risk in 2014-15.

A further review against the Deloitte recommendations is scheduled during 2014-15. The Trust is on-track to achieve a score of less than 4 to comply with the Quality Governance Framework scoring criteria.

2.3.1. Trust quality improvement priorities

Trust quality improvement priorities are reflected in the Quality Strategy 2014-17 goals and Quality Account 2014-15 priorities. As stated above, these priorities were agreed in consultation with staff, governors and external stakeholders following a review of the Trusts successes and challenges over the last year.

The Trust undertook an internal compliance review based on the 'Keogh review' model in December 2013 to identify areas of good practice and existing quality concerns. An improvement plan has been established to address areas for improvement which included diabetes care, staffing levels associated with acuity, dependency and patient flow and the management of acutely confused patients or patients with mental health conditions. Actions to progress this improvement plan will continue during 2014-15.

The Trust undertakes weekly mortality reviews of deaths in hospital and circulates the findings to a number of clinicians and managers across the organisation. An annual analysis of these findings has highlighted themes for improvement which could reduce mortality. These themes include problems associated with high risk medications and escalation of deteriorating patients

The Trust benchmarks well against other NHS Trusts for HSMR (Hospital Standardised Mortality Rate) but not as positively for SHMI (Summary Hospital-Level Mortality Indicator). One of the Trust's three year corporate objectives and quality priorities is to reach SHMI of no more than 100.

The Trust has a trajectory for Clostridium Difficile cases of 25 during 2013-14. To date (February 2014) the Trust has had 28 cases. The Trust has continued to invest in its Clostridium Difficile programme in view of its challenging CDT target trajectory. The Trust has found this year's target of 25, which represents a 31% improvement on 2012/13, to be clinically more difficult to achieve due to the nature of the patients presenting with CDT. The Trust has reduced its avoidable incidence of CDT by around 11% this year to date relative to last year by utilising the lessons learnt.

Nutrition and fluid management has been identified as an existing quality concern following a review of lessons learned from incidents, complaints and inquests. A number of initiatives are underway to address this and progress to improve nutrition and fluid management for our patients will be monitored in 2014-15.

Patients have provided feedback to the Trust that more focus on ensuring that patients feel involved in decisions about their care, treatment and discharge is required. Patients tell us that staff do not always introduce themselves and they are also not always aware of who is responsible for their care. These concerns have been reflected in the 'Always Events' outlined below to be embedded during 2014-15 and in Trusts actions following the government's response to Francis. The Trust has introduced whiteboards by every bedside which include information on the patient's consultant and key nurse.

In September 2013 the NHSLA highlighted that the Trust is an outlier for NHSLA clinical negligence claims regarding the amount of money the NHSLA pays to settle Trust claims against Trust premiums. The Trust recognised the seriousness of this outlier status and has taken actions to address this. The Trust will continue to improve systems to learn lessons from incidents, complaints and claims in 2014-15.

2.3.2. Quality Initiatives

A revised approach to regulation is imminent highlighting the importance of horizon scanning and effective governance systems.

In addition the following activities also contribute to the implementation of effective governance systems:

- the Trust's Mission Statement, Vision including the overarching strategy to be safe, effective and caring
- the WWL Wheel
- the Trust 1 and 3 year corporate objectives
- creation and dissemination of the monthly Team Brief which informs staff of quality successes and challenges
- the structure of work in the Quality and Safety Committee and Quality Champions Committee
- the divisional mirroring arrangements
- other 'enablers' or initiatives which will continue to be embedded during 2014-15 that assist to strengthen these systems and contribute to mitigating the risks to addressing the Trusts quality concerns

2.3.2.1. Quality Faculty

The Trusts Quality Faculty promotes a culture of improvement amongst staff at all levels of the organisation and increases capability for quality improvement. Quality Champion recruitment and the development of the Quality Faculty will continue in 2014-15. The Trust has supported a number of clinicians and managers to undertake quality improvement method training. These 'Quality Champions' provide the driving force and resource to energise the Trusts quality plans and ensure the principles are embedded at ward and team level.

2.3.2.2. Internal Compliance Inspection

The Trust is registered with the CQC to provide care and treatment without compliance conditions. The Trust aims to maintain compliance in 2014-15 against Care Quality Commission (CQC) standards and to continue to be registered to provide care and treatment without compliance conditions. The Trust is preparing for the publication of the CQC Fundamental Standards. In December 2013 the Trust undertook an internal compliance inspection based on the 'Keogh Review' model and invited Governors and the Clinical Commissioning Group to participate. This inspection highlighted good practice and areas for improvement. In 2014-15 the Trust will continue to implement its improvement plan to address areas of concern. A further internal compliance inspection is scheduled for June 2014.

2.3.2.3. Always Events

In January 2014 the Trust launched the 'Always Events', 10 'events; that should always happen. 'Always events' are everyone's responsibility and are as follows:

- Address patients by their preferred name
- Introduce yourself to patients
- Show patients and their families the level of respect you would expect for yourself or your own family
- Ensure patients have access to appropriate nutrition and fluids
- Challenge those who are not doing the right thing
- Adhere to the '6 Rights' of Medicine Safety
- Keep patients informed of their care in a way that they understand and is acceptable
- Ensure patients receive an expected date of discharge and appropriate explanation of what this means, on admission
- Ensure patients are assisted to the toilet if requested
- Ensure patients who have died receive dignified care and leave the ward within 2-4hrs

During 2014-15 the Trust aims to embed these '10 commandments' across the organisation. They will be monitored as part of the Trust's Corporate Audit Programme 2014-15 by the Trust's Lay Auditors.

3. Operational requirements and capacity

The focus of the Trust's Operational Plan is in line with the Trust's one year and three year objectives which are detailed in Appendix i. Collectively they translate into the Trust's Operational Plan as follows:

1. Maintaining the focus on continuously improving the quality of services, working to decrease variations in care and to improve health outcomes. To facilitate this work the Trust is moving to seven day working, participating in the Department of Health pilot project which will be implemented during 2014/15.

2. Providing a full range of District General Hospital services and working closely with WB CCG to ensure that WWL is the provider of first choice for the public in Wigan. Where appropriate the Trust will be seeking to grow its market share by repatriating activity currently undertaken for Wigan patients in services outside the Borough.

3. Developing integrated care services by strengthening partnerships with Wigan MBC, Bridgewater Community HC Trust, Wigan Borough CCG and Five Boroughs Mental Health services to work collaboratively to develop and deliver the vision for integrated services for the Borough as outlined in the Integrated Health & Social Care Strategy approved at the Health & Well-being Board in January 2014. This work will include delivery of 'integration max' which will build upon the Integrated Neighbourhood Teams programme (established April 2013) to reduce admissions and support the provision of care closer to home, improve the care of frail older people and reduce the number of secondary care out-patient services.

4. Being the Orthopaedic provider of choice for the North West. This will be delivered through an £18m capital development, a combination of service improvements to achieve optimum clinical pathways of elective orthopaedic care and a sustained marketing programme.

5. Reviewing the portfolio of services in order to establish a clear programme of work for each specialty which, in the context of the wider organisational strategy and the Borough integrated care vision, will clarify whether the specialty needs to grow, improve or requires some disinvestment.

6. Estate rationalisation and creation of development zones on Leigh and RAEI sites. This will be enabled by moving services out of buildings that are no longer required and then demolishing those buildings. This in the short term will generate revenue savings and in the longer term give additional flexibility on each site for potential future developments.

7. Implementing a new Hospital Information System which will facilitate the Trust-wide transformation plans through optimum use of technology and improving the efficiency of existing clinical and administrative pathways.

8. Seek partnership to enable delivery of Private Patients Unit.

3.1 Key risks and mitigation

WWL recognises the need to respond to the rapidly changing external environment through a programme of transformational changes however some of the external threats to the Trust (such as the 'Healthier Together' programme) are not yet fully articulated and confirmed. Recognising that there is still a need to plan an effective and robust strategy, the Trust is developing a range of options for future service provision which will enable it to evaluate and respond to the potential impact of a number of different scenarios. The Strategic Plan (to be submitted to Monitor in June 2015) will reflect the outcomes of this work.

There is recognition across WBCCG and the main health and social care providers of the importance of having a clear shared understanding of the range of key strategies and operational plans that have a potential impact on the delivery of the reformed health and social care system in Wigan. To respond to this need a robust governance structure was established in 2012 which consists of a number of forums at strategic and operational level in which plans are developed and shared. These forums are well established, have broad representation from health and social care (including WB CCG and Wigan Council) and have been further enhanced in early 2014. The over-arching Board into which these structures report is the Health & Well-being Board. Part of the role of the governance structure (through the Wigan Leaders Board and the Tactical Programme Group) is to understand where partners can come together in common cause to driver strategic change, to share information in relation to plans that are uni-organisational but of potential significance or interest to other organisations and to facilitate opportunities for engagement and discussions across organisational boundaries.

In addition WWL has already shared detailed activity and income assumptions with WB CCG for 14/15 (including cost improvement plans) and these have formed the basis of the contract negotiations for 14/15. For 15/16 and the next four years WB CCG have outlined their proposals to change and develop services (in line with the integrated care strategy) including the plans to move up to £69m out of WWL as care is moved closer to home where appropriate. These outline plans have formed the basis of discussions in a number of different forums where the other local health and social care organisations (Bridgewater CHC Trust, WWL, Five Boroughs and Wigan Council) have also shared their plans for the next 3 years.

There are a number of key risks for the Trust which at the time of writing this plan cannot be fully quantified however the Trust is developing a range of options to respond to these risks and has already planned to mitigate – these are outlined below.

1. There are unprecedented levels of demand upon health and social care services at the same time that the population is ageing, inequalities in life expectancy across the Borough continue to rise, and funding levels reduce. The Borough's response to this pressure has been to develop a vision for integrated services which can be summarised as health and social care services:

- supporting people to be independent and take control of their own care
- provided at home or in the community where possible
- being part of an integrated system led by primary care

2. Healthier Together is a review of health and care in Greater Manchester which aims to transform healthcare services within Greater Manchester to improve quality and efficiency of care provision. A key driver behind this is the requirement to ensure a sufficient critical mass of clinical services across the conurbation as a whole. Although no mention has been made of hospital closures there is a view that this review will also be used as a way of re-organising the overall provision of hospitals based across the area. The Trust response to this is to build good relationships with NHS Greater Manchester in particular building on the creditability gained by delivering the first shared pathology service in the area. In addition the Trust is actively pursuing a strategy of developing strong working partnerships with other NHS Foundation Trusts, with the intention of providing services on a networked basis, covering populations at or in excess of 500,000. In doing this the Trust will draw upon its skills and experience in partnership development, drawing on the track record of delivery in pathology services, decontamination services and Trauma Unit accreditation. Within this context the Trust continues to be involved in the development of these service reconfiguration discussions. The Trust's strategic partners of choice within these discussions are Bolton Hospital NHS Foundation Trust and Salford Royal NHS Foundation Trust.

   There are a range of possible outcomes from the Greater Manchester 'Healthier Together' project which could see the rationalisation of services between neighbouring Trusts. Consultation is due to commence in summer 2014 however the final proposals are still under development. The Trust's is actively participating in the process and has a clear plan to retain a full range of DGH services as outlined in this

3. Transformation of Wigan Health and Social Care. Wigan Borough CCG is conducting a detailed review of service provision in partnership with Attain consultancy and intend to move up to £69m of services out of hospital provision into a community setting over five years as part of the Borough's Integrated Care Strategy (as referenced in 1.)

Summary of Operational requirements and capacity changes				
	Physical space requirement	**Workforce impact**	**Beds change**	**Risk**
Become the Premier Elective Orthopaedic centre for the North West and increase market share for Wigan to 79%. Programme to include targeted marketing within and beyond Wigan to support delivery of additional activity Supports development of a market for 'Wrightington @'	Wrightington phase 1 development which will provide 56 in-patient beds; a four table theatre complex and admissions area	Expansion of workforce to deliver increased activity only apparent from 16/17 onwards as facility becomes available in February 2016	Net change – increase in 6 beds. Replace existing nightingale wards with a combination of single rooms (to support same sex accommodation) and modernised bays for day case surgery	Business case based upon increased activity through efficiencies and increase in market share which might not materialise
Extended Bowel screening campaign due to commence (Jan 2015). Trust is working collaboratively with Salford Royal NHS FT and Bolton NHS FT to plan for the delivery of this service	No	Requirement for nurse endoscopists 2 WTE	None	National shortage of nurse endoscopists which will impact ability to meet demand
7 day working to support Trust objective to decrease HSMR. The programme will enable effective and safe discharge of patients between 08.00 and 20.00 7 days a week, increased consultant presence on the Emergency Floor, and improve junior medical cover at the weekend; there will be increased access to radiology, therapy and outpatient services and the Trust will be ensuring compliance with Royal College guidelines which will in turn improve weekend HSMR, discharge processes and quality of care	No	The Trust will need to recruit additional 38.36 WTE Medical Consultants and support staff including radiographers' pharmacists and physiotherapy staff.	No	Recruitment and retention – inability to locate appropriate consultants
Vascular in-patient services will cease at WWL as reconfiguration through creation of supercentres is implemented and all level 2 and 3 vascular cases move out of WWL. All out of hours emergency vascular services will also transfer out. The Trust is engaged with Lancashire Teaching FT to facilitate this service change.	Physical estate / capacity will be released which can be used to support development of other services and support site and service rationalisation	Transfer of all medical staffing resource to the vascular arterial centre 2 WTE consultants	Re designation of inpatient beds to become rehabilitation beds for repatriated patients	Services do not transfer quickly enough to support current workforce model Potential risk of losing £1.5 income but the planned mitigation reduces the risk to £1 million

Provision of 'Christie at WWL' service to bring care closer to home for patients who will receive specialised care within a tailor made service suitable for their needs and reducing the need to travel.	Christie @ WWL & ESL new build due to be completed October 2014	Reconfiguration of existing medical staff job plans; nursing staff therefore no additional staffing implications	No change in in-patient beds	A small risk that patients may choose not to access the local service
Stroke services further centralised in Greater Manchester with patients with suspected stroke taken directly to Salford Royal FT and transferring to WWL for rehabilitation.	Re-designation of acute stroke beds to rehabilitation beds	Skill set required for nursing & therapy teams will need to be reviewed to focus on early rehabilitation skills	Reduction in required overall bed numbers unlikely however reconfiguration to support rehabilitation may be required	Repatriation from acute centre may be delayed if WWL capacity limited through discharge delays Acute centre may seek early transfer out of complex patients Poor patient - increased travel times for patients and carers and care further away from home
Neuro-rehabilitation service provided at Leigh will change in response to specialist commissioners decision to re-tender for services across Manchester	May require re-provision of Taylor Unit on the main Royal Albert Edward Infirmary site or release of existing ward facility if service transfers to alternate provider	Transfer of staff to new provider if service transfers to SRFT or and / or relocation		On-going delays to project implementation
IM&T strategy	WWL is looking to invest c£13m in a Health Information System over the next 3-5 years. This will make significant service improvements across the Trust, enabling new ways of working and providing the technology for paperless working	Health Information Systems are functionally rich and include many modules that will improve workforce productivity, provide more time to care, and improve patient safety, quality and their overall experience.	Bed Management, Patient Flow and workflow functionality will improve the effectiveness of our operational processes ultimately enabling the Trust to do more with less.	However, implementing Trust-wide IT systems is high risk. WWL is aware of the impact this could have on our financial stability and operational quality. As such, a significant governance framework has been established, led by our IM&T Strategy Committee, a sub-committee of our Trust Board.

Maintain service provision as an acute district general hospital, and deliver vertical integration of services within Wigan Borough. Changes within WWL include: Move out-patient services from Leigh Hospital to Leigh Lift Close ward quarter 3 2014/15 Close ward quarter 3 2015/16	As services move out of WWL this will enable the creation of development zones at Leigh and RAEI supports Leigh Development Zone	Workforce profile will change to reflect service requirements Minimum headcount reduction : 90.53 WTE 14/15 108.6 WTE 15/16	 2014/15 – 24 bed reduction 2015/16 – 24 bed reduction	Model not defined and potential provision of step up / step down facility in community may not be agreed Health Together and CCG commissioning intentions need to be aligned with the organisation's vision
Commercial developments; further opportunities which maximise non-patient related activities will be developed Expansion of existing shared services including Sterile Services Delivery Unit, Pathology at Wigan & Salford Development of 'Wrightington at…' model; Commercial partnership approach to delivery of back office functions Private Patients Unit Assisted conception Unit Occupational Health service provision to other organisations	 No change Utilisation of estate on other provider sites Would release space if service located on another site Closure of JCW and building of new unit Development of facility at Leigh No impact	 Headcount increase commensurate with service expansion at marginal cost Marginal increase may be required – will depend on model Head count reduction if services move to another provider Headcount neutral To be confirmed Increase in headcount to match service expansion	 No impact No change No impact No change No impact No impact	Suitable partners may be not be identified Inability to agree a partnership which provides the necessary capital to proceed Partner Trusts fail to agree commercial model

In response to this the Trust is also looking at different options regarding its own service offering over the next 3/5 years. WWL is therefore working with the CCG to determine the exact scope of this work and the timescale for delivery. Where it is felt to be appropriate WWL will be considering providing services in the community and is will also be seeking to explore joint ventures with other providers in the community setting. Throughout all the discussion with the CCG WWL has emphasised the importance of ensuring that costs comes out as income reduces, and that the phasing of this change requires further work. The discussions have included the potential requirement for transitional funding arrangements to be agreed.

4. Productivity, Efficiency and CIPs

4.1. 2014/15 & 15/16 Plans and Approach

The Trust recognised the scale of efficiency and productivity requirements for the next planning period and commenced work in August 2013 to implement a process with all key stakeholders to address the challenge.

The output of this piece of work was agreement on the priority areas for transformation based upon the opportunity assessment and the understanding of the scale of the productivity, efficiency and cost improvements required. From these priority areas a plan has been developed which identifies key areas of strategic change and then breaks this work down into manageable projects with identified the key challenges and highlighted areas where executive support is required. Detailed plans have enabled the Trust to assess the remaining gaps and review options to close those gaps although further work is required to test the assumptions made in relation to the 15/16 CIP. For example, the Trust will be developing the 'Wrightington @' model. Work is on-going to finalise the details however initial discussions have taken place with Central Manchester around utilising the Trafford surgical centre as a base for out-patient clinics for the Wrightington service; similarly the assumption is that the vertical integration work will result in a shift in service provision and a result decrease in demand from the hospital services; WWL will then look to reduce headcount accordingly.

Finally there has been a review of the existing performance management process for CIPs to ensure that this remains fit for purpose. As a result the Trust governance structure in relation to CIP has been strengthened for 2014/15 onwards to ensure that each scheme is rigorously performance managed but, more importantly, all schemes are now reviewed by the Medical Director and the Director of Nursing to ensure that there are no adverse impacts on quality. In 14/15 the Trust will increase the focus on recurrent CIP delivery, and building partnerships (across the Trust and with external organisations) to deliver the transformation projects.

4.2. Plans

The Trust has identified four strategic themes in relation to Cost Improvement Plans (CIP) and beneath these there are individual project plans across divisions and departments. Within each strategic theme (each of which is led by an executive director) there are a number of strategic projects which are managed through a Project Board, which provides

oversight for the project. In addition to the strategic themes each division and corporate area also have their own local CIP plans.

The strategic themes are as follows:

1. Outpatients
2. Good to Great
3. Clinical Services Redesign 2
4. Commercial ventures

The strategic themes have been identified in order to group programmes of work which either directly deliver CIP or provide Trust-wide enabling activities which are required to deliver the key objectives of the Trust and ensure CIP achievement.

1. **Outpatients.** Executive lead - Director of Performance & Operations. This theme is focused on pathway transformation to improve the patient experience through the provision of services closer to home and in a timely manner; key to this will be to reduce maximum out-patient waiting times for first appointments. The pathways changes will enable a reduction in the Trust's out-patient 'footprint' (in line with the Trust's objective to reduce out-patients by 15% in 14/15) as the number of follow-up appointments decrease and those that remain are provided in an alternative configuration and location. It is planned that this change will enable the Trust to repatriate Wigan borough patients who are currently seen in other Trusts, as well as increase market share for patients from out of the Borough. A detailed marketing plan has been developed to support this work. As part of the out-patient review the skill mix and numbers of staff currently engaged in providing outpatients services will be reviewed with a view to changing those as appropriate.
2. **Good to Great.** Executive lead - Medical Director. The theme is focussed on supporting the divisions to improve the quality and efficiency of the services through a programme of service reviews using Service Line Management and other key benchmark data. This programme of work will be undertaken in the context of the Trust's longer term strategic delivery intentions for the individual specialties. Currently the Trust is undertaking a thorough review of its portfolio of services. From this the Trust will have a clear view as to which services it wishes to invest in, strengthen or divest from. The theme will enable divisional led service reviews to be supported at executive level in a forum with their peers where learning can be shared across the organisation.
3. **Commercial Ventures.** Executive lead - Director of Finance. There are a number of key areas of work within this theme. Firstly the theme is focused on widening the range and level of innovation of the existing commercial projects so that the organisation becomes more commercially astute and develops a broad ranging portfolio of income generating activities which are consistent with the Trust's mission, value and objectives. The key projects for this theme are the development of a Private Patient Unit and Assisted Conception Unit and Occupational Health services as well as exploring opportunities to make further procurement savings. Secondly the trust will be undertaking a further review of back office functions and considering the option to partner with other organisations to develop an outline business case for a range of shared services across areas including transactional human resources, payroll and other corporate functions. Finally the Trust is looking to develop the concept of

'Wrightington @..' in partnership with other providers to increase the activity within orthopaedics.

4. **Clinical Service Review 2**. Executive Lead - Deputy Chief Executive / Director of Strategy & Planning. This theme builds on the work of the last two years which has increased the provision of ambulatory based assessment for unplanned care and reduced the in-patient length of stay within WWL, and established community based Integrated Neighbourhood Teams (INTs) in partnership with Bridgewater CHCT, Wigan Council and Wigan CCG. Moving forward this theme will focus on 'scaling up' current work which is providing clinical support into nursing homes and further developing the INTs. In partnership with other providers, WWL will be seeking to develop a virtual ward supported by a step up / step down facility based in the community.

   This work will enable the closure of one ward in quarter 3 14/15 and further ward in quarter 3 2015/16 as provision within the community is increased. Transitional funding models will be explored across the Borough to enable this change in provision whilst costs are removed from within WWL, with a reduction of 24 beds. To enable these significant changes the Trust is working in partnership to develop shared information systems across the Borough (including in GP practices) and working with the CCG and Wigan Council to agree financial flows that protect and reward the whole system.

The Trust recognises the importance of co-ordinating plans with our partner providers including Wigan CCG, Wigan Council, 5 Boroughs, Bridgewater CHCT and other local providers. The Trust is assured that this will be achieved as there is a clear governance structures and series of well-established joint planning forums already in place most notably the Health & Well-being Board, Wigan Leaders and Tactical Programme Board.

4.3. Divisional schemes

There are also a range of divisional schemes that are locally focussed but will be tracked the purposes of monitoring performance and enabling executive support where required.

The Trust's two year CIP targets amount to £12.5m in 2014/15, £12.5m in 2015/16. A summary breakdown of the 2014/15CIP is shown below *(in the Monitor format)*:

Table 3 – Summary of 2014/15 CIP Position

Target IYE	
Monitor Submission	**Total**
Commercial Ventures	215,000
Improved Capacity Planning	1,937,231
Improving Business Efficiency	9,462,646
Redesign of Clinical Services	896,123
Grand Total	**12,511,000**

Table 4 – Summary of 2015/16 CIP Position

Target IYE

Monitor Submission	Total
Commercial Ventures	750,000
Improved Capacity Planning	1,426,000
Improving Business Efficiency	9,009,446
Redesign of Clinical Services	971,383
Grand Total	**12,156,829**

The delivery of the Service Transformation / CIP Programme will be facilitated by the Trust's Programme Management Office (PMO) through the provision of performance management processes for the Trust, support for service transformation and / or direct project/programme management as appropriate to each project.

4.4. Quality Impact of CIP

WWL recognises that the successful delivery of the Service Transformation / CIP plans for 14/15 requires effective leadership and engagement from all the clinical teams and Divisions. In order to deliver this requirement there is a clearly identified process for the development and risk management of both Trust-wide projects (Strategic Schemes) and Divisional plans). This process ensures that all schemes are reviewed in line with Monitor guidance and any scheme identified as having a potential adverse impact upon quality is reviewed and authorised (or not) by the Director of Nursing and Medical Director.

The Trust has a number of policies and standard operating procedures relating to the identification and management of risk; all processes identified in this document derive from, and are compliant with, those policies.

4.5. CIP Process and Governance

The Trust now has a clearly established project management process outlined in the Project Management SOP, incorporating key elements of PRINCE2 and encompassing:

- The development of a communication plan
- The development of a training plan
- The development of a Benefits Realisation Plan
- Assessment / Management of potential risks to patient safety and impacts on quality
- The development of a Case for Change (Business Case)
- Risk identification and management before, during and after implementation
- Consultation with key stakeholders
- Post-implementation review

The Trust's CIP process and associated governance arrangements will be reviewed as part of the internal audit cycle for 2014/15.

4.6. Performance management

All Strategic themes and associated projects are performance managed on a weekly basis, with escalation through the monthly Service Transformation Board. The Service Transformation Board (which includes Divisional Medical Directors and Divisional Directors

of Performance as well as the Executive team)provides a forum for escalated issues to be discussed and addressed. In addition each strategic theme is managed via a monthly Project Board which is responsible for the operational delivery of the project.

The Programme Management Office (PMO) has oversight of the programme of work, monitoring progress against the agreed plan, monitoring changes to the programme plan to minimize impact upon the programme objectives, escalating risks and issues to the agreed forums as required, ensuring the aims of the programme continue to be aligned with evolving business needs, briefing the service transformation board about programme progress, recommending future action on the programme where tolerances are exceeded and providing notification of project closures.

4.7. Development of the 5 year Strategic Plan

Following on from the Trust's internal self-assessment of its strategic planning activities, work is on-going to strengthen the quality of the planning provision within the organization. This will result in a revised and enhanced business planning process with effect from early 2014/15 in order to ensure that there is an on-going cycle of planning, implementation, challenge and review throughout each year which will give the Trust clarity in relation to operational plans and the ability to respond to risks to the plan as they arise throughout the year.

5. Finance

5.1. Introduction

The Trust's financial plans for the two years from 2014/15 are based on service line business plans from all clinical and operational departments. The Trust's financial strategy is framed around ensuring the delivery of high quality and cost effective services to patients over the next two years. The Trusts financial plans are congruent to those of Local Health Economy (LHE) stakeholders and include the expected impact of a shift towards 'care out of hospital'. A Wigan wide initiative 'Integration Max' is planned to commence in 15/16 which will result in a reduction in unplanned attendances, unnecessary outpatients and a corresponding capacity contraction over the next 5 years. Similarly the Trust has plans to pro-actively market and expand certain services and increase commercial income. Commercial income growth is not planned to exceed the 5% increase proportionate to NHS income and therefore Governor approval is not required.

The Trust's is focused on securing the long term sustainability of hospital services in the Wigan Borough and has therefore initiated a programme of work that harnesses a whole health economy approach.

The Trust is planning to deliver £3m trading surplus in 14/15 and 15/16 (£4.9 and £4.0m respectively including profit on sale of land) and CSR of 4. The Trust will require the recurrent achievement of 5% CIPs per annum over the period which will be delivered through a combination of revenue generation and cost reduction, however the focus is to safely reduce headcount while transforming services (see section 4). The Trust plans to embark on a major infrastructure investment programme that will significantly enhance the environment and facilities for patients, whilst at the same time rationalising the estate and disposing of surplus land (see section 5.4).

The Trust is part of the Greater Manchester 'Healthier Together' project which could see the rationalisation of services between neighbouring Trusts. The initiative has been significantly delayed and the outcomes postponed until late 2014. For these reasons the Trust's plan in short term do not reflect any impact from the 'Healthier Together' project, however acknowledgment has been given as part of downsides. The Trust has applied all assumptions based on available national guidance and used 2013/14 Q3 forecast as the baseline.

Table 9 - Financial Headlines

£ms	Base 2013/14 Fcast	Year 1 2014/15 Plan	Year 2 2015/16 Plan
Income	253.7	260.0	263.0
Expenditure	(237.7)	(243.0)	(244.8)
EBITDA	16.0	16.9	18.3
EBITDA %	*6.3%*	*6.5%*	*7.0%*
Financing	(13.0)	(13.9)	(15.3)
Profit on Sale	0.0	1.9	1.0
Surplus	**3.0**	**4.9**	**4.0**
Surplus %	*1.2%*	*1.9%*	*1.5%*
Impairments	(1.2)	(1.3)	(5.4)
Technical Surplus	1.8	3.6	(1.4)
Key Metrics			
Memo CIP	12,156	12,511	12,157
CIP % of Net Expenditure	5.1%	5.0%	4.8%
Cumulative CSR	4	4	4
WTE	4,356	4,316	4,232

The Trust is planning for building impairments in 14/15 and 15/16 relating to the Site and Service and Site rationalisation programme.

5.2. Income

Table 10 - Income Summary

	2013/14 £M	2014/15 £M	2015/16 £M	
Elective Inpatient	27.19	33.71	35.40	
Day Case	29.99	32.00	35.30	
Non Elective	49.17	51.54	48.28	
Outpatient	46.16	46.00	45.33	
A&E	8.16	8.20	7.78	
Other NHS Activity *	74.92	65.96	66.17	
Other	20.10	22.5	24.8	
Operating Revenue, IFRs, Total	255.69	259.96	263.05	

Please note that 15/16 excludes a further £2.9m of CIP income

Table 11 - Inflation assumptions

	2014/15	2015/16
Tariff	-1.50%	-1.10%
Private Patient Revenue	1.5%	2.0%

The Trust's income is increasing over the next 2 years and is largely driven by revenue generation schemes; including marketing/repatriation, commercial, growth of T&O and off-set in part by Integration Max reconfiguration.

In broad terms WWL income is aligned to contracts; however WBCCG aspire to progress deflection schemes which could reduce WWL income, however WWL is well informed off these projects and is working in partnership and collaboration to ensure LHE sustainability.

The Trust has applied tariff inflation in line with Monitor assessor case expectations; (-1.5%) and (-1.1%) respectively. The £4.3m increase in income in 2014/15 is driven by Trauma and orthopaedic (T&O) and Gastroenterology developments. A small increase in income is planned in year 2 (£0.2m) as the position is net of a further expansion of T&O off set by Integration Max.

The CQUIN programme will focus on local initiatives including 7 day working and Integrated Health System. Contract penalties have been provided for based on national contract guidance.

Table 12 - Activity Plans

	2013/14	2014/15	2015/16
Elective Inpatient	7,549	8,995	9,429
Day Case	35,973	41,351	46,932
Non Elective	32,537	32,776	30,940
Outpatient	459,047	461,060	460,900
A&E	79,472	77,471	74,158
Total	614,578	621,653	622,359

2013/14 activity has been normalise for changes to pbr counting

All activity plans include the impact of revenue generation schemes and Integration Max.

Elective and Day case are planned to grow in 2014/15, this is mainly due to the full year effect of the two additional theatres at the Wrightington site for T&O and Gastroenterology at the new Hanover development. The Trust has planned to reduce activity in A&E and non-elective over the future years related to the Long Term Conditions a joint LHE initiative.

5.3. Costs

A number of general principles regarding cost have been adopted as follows:

Table 13 - Cost assumptions

Assumption	2014/15	2015/16
Pay Awards	1%	1%
Incremental Drift Funded	0.5%	0.5%
Drugs Inflation	6%	6%
Energy Inflation, Gas/Electric	10% / 5%	10% / 5%

In 2015/16 the Trust has accounted for the anticipated increase cost employers pensions increases that have been funded equally through tariff.

In addition to these assumptions the following more specific impacts to expenditure have been included:

Table 15 - Expenditure summary

Expenditure - (Net of CIP)

	14/15 £M	15/16 £M
Pay	170.2	171.6
Non Pay	72.9	73.2
Total	**243.1**	**244.8**

Table 16 - Whole Time equivalent (WTE) Establishment

	2013/14	2014/15	2015/16
Opening WTE	**4,256**	**4,356**	**4,317**
Service Developments	122	52	85
CIP	(22)	(91)	(109)
Service Reconfiguration			(60)
Closing WTE	**4,356**	**4,317**	**4,233**

2013/14

In 2013/14 we invested in 2 additional orthopaedic theatres and a new urology and gastroenterology service which were the main contributors to the WTE increases. 22wte were removed for CIP.

2014/15

In 2013/14 we were successful in our application to be a pilot hospital for the introduction of 7 day working. This as well as our investment in new Cancer Care Centre contributes to the increases in WTE for the service developments.

We are planning to release 91wte for CIP (details in the CIP section)

2015/16

As part of our plans to expand our specialist Trauma and Orthopaedic service we estimate that we will increase headcount by 76wte. This makes up the majority of our planned service developments.

We are planning to release 109wte as part of the CIP programme (details in the CIP section)

In addition to this we expect to release 60wte as part of the Trust & CCG integration max service reconfiguration.

5.4. Capital

Table 17 - Capital plans

	2014/15 £M				2015/16 £M			
	Q1	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**
Service and Site	1.6	1.9	4.0	5.3	6.5	5.8	3.1	2.1
Estates and Facilities	0.1	0.2	0.3	0.5	0.1	0.2	0.4	0.5
IM & T	0.4	1.0	1.4	1.8	0.5	0.6	0.6	0.9
Medical Equipment	0.4	0.6	0.8	1.2	0.3	0.5	0.7	1.2
Total	2.5	3.7	6.6	8.8	7.4	7.1	4.8	4.7
	£21.6				**£24.0**			

The Trust is planning to invest £45.6m in its capital programme over the next 2 years which includes the first two years of a major site redevelopment programme and installation of a new Hospital Information System (HIS)

This expenditure will cover a number of schemes, but some key schemes are;

- Ward and theatres redevelopments at Wrightington
- Clinical offices on Royal Albert site
- Assisted conception Unit at Wrightington
- HIS
- Oncology Unit and Pathology Lab on Royal Albert site

The Trust also plans to promote transformation and redesign of services leading to cash releasing savings through the ring fencing of a £300k Capital Innovation fund in 2014/15. The Fund will be restricted to schemes with a maximum payback of 2.5 years.

The above summary is different from that submitted as part of the Monitor 5 Year Capital Return in early January 2014. The differences are:

Table 18 – Capital reconciliation

	January 2014 Return	APR	Difference	Reasons
	£M	£M	£M	
2014/15 Net Total	19.7	19.8	0.1	CIP Fund reduced by 200k Billinge Receipt reduced by 300k
2015/16 Net Total	23.6	19.8	3.8	Medical Equipment reduced by1,688k Billinge Receipt reduced by 300k Whelley Receipt of £2.4m brought forward and increased

The ERIC figures returned are from the 2014 data which has changed significantly from 2013 because of the recent 5 year re-survey of Estate.

5.5. Impairments

In 2013/14 the trust will undertake a desktop DTZ revaluation exercise, the audited accounts will include the revaluation.

The Trust is forecasting impairments of £1.2m during 2014/15 as a result of the site rationalisation work being undertaken on the Wrightington and Leigh (Phase 1 demolitions) sites.

Impairments of £5.4m are forecast for 15/16. As work commences on the Royal Albert site, a number of the site's older buildings will be demolished as a consequence of the Oncology/Pathology scheme opening. Phase 2 of the Leigh site demolitions are also forecast in 15/16.

5.6. Liquidity and CSR

Table 19 - CSR

2014/15	2015/16
CSR **4**	**CSR** **4**

5.7. Transactions

Monitor RAF and REID guidance outlines the definition of material transactions. The Trust is planning a major capital investment of the Wrightington Phase 1 Scheme which has been assessed against the Asset ration at 9.8% and is therefore not material (subject to revision following 2013/14 audited accounts).

5.8. Downsides and Risks

The Trust has considered the short term challenges and financial risks and has prepared a mitigated downside case. The downsides are as following:

- Commissioner intentions and impact of 'Better Care Fund'
- Failure of marketing initiatives
- Failure of recurrent CIP
- Increase in contractual penalties
- Cost inflations higher than expected
- Local and regional major service reconfigurations

The Trust has considered various mitigations with the main themes being;

- Reduction to WTE and pay bill
- Rationalise capacity (wards, theatres, outpatients) estate and land
- Maximise commercial opportunities
- Reduce reserves and surplus levels
- Reduce non-committed capital expenditure

The impact to CSR is described in the table below. The Trust maintains a CSR of 4 in 2014/15 and reduces to a 3 2015/16.

Table 20 - Mitigated downside case

£m's	**Year 1 2014/15**	**Year 2 2015/16**
Base Case Surplus pre impairment	**4.9**	**4.0**
Surplus %	*1.9%*	*1.5%*
Base CSR	4	4
Net impact of mitigated Downsides	(4.11)	(3.56)
Revised Surplus pre impairment	**0.79**	**0.44**
Revised CSR	4	3