University College London Hospitals NHS
NHS Foundation Trust

Strategic Plan Document for 2014-19

University College London Hospitals NHS Foundation Trust

1.1 Strategic Plan for y/e 31 March 2015 to 2019

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

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Date	**30 June 2014**

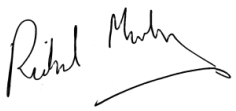
The attached Strategic Plan is intended to reflect the Trust's business plan over the next five years. Information included herein should accurately reflect the strategic and operational plans agreed by the Trust Board.

In signing below, the Trust is confirming that:

- **The Strategic 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 Strategic 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 Strategic 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 Strategic Plan directly relate to the Trust's financial template submission; and**
- **The 'declaration of sustainability' is true to the best of its knowledge.**

Approved on behalf of the Board of Directors by:

Name *(Chair)*	**Richard Murley**

Signature 

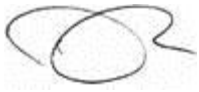
Approved on behalf of the Board of Directors by:

Name *(Chief Executive)*	**Sir Robert Naylor**

Signature 

Approved on behalf of the Board of Directors by:

Name *(Finance Director)*	**Richard Alexander**

Signature 

1.2 Declaration of sustainability

The board declares that, on the basis of the plans as set out in this document, the Trust will be financially, operationally and clinically sustainable according to current regulatory standards in one, three and five years' time.	***Confirmed***

In the current financial and political environment it is extremely challenging to compile a realistic plan that looks out more than 12 months. There are fundamental conflicting pressures upon the Trust, perhaps the most obvious being the requirement to address waiting time targets arising from the growth in demand for UCLH services and the ability of specialist commissioners to contract and pay for levels of activity necessary to meet these targets. There is a risk that the Trust will not be paid for activity carried out, or there will be a requirement on us to reduce activity, with a consequent threat to our financial sustainability since specialist commissioning comprises 55% of our activity. The threat to withdraw the top-up funding for the highly specialist work carried out at specialist hospitals (known as Project Diamond Funding) is an example of this risk which jeopardises the Trust's sustainability. A second conflicting pressure is to increase or fix staffing levels, either by mandated guideline or by published comparison tables, while requiring a minimum 4% efficiency improvement every year. This five year planning period follows a prolonged period of efficiency delivery when the majority of the easier savings and efficiency opportunities have been realised. This leaves the higher risk, higher investment, radical change options as the remaining ones for the board to consider.

The board has based its activity growth scenario in part upon recent historical trends. It has also taken into account the specialist commissioner goal of centralising specialist care, such as complex cancer treatments, into fewer organisations to create better outcomes for patients. Activity growth projections built up on a service-by-service basis averaged at 4.5% per annum before the impact of major strategic developments which were then added to the plan. This compares with activity growth of around 9% experienced in the prior year 2013/14 in an environment of similar local and national focus on demand management.

Financial sustainability is dependent upon full remuneration, including Project Diamond, for this growth, which is planned to be delivered at between 75% and 85% marginal cost (before the calculation of efficiency targets). Recent history has also demonstrated that in the delivery of efficiencies, adverse impacts on quality arising from service cost cutting can be minimised if equivalent efficiencies are achieved through delivering more activity with the same resource.

The second major threat to the sustainability of the Trust is our ability to deliver the efficiency challenge represented by decreasing tariff. The Trust has successfully delivered between 4% and 6% efficiency over the last 3 years alongside activity growth. The challenge to do the same again this year, as noted in our previous submission, looks very tough and savings plans are not yet fully identified for this year. We have engaged external help which has identified £47m of efficiency opportunity over the next 4 years; there is currently a required efficiency of £132m that is yet to be identified.

Our financial sustainability is therefore dependent upon optimistic assumptions including full remuneration for growth, full remuneration for specialist work and full delivery of ambitious efficiency targets.

Financial sustainability for this year looks to be achievable, and possibly for three years if use of our cash balance is required, although this would put our capital programme at risk. To be sustainable after this period will require major system change.

1.3 Market analysis and context

General growth drivers

We have had solid growth in our patient activity and income in recent years and see few signs that this growth will cease or slow down. In part this is similar to growth being seen across the NHS as a whole, with increased demand driven by:

- Population and demographics: there is underlying growth in the population in our key localities: Camden and Islington are each forecast to grow by around 1% a year. The general demographics correspond to metropolitan areas with a university presence: a large population of students and younger adults, with relatively few children and older people compared with the national average. Nonetheless the increasing age of the population and the growth in those people categorised as obese are well-documented drivers of a burgeoning demand for healthcare that continue to act upon our caseload.

- Although mortality is better than the national average there are significantly more admissions for drug misuse, alcohol related harm and sexually transmitted infections. It is also worse than the national average for obese children, new cases of TB and early deaths from heart disease.

- Clinical innovation and survivorship: advances in healthcare are helping us treat patients who only years ago would have been untreatable, helping them survive for much longer. This is excellent progress. It does however represent additional work that we must deliver. Innovations have been particularly notable in our strategic priority areas of cancer and neurosciences.

Figures 1 and 2 below set out the growth that we have seen in activity and income terms.

Figure 1

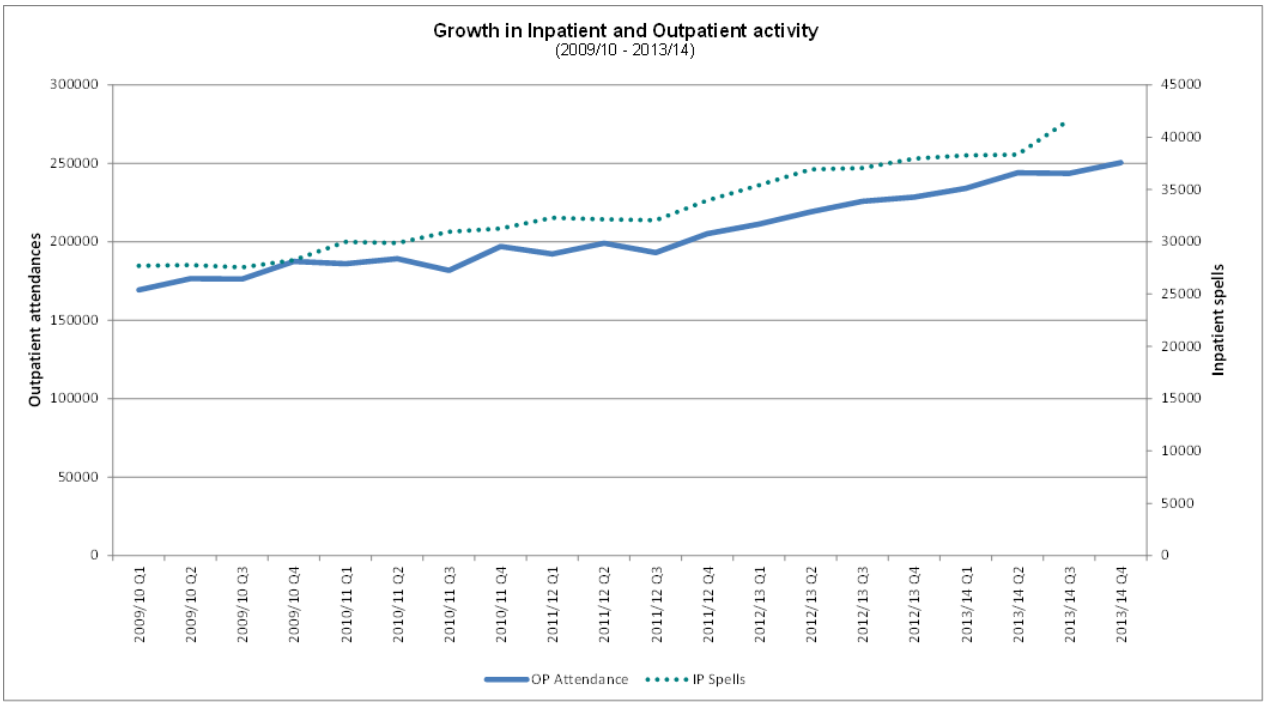
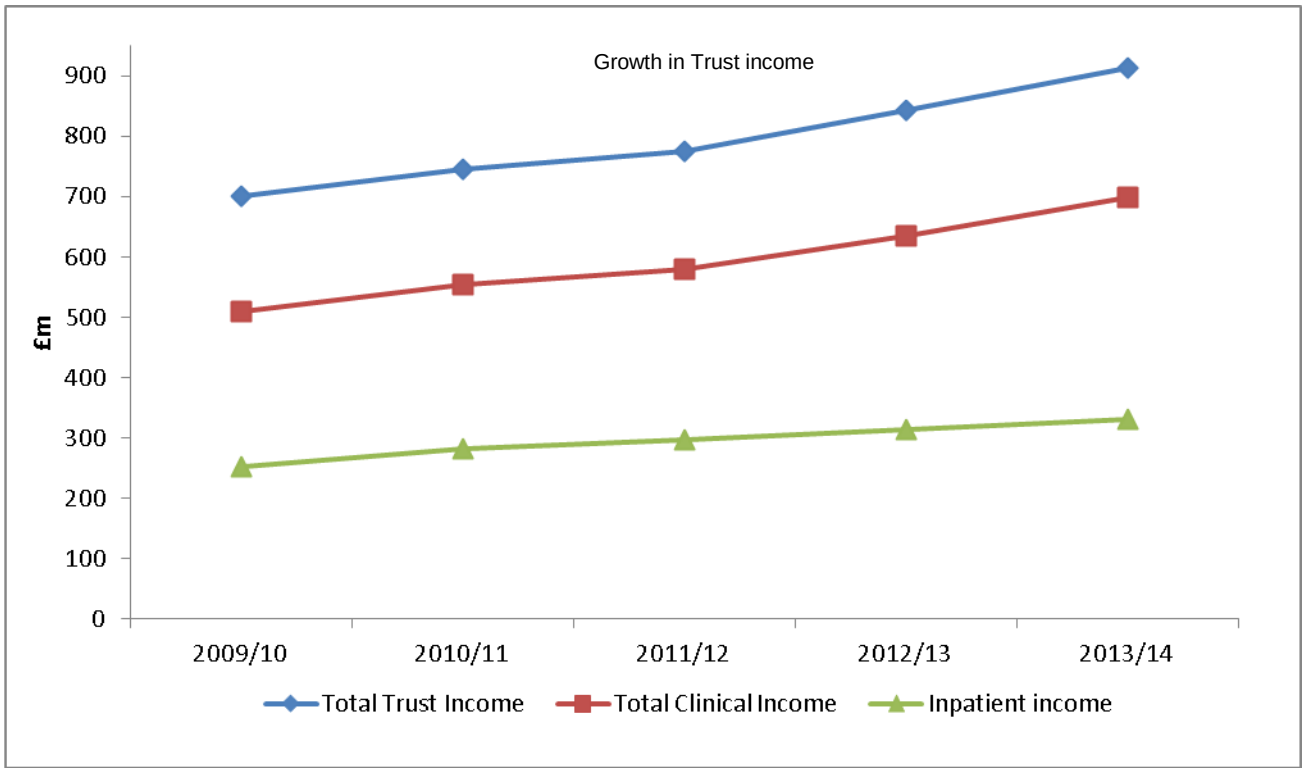


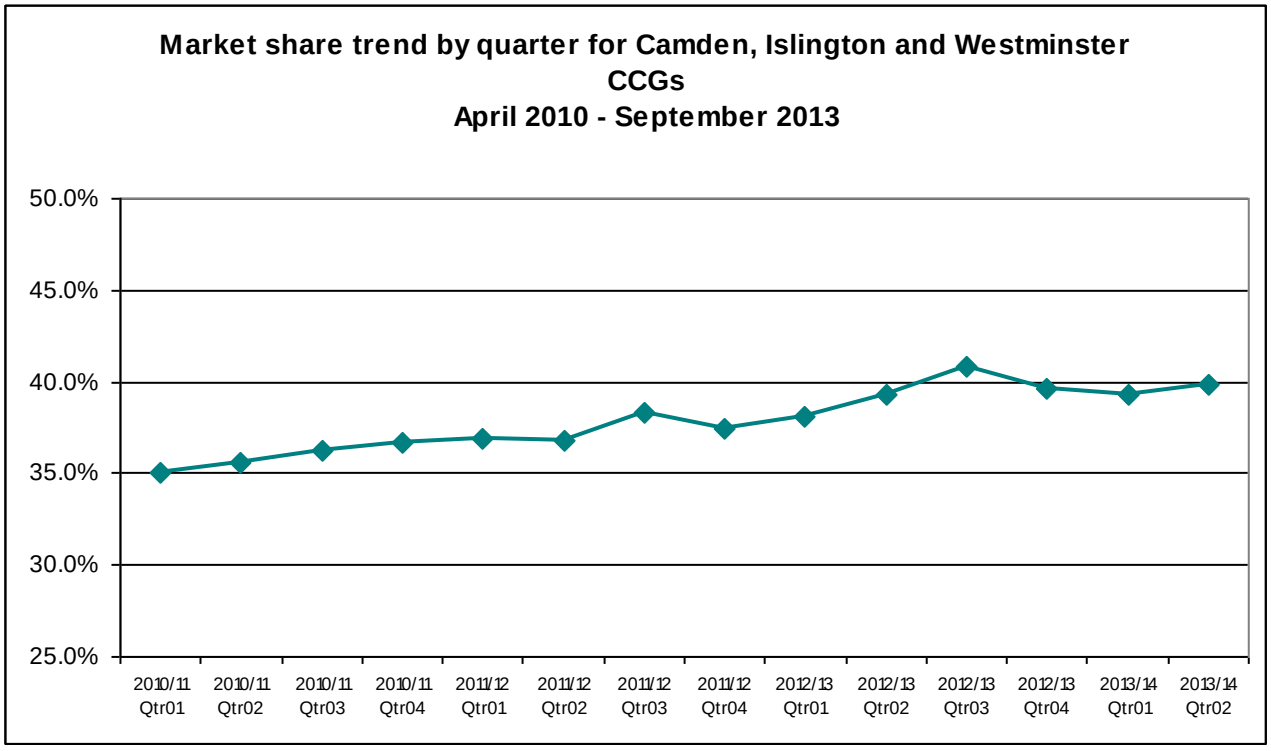
Figure 2



Growth in market share

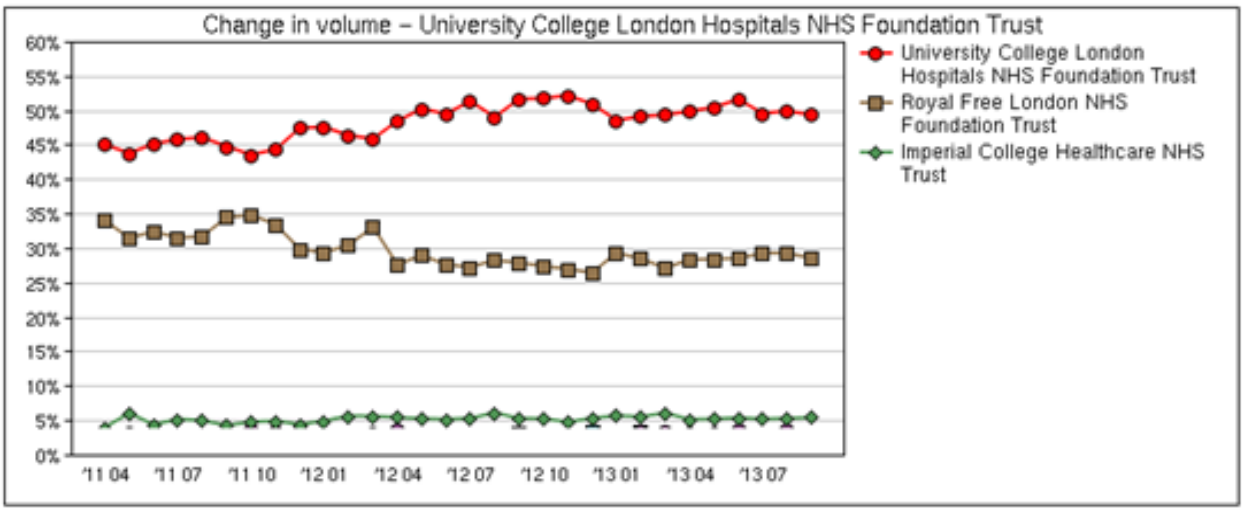
As well as the overall growth in demand for healthcare, we are seeing our share of acute sector work increase over time. Our growth in market share for key commissioners over recent years is set out in figures 3, 4 and 5 below.

Figure 3

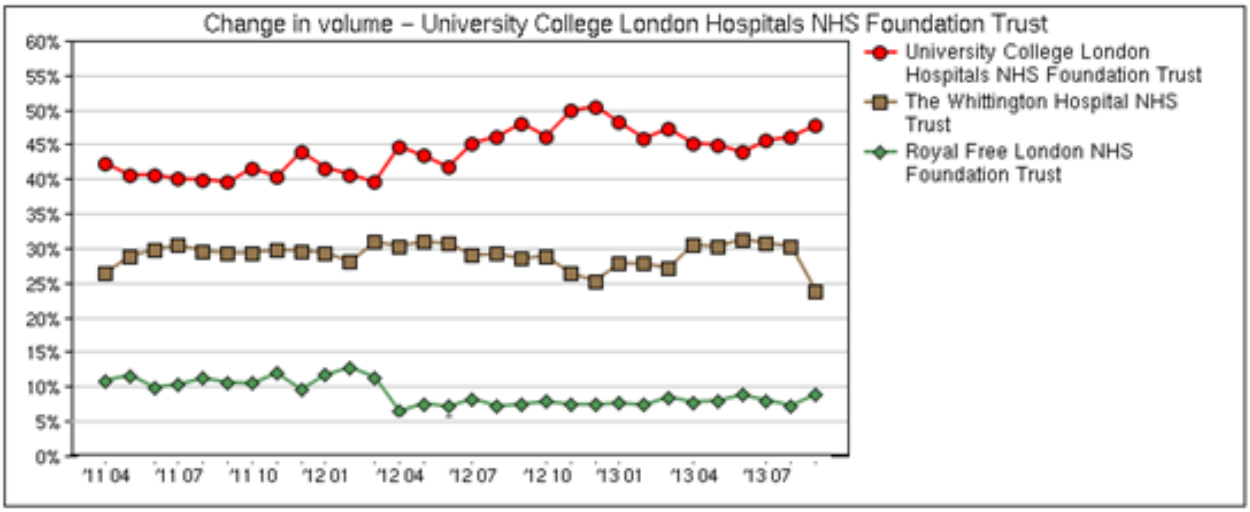


Figures 4 and 5

Camden CCG market share



Islington CCG market share



Our current assessment is that there are few threats to our market share in our sector and London, although we are mindful of the potential impact that the Royal Free acquisition of Barnet and Chase Farm trust might have on service configuration in the sector.

<u>General and market share growth in key specialties</u>

Growth in income levels in our strategic priority specialties is marked, particularly for cancer services, which experienced over 15% growth during 2013/14. When market share trends are reviewed for our top 15 specialties (by activity volume) for the key CCGs, there is growth in market share for eleven of them, as shown in figures 6 and 7. There have been notable increases for clinical haematology, medical oncology, neurosciences and gastroenterology. The growth in our cancer and neurosurgery work clearly matches well to our strategic ambitions and development plans.

Figure 6

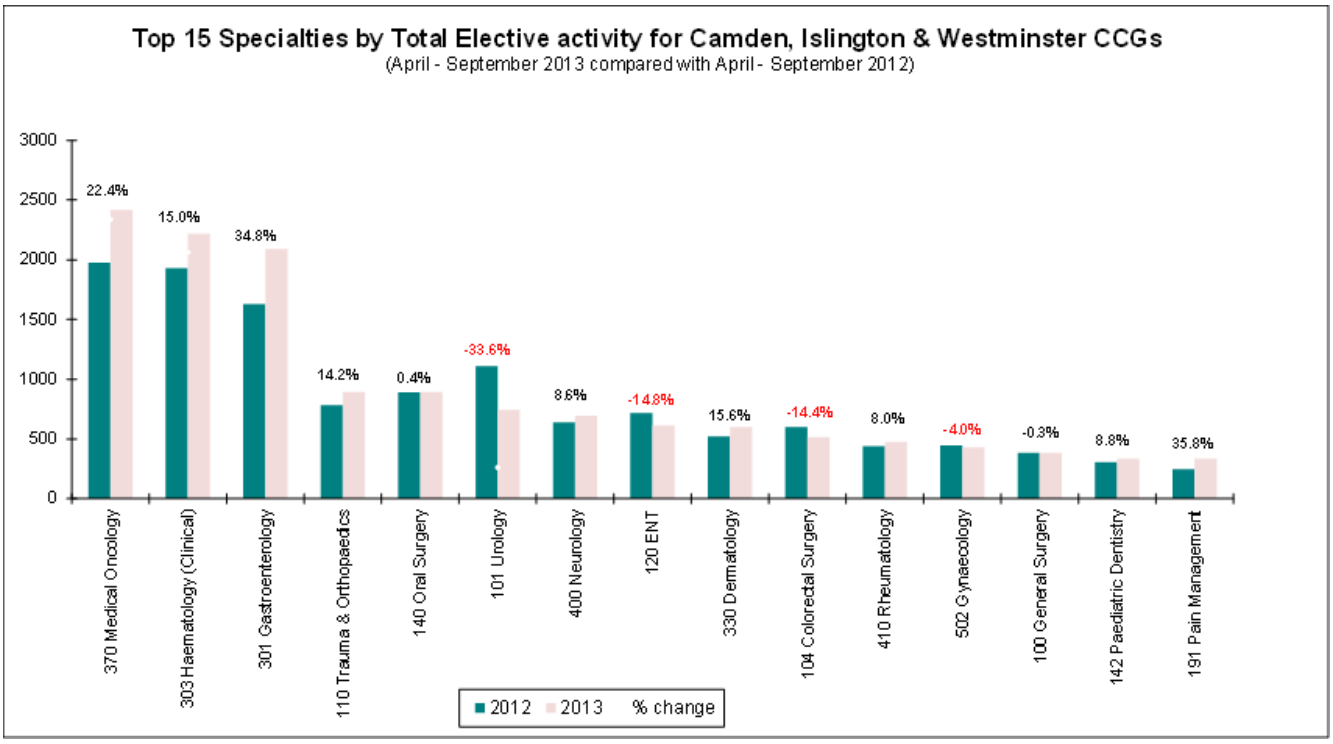
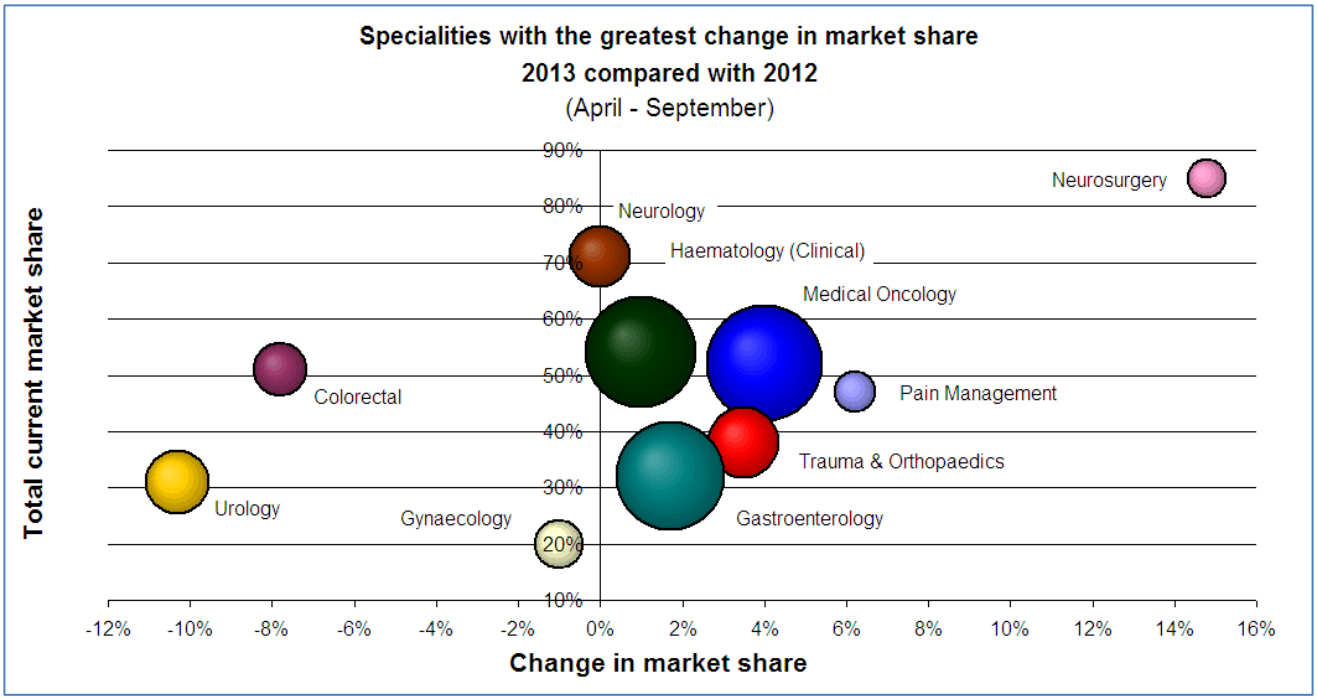


Figure 7



Further drivers of growth in market share: trends in specialised commissioning

55% of our activity is under contract with NHS England as specialised commissioners. NHS England's clearly stated intention is to reduce the number of trusts providing specialised services, centralising care far more in regional hubs. We expect that this will result in a net increase in flows of referrals and activity. It is however very difficult at this stage to quantify this probable increase with any degree of confidence.

Impact of integrated care on growth

It is planned that over the next five years there will be integration of clinical services across the health economy, with the likely shift of care away from traditional acute settings. The specific aim of the Better Care Fund is to provide social care and health commissioners with very specific incentives and tools to shift work from acute to other settings.

While in simple terms this represents a risk of lower activity levels in existing lines of business, we also view it as an opportunity to engage with new contracting models and tariff structures and to diversify into new types of clinical care. We have established a service redesign group as part of our contract governance structure with our local commissioners where we focus on developing and implementing this agenda.

We do not expect the integrated care agenda to exert a significant downward pressure on our financial position in the short or medium term.

Implications of high growth

A number of issues arise from our predicted high levels of growth.

Growth represents an opportunity to manage the high efficiency challenge that we expect to face each year across the period of the plan; it is easier for us to achieve efficiencies through delivering growth at low marginal costs than it is to reduce costs for the activity that we are already delivering. Later we explore a sensitivity to our plan where we don't experience growth at 5-7%.

High growth does however represent a significant challenge in terms of our capacity of beds, theatres, imaging and in some cases staffing. We set out the impact of anticipated growth on estate capacity on page 10. We anticipate bed and theatre capacity issues during 2014/15, with the scale of the challenge reducing if cardiac services transfer to Barts Healthcare, freeing up the Heart Hospital building as planned in the final quarter of 2014/15.

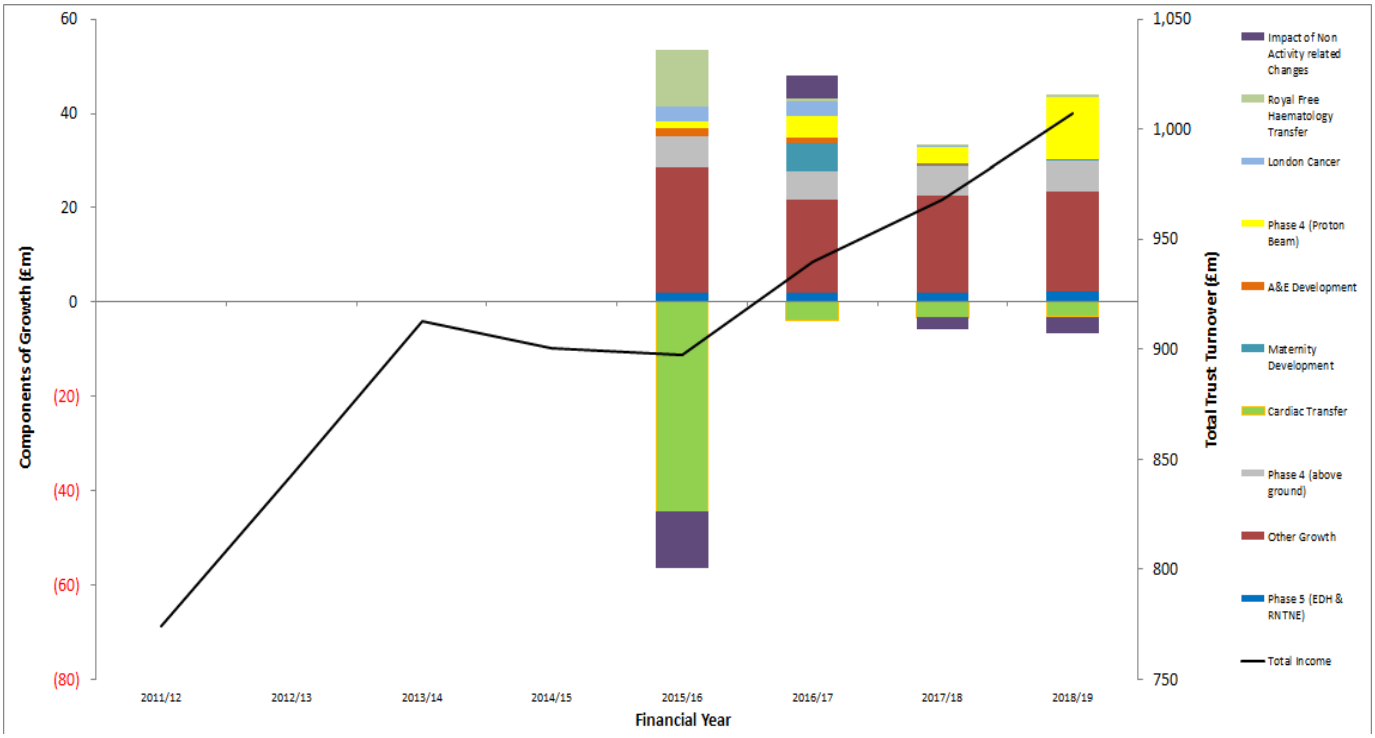
Quantifying likely levels of growth

The Trust is planning total activity growth at an average rate of 6% across the 5 years of the strategic plan, built up through:

- Activity growth for its existing business at an annual average of 4.5%. These forecasts have been generated by bottom-up modelling from clinical divisions.
- A number of strategic developments, such as the transfer of London Cancer network activity into the Trust

The projected activity growth is slightly below the level the Trust has experienced in the past two years, reflecting the risk associated with commissioning intentions. Whilst there are operational issues associated with managing additional patients, the Trust has planned for a number of strategic developments which will enable this growth, along with the inclusion of marginal cost at an appropriate level, to reflect externally sourcing additional capacity. Detailed income plans can be found in the relevant sections of the financial template accompanying this document and further detail on the service developments are provided within the key strategic project developments section of the document.

Figure 8: total income growth broken down by strategic project



It should be noted that there is significant uncertainty relating to the ability of commissioners to pay for growth, making it difficult to accurately project NHS activity and income growth in future years.

Capacity and estate

In July 2012 we updated our estate strategy. We have good facilities. Our estate is concentrated in five locations across central London, and comprises a range of buildings varying from historical estate to modern state-of-the-art developments such as the University College Hospital buildings and our cancer centre. Backlog maintenance has reduced significantly through new build, the refurbishment of existing buildings and site disposals. This approach is expected to continue through further developments on the UCH campus, releasing properties no longer required for operational use and refurbishing and maintaining existing buildings.

Capacity on our estate is constrained though, in particular in A&E, maternity and some inpatient areas. We can meet these challenges in part through major changes in working practices as outlined in our efficiency and productivity section, but we must certainly also invest in new buildings. Our strategic ambitions in cancer will also require significant new bed and theatre capacity.

The Trust's approach to capacity starts from the principles that:

- Existing capacity needs to be more efficiently utilised
- It is designed to be as flexible as possible so that we can accommodate growth in an uncertain environment

We have developed 10 year bed and theatre capacity models that support our capital investment decisions. Bed demand has been modelled at service level with assumptions made on growth, but also length of stay improvements. Alongside the requirements for current UCLH services, new developments have been included from London Cancer as well as the requirement to re-provide for the Royal National

Nose Throat and Ear Hospital (RNTNE), and thoracic services from the Heart Hospital.

The modelling suggests an increase in activity equivalent to around 200 inpatient beds, which after the application of planned efficiencies leaves a net requirement of approximately 130 beds. We also need to provide an additional 10 operating theatres to meet projected demand.

SWOT analysis

The following summaries an assessment of our strengths, weaknesses, opportunities and threats as an organisation.

Strengths	**Weaknesses**
Excellent clinical outcomes and reputation Excellent clinical skills and expertise Significant research portfolio and track record of innovation underpinning improvements in care Financially viable organisation Respected Foundation Trust member of Shelford Group Important local healthcare provider Engaged clinical workforce committed to improving patient care through integration Commitment to developing transformation strategy	Further development and growth limited due to physical capacity constraints Age of some key building stock Retention of nursing staff due to location / cost of living Performance against C diff infection thresholds Current position on RTT position Performance against 62 day waits for cancer treatment, particularly with a focus on improving pathways with referring hospitals to minimise late referrals
Opportunities	**Threats**
Work collaboratively with commissioners to develop integrated services for local population Improving patient care and experience Improving GP engagement with potential for increased referrals Expansion into new markets through new contract opportunities both locally and nationally (including specialist services) Transform patient pathways and release capacity within IP and OP services to support expanding ED, delivery of RTT and specialist services' Expert clinical leadership of health systems to improve patient outcomes and experience Organisational values such as team working, innovation, kindness which will drive high quality	Loss of business/financial income due to PbR framework Loss of Project Diamond funding Perceived external reputation of non-collaboration/working in partnership Potential for loss of research activity and income and reduction of education contract Local providers in some areas are further ahead in in managing community services and delivering integrated services Dependence on NHSE for over 50% of contract income

integrated care. Cancer and cardiac reconfiguration strategy New models of commissioning and different tariff arrangements Continued changes in specialised commissioning	

1.4 Risk to sustainability and strategic options

The key risks to the Trust's financial sustainability over the 5 year time-frame covered by the strategic plan are summarised below:

1. A limited level of growth:

The Trust has not agreed 2015/16 – 2018/19 activity plans with commissioners. There is therefore a risk that activity caps will be imposed to limit growth to commissioners' affordability envelopes. A second related risk is that demographic or market share growth will not materialise in line with historic and expected levels.

A proportion of the growth relating to strategic developments is related to specific market repatriations, and is therefore reasonably assured in terms of commissioner affordability. The like-for-like business growth of around 4.5% p.a. is less guaranteed, although historic analysis, as detailed in section 1.3, indicates that UCLH's market share is increasing in Islington, Camden and Westminster CCGs. Specialised commissioners are also clear that in future there will be fewer hospitals providing specialised services, and we would expect to see new specialised work come to us. However, with 55% of the Trust's activity funded by specialist commissioners there remains the risk that it will not be affordable and they will also seek to implement demand management schemes in order to divert activity away from the Trust.

The financial impact of a lower level of growth on the Trust would be that the efficiency requirement would increase to between 5% and 6% per annum in order to maintain the continuity of services (CoS) rating of 2 over the period. The Trust would be required to achieve this efficiency through reducing existing costs. This would be extremely challenging to achieve and would likely lead to recurrent deficits in future years.

Mitigations which we would exercise in the event of lower levels of growth would include:

- Active marketing of services outside of the sector.
- Identifying business opportunities within the sector where the Trust can demonstrate clinical excellence.
- Seek to increase private patient activity through connections with private providers and working with the medical workforce to encourage more usage of the Trust site.
- Collaboration with other provider organisations with a view to re-distribute services to ensure the Trust can grow profitable services and divest un-profitable services where clinically, operationally and strategically appropriate to do so.

2. Levels of efficiency in the financial plan are at challenging levels

The level of required efficiency within the strategic plan represents a significant risk. The efficiency will be at a higher level than in previous years in order to fund the planned strategic developments which will generate the capacity required for long term viability.

It is proving increasingly difficult for the Trust to achieve efficiency at and above the level built into the national tariff of 4%. Generating efficiency through growing services using a marginal cost below the full

tariff has proved effective in the past, but as we reach the limits of our operational capacity and commissioner affordability is increasingly challenged, the likelihood of being able to deliver efficiency through continued growth is reduced.

The impact of achieving 75% of the required efficiency saving each year would be that the Trust would face growing deficits and a CoS rating of 1 in future years. This represents a major risk to the sustainability of the organisation and therefore has been recognised as a strategic priority for the Trust to review over the past twelve months. The Trust is embarking upon the design of a major programme of transformation. The Trust has employed a deputy CEO with significant experience in transformational change. We have also engaged external consultancy expertise as to what opportunities exist for the Trust using out-of-sector experience and "lean" methodology. The opportunity search undertaken as part of the lean transformation programme indicated a level of saving of around £47m which represents a proportion of our required efficiency challenge. Delivering the transformation programme represents the Trust's main mitigation around not being able to find sufficient efficiency savings in future years.

3. Activity not being funded at full price

The national specialist commissioning position across the NHS is becoming more challenging with a reported headline financial problem for 2014/15 for NHSE in the order of £800m. Top level discussions on specialist commissioning with a particular reference to waiting times, which have involved our Chief Executive, have confirmed the significance of these issues. There is a particular tension between the need to resolve the national waiting time problems on the one hand with the limitations on resources of commissioners to fund the costs of this activity on the other.

There are a number of significant risk factors associated with the NHSE's specialist commissioning agenda and associated financial issues. It is clear that NHSE commissioners will look to exert pressure on prices through a range of devices.

Our joint strategic planning work with North Central London (NCL) CCGs also demonstrates that there are significant financial pressures predicted within the local sector over the next five years. There is a clear risk that activity growth will transpire at planned levels that commissioners cannot afford. Responses in this scenario could similarly take the form of commissioners seeking to impose contract structures (such as block funding) or tariff prices that do not reflect actual costs.

The implications of either a funding cap or reduction from full tariff payment are significant. An activity growth funding cap at 3% would mean that in order to maintain an overall CoS rating of 2 the Trust efficiency requirement would increase to above 5%, which is unlikely to be deliverable.

In the short term the main mitigations for the Trust around price caps and reductions involve a track record of effective negotiation with commissioners and collaborative working through the Foundation Trust Network and the Shelford Group to ensure that there are no undue additional efficiencies outside the efficiency factor in the Monitor annual tariff. The Trust would additionally consider not providing services which are not adequately funded where clinically appropriate and not consistent with the Trust's overall strategy. Our strategic response however will be to engage actively with our commissioner partners in designing services and savings initiatives that will enable our health economy to remain financially sustainable. The NCL CCGs and its providers are agreeing a governance framework in which we will agree the scale of the challenge and ensure that our service redesign and efficiency initiatives are all aligned.

A specific area of risk is the fact that current tariffs do not cover the full cost of a number of specialist and cancer treatments. As the Trust seeks to support the centralisation of complex cancer treatments for

this part of London and ceases to provide highly profitable cardiac services it is essential that the growth in cancer replaces the loss of financial contribution from cardiac services. Work continues separately with other providers of complex treatments and other providers of complex cancer treatment to ensure Project Diamond funding is either renewed or replaced and tariffs are set fairly using accurate cost information.

4. Cost of growth assumptions around marginal rates

The Trust has built in a marginal cost assumption of 75% on activity growth, with an efficiency target, delivered primarily through transformation schemes, to reduce the marginal cost of growth to between 20% and 60%. The Trust believes it is approaching physical infrastructure capacity, which is why the phase 4 and 5 strategic developments are considered essential to the Trust's ongoing viability. There exists a risk within this capacity constraint that significant step costs would need to be incurred above the levels built into the financial model.

Financial modelling of the sensitivity around marginal cost indicates that a 10 point growth in marginal cost of growth to 85% would likely create significant deficits from 2016/17 onwards and a CoS of 1 for at least two years (or even more demanding efficiency requirements).

Mitigations which would be considered if significant physical limitations were proving to be an issue would include:

- Pursuing deals with NHS provider Trusts to sub-let theatre, bed or clinic space, or retain a margin from UCLH patients treated at their Trust
- Outsource delivery of activity to private providers whilst retaining a financial margin
- Rationalise or delay elements of the significant capital programme to ensure priority is given to extending operational capacity.

5. Mitigation of risk using cash balance

The Trust's relatively high cash balance, were it not required for capital plans to support central initiatives such as Proton Beam Therapy and the centralisation of specialist care provision, would be a temporary source of financial sustainability for perhaps 18 months to two years of significant deficits. The board is, however, reluctant to withdraw from these capital plans, identifying them as priorities for the healthcare system as a whole with significant patient benefits. The board will however continue to review each development on its own merit and for affordability.

1.5 Strategic plans

Background

The stated vision of the UCLH Trust is the following:

'UCLH is committed to delivering top-quality patient care, excellent education and world-class research'

In November 2011 the Board reviewed the organisation's service strategy and agreed to focus on development of three service areas with the potential to become world leading over the next few years:

- Cancer Services
- Neurosciences
- Women's Health

This vision remains the focus of strategic planning and development for the next five years. In order to deliver world leading excellence in these three specialties it is essential to develop a strong and excellent base also in core medical and surgical specialties. Any strategic intent to grow specialist services (as outlined in this document) must be underpinned by appropriate investment in core medical and surgical services and in the delivery of high quality local care to the population served. These two portfolios (specialist and core) are equally important in ensuring top quality care is provided to all patients and UCLH is focused on delivering both to the highest of standards.

Alongside a growing role in national care provision UCLH is proud of its ability to deliver a number of first class medical and surgical services to the local population, Greater London and the South East. These specialities include cardiac services, dermatology, gastrointestinal, gynaecology, infectious disease, rheumatology, trauma and orthopaedics as well as urology. UCLH also provides world leading hearing, balance, dental and head and neck services at the Eastman Dental Hospital and the Royal National Throat Nose and Ear Hospital.

Clinical research underpins all aspects of the high quality services provided, and will be a key driver for service developments and the UCLH strategic plan over the next ten years. UCLH has already gained a national and international reputation in a number of areas of significant research and have continued to see a year-on-year growth in the number of patients entered onto clinical trials across a number of specialities. Strategically the Trust will look to grow and develop the relationship with University College London (UCL) and other academic and charitable partners, supporting the Trust's key strategic aims and vision.

Specialist Cancer and Cardiac reconfiguration in North East London and West Essex

UCLH clinicians have played a critical role over the past three years in supporting the commissioners with development of the case for change, through the London cancer and cardiovascular work streams and in close collaboration with UCL Partners.

NHS England with local Clinical Commissioning Groups (CCGs) led a period of extensive engagement with key local stakeholders about the proposals. These stakeholders included the Joint Health Overview and Scrutiny Committees (JHOSC).

In summary the proposals describe the following plans for service reconfiguration:

- For five complex and rare cancers clinicians have recommended that specialist treatment should be provided in four centres of excellence across the area with a key hub at UCLH. This will equate to roughly 500 spells of activity transferring to UCLH from other providers;

- For cardiovascular care clinicians have recommended that services currently provided at the Heart Hospital, the London Chest Hospital and St Bartholomew's hospital should be combined into a single integrated cardiovascular centre. The Royal Free Hospital and the integrated cardiovascular hospital at St Bartholomew's would act as Heart Attack Centres (HACs) for the area.

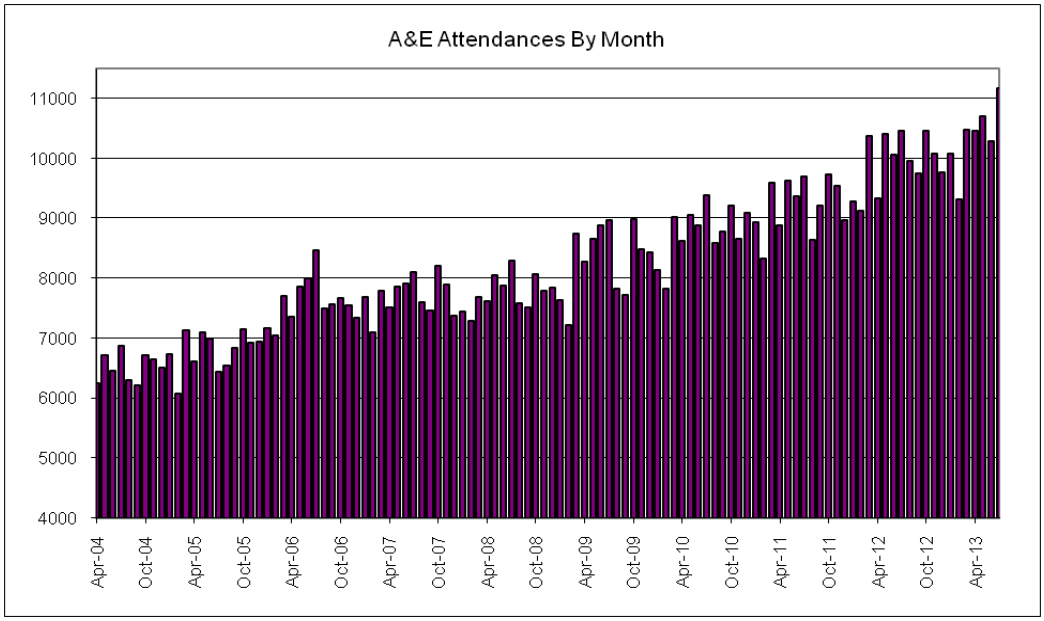
UCLH remains committed to the implementation of the proposals set out by NHS England and the local CCGs. At the time of writing these proposals had not been formally agreed by NHS England's Financial and Investment Committee nor had they been discussed at the final commissioner decision making meeting (July 2014). The UCLH 5 year financial plan however does include the financial consequences of the proposed plans and the associated in-principle agreements that have been made to date.

Core medical and surgical services

UCLH is a provider of core medical and surgical services to the local population, through both emergency and elective pathways. It is important again to acknowledge that the aspiration to become world leading in neurosciences, cancer services and women's health cannot be achieved without a strong basis in these core medical and surgical specialties, including general paediatrics.

The Accident and Emergency (A&E) Department is the port of entry for the vast majority of patients on the urgent and emergency pathway. The A&E has seen a continuous increase in attendances over the past ten years as illustrated in figure 9:

Figure 9: A&E attendances April 2004 to April 2013



We judge that demand on A&E services will continue to increase over the next five years, in line with the national trend. Notwithstanding that UCLH remains committed to working with primary care partners to ensure the best models of care for the local population that reduce the need for people to visit hospital where at all possible.

With the increase in attendances to A&E UCLH has seen an increase in patient level acuity and subsequently pressure to admit more patients into the main hospital. This pressure in demand is also being felt on the overall flow of patients through the acute hospital beds creating a considerable pressure on current and future capacity, requiring significant changes in ways of working and use of stratification of care.

As acute services are developed more closely to match the needs of patients the Trust will need to ensure that it only admits those patients who truly need to be in an acute hospital bed. The Trust will avoid admissions by breaking the traditional primary/community/secondary care boundaries. This will be done by increasingly using ambulatory care and hospital at home models, by enabling earlier discharge to step down facilities and by augmenting self-care. These approaches will enable the Trust to cope with rising demand and to provide top quality care with a positive patient experience. This must also be matched with links to educational and research opportunities from growth areas such as care of the elderly.

The local commissioners are at different stages of having articulated and planned for changes in how care can be delivered more effectively in community settings. All of the discussions with CCGs have been positive and collaborative, driven by a shared understanding of the need to improve care models and deliver efficiencies in such a way that providers are not destabilised financially. Over the past two years UCLH has established a clinical integration division within the Medicine Board and during 2014/15 will continue to use this dedicated resource to ensure that opportunities are delivered for much more integrated working with local health providers.

Elective medical services are predominantly outpatient or procedure-based (for example bronchoscopy), with clinical teams increasingly focussed on developing integrated pathways with primary and community providers. The current elective medical inpatient services provide diagnostic and medical therapy treatments.

UCLH provides a comprehensive secondary care surgical service to the local population. The elective surgical service has elements of tertiary expertise across most specialties, with high volume practices in urology, head and neck, ENT, orthopaedics, gynaecology and elements of gastrointestinal services. As commissioners seek to consolidate specialist surgical services in order to improve outcomes, UCLH is aiming to prioritise those specialties in which it seeks to provide tertiary surgical services.

It is also vital that UCLH continues to build essential clinical support and diagnostic services (e.g. pathology) to match and enhance the strategic areas of development. There will be significant business opportunities and chances for regional and even national leadership of developments in this area (e.g. the Pathology Joint Venture due to begin in 2014).

In Summary: Short and Long Term Strategic Objectives for Core and Surgical Services

- Complete the emergency department redevelopment to meet demands and new models of care for the next 10 years and potentially beyond
- Ensure all patients are on pathways of care where innovation is encouraged but unwarranted variation minimised to maximise value for patients and the organisation
- Develop stratification of care models and delivery of care to aid capacity required for strategic developments and local population
- Develop research and educational benefits through linkage to UCL (e.g. healthy aging and adolescent rheumatology)
- Continue to develop the relationship with Great Ormond Street Children's Hospital and other specialist paediatric providers in London to deliver the most appropriate configuration of children's, teenage and young adult services; especially in areas of a specialist nature such as

oncology where we are the partner of the joint Principal Treatment Centre for children and young adults with cancer.

- Continue to invest in high quality surgical facilities (including the completion of new day surgery/23hr facilities) and develop our reputation further as a training environment for world class surgery.
- Continue to work with primary, secondary and social care colleagues to ensure patients are treated wherever possible away from the hospital environment

Neurosciences

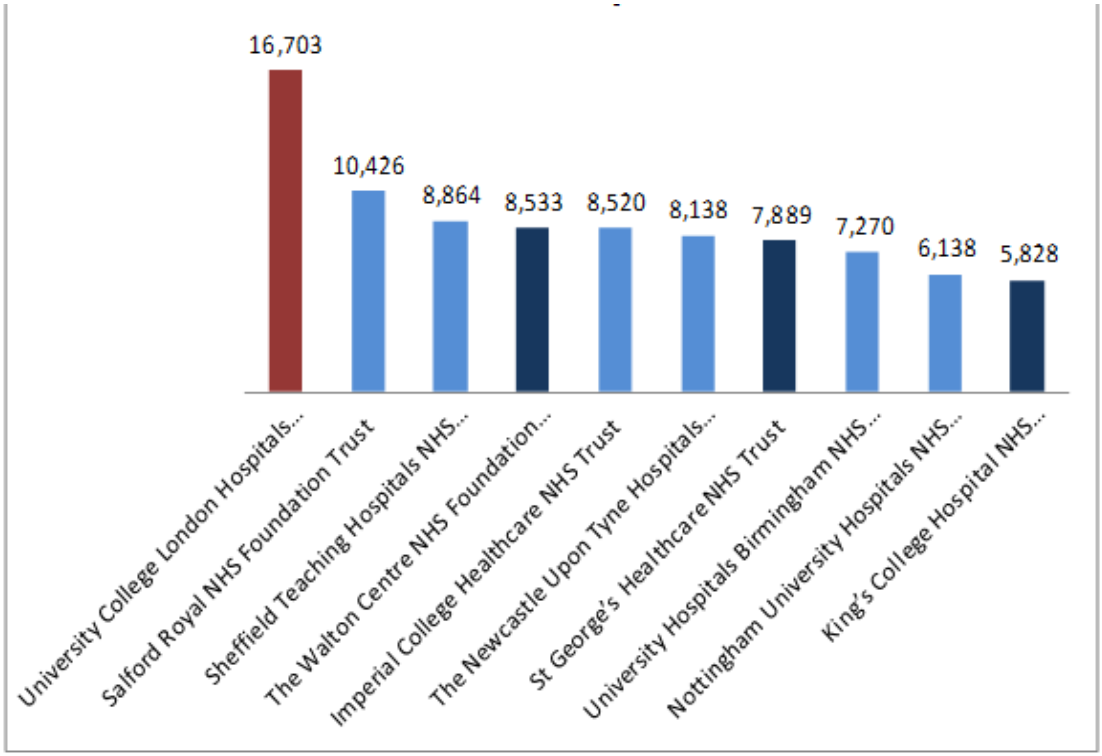
UCLH (Queen Square) is the largest clinical neuroscience provider in the UK, assessing and treating individuals with the most complex and difficult disorders from across the country. In conjunction with its academic partner, the UCL Institute of Neurology, Queen Square is internationally recognised as a centre of research and clinical excellence.

The impact of long term neurological conditions including stroke, dementia, Parkinson's disease, multiple sclerosis, and epilepsy on the UK health and social care system is significant. It is estimated that by 2020 over one million people in the UK will have dementia, costing 1% of GDP.

There is significant opportunity to improve outcomes at a national level by working in partnership to develop efficient and effective methods for definitively diagnosing neurological disease. There is also scope to further improve the efficacy of existing treatments and to develop novel interventions to improve the clinical outcome and quality of life for individuals with a neurological condition.

There has been a dramatic expansion of clinical services and research activity at Queen Square in the last five years, with growth in activity close to 80%. Figure 10 sets out UCLH's activity and volume size amongst the leading UK providers of neurosciences care

Figure 10: Top Ten Providers of Clinical Neuroscience by Inpatient Activity 2012 /13



The changing commissioning landscape will present new opportunities to deliver high quality integrated neurological services across UCLPartners and beyond, including better links with other providers as part

of a managed clinical network. It will remain important to continue delivering general and urgent neurological services to the local population integrated with local community services.

It is critical that Queen Square continues to grow its reputation and translational role as a national centre and world leader. Academic and clinical priorities must be aligned where possible to enable development of new treatments through translational research. In 2014 UCLH agreed a new 20 year Clinical Vision and Strategy for the services provided from Queen Square. In summary this vision and strategy has been focused on one over overarching mission:

To improve the clinical outcomes and quality of life for every individual with a neurological disorder

To achieve this vision the teams at Queen Square have set up a group of strategic intentions which are summarised below. These will form the major part of the planning and strategic focus over the next 2- 5 years.

In Summary: Short and Long Term Strategic Objectives for Neurosciences at UCLH

- Unify clinical services which are currently duplicated across the Trust and local health system
- Develop new models of assessing and treating chronic and complex neurological conditions
- Provide expert diagnosis, using the latest technology
- Offer novel treatments as soon as they are available, including pioneering internationally recognised clinical research
- Train tomorrow's leading scientists and clinicians
- Partner with services worldwide to deliver and debate on specialist opinions to broaden access to services whenever required and work to develop cures
- In partnership with UCL, establish Queen Square as a world leader in neurosciences services and research
- Deliver the Queen Square 20 year clinical vision and strategy

Cancer services

UCLH provides a wide range of cancer services including all types of cancer treatment and almost all tumour types. Workload has increased significantly over recent years in all areas, except paediatric inpatients, where there has been a shift away from inpatient treatment. Chemotherapy treatments have increased at 8% per annum over the same period.

The size and catchment area served by UCLH for different types of cancer varies considerably, ranging from specialist cancer services serving a large wide population, some network services serving predominantly North London, and some local services serving only a small local population. UCLH has provided national leadership in developing innovative ambulatory models of care in cancer services, underpinned by the opening of the Macmillan Cancer Centre in 2012.

The proposed reconfiguration of specialist cancer and cardiac services across the north and east London and west Essex offers an opportunity to deliver a step change in outcomes and survival for cancer patients. Through active partnership with other providers, UCLH will ensure patients have access to world-leading diagnostics and treatment along their care pathway delivered locally wherever possible.

Designation as a provider of the new Proton Beam Therapy service from 2018 will enable the Trust to take a national leadership role in further developing novel interventions for cancer patients. Establishing the UK's largest haematology (blood cancer) inpatient facility on the Phase 4 site (Huntley Street) will further enable clinical teams to develop innovative pathways and treatments for cancer patients. The Cancer Research UK Centre at UCL exemplifies the seamless integration of basic, translational and clinical cancer research with the outstanding treatment and care offered at UCLH.

The UK continues to perform poorly in survival rates for patients across most types of cancer when

compared internationally. In addition to the need to improve clinical outcomes, there is significant opportunity to improve the quality of patient experience for individuals diagnosed with cancer across the health and social care system. The proposed reconfiguration of cancer services across NE and NC London with UCLH as a specialist cancer hub offers substantial opportunity to focus on improving and supporting these pathways in support of better outcomes and better patient experience.

UCLH will continue to work closely with the UCL Cancer Institute to develop its reputation and translational role as a national centre and world leader. Academic and clinical priorities must be aligned where possible to enable development of new treatments through translational research.

In Summary: Short and Long Term Strategic Objectives for Cancer Services

- Improve early and accurate diagnosis by developing innovative diagnostic techniques and pathways which can be delivered locally across the UK
- Support the delivery of proposed reconfiguration of specialist cancer services (including radiotherapy) in North East and North Central London
- Develop the Full Business Case to ensure Proton Beam Therapy and Phase 4 Above Ground facility is delivered in 2018
- Improve the experience of cancer patients and their families across the health system, in partnership with Macmillan Cancer Support
- Improve local treatment through partnership with London Cancer
- Improve specialist cancer treatments by offering novel treatments as soon as they are available, including pioneering internationally recognised clinical research
- Improve outcomes through world leading translational research, in partnership with UCL
- Train tomorrow's leading scientists and clinicians

Women's health

UCLH is currently a major provider of maternity services to the local population, delivering over 6,200 births per annum. It also plays a key role in supporting complex maternity services for populations much further afield than Camden and Islington. The neonatal care service is a recognised centre of excellence and supports acutely ill and pre-term babies from across North and Central London and beyond as does the foetal medicine service in which patients are seen from across the wider population.

Alongside the expert maternity service UCLH has a national and international reputation for gynaecological service provision especially in the field of gynaecological cancer. The Trust also provides breast cancer care to just under 200 newly diagnosed women per year and plays a key role in supporting the local population with more general breast care support.

Strategic priorities for women's health services include developing plans for the expansion of maternity capacity in line with initiatives to offer families in London greater choice and further developing UCLH's role as a local and national provider of complex care for women and neonates.

In Summary: Short and Long Term Strategic Objectives for Women's Services

- Ensure UCLH becomes the hospital of choice for families wishing to give birth in and around North Central and North East London.
- Where appropriate invest in capacity expansion to support the demand of local families for maternity services at UCLH
- In partnership with the UCL Institute of Women's Health, establish UCLH as a world leader in gynaecological surgery and cancer care provision

- Improve knowledge, practice and education in all aspects of women's health

To deliver these strategic objectives within the two portfolios of focus (core and specialist) will require a number of supporting strategic developments in capital and associated infrastructure. These plans are referenced in further detail financially throughout the five year plan but summarised within the following section by way of background reference.

Key strategic capital project developments

Investment in Cancer and Surgical Services (Phase 4): As part of the Phase 4 development a new world-leading Proton Beam Therapy treatment centre will be provided below ground. Proton Beam Therapy is a particularly important form of cancer radiotherapy as it targets tumours precisely with less damage to surrounding tissues. This can improve the quality of life for patients following cancer treatment by reducing long-term side effects. UCLH and the Christie in Manchester were chosen and funded by the Department of Health to provide this capability for the NHS as two national centres.

A state-of-the-art patient facility with inpatient/short stay beds and operating theatres is planned for the above ground section of the Phase 4 development. The overall objective of the Phase 4 building is to help further develop the UCH campus capacity to deliver increased capacity of care in the most appropriate environment (i.e. short stay theatres, dedicated inpatient rooms for haematology patients) as well as supporting the strategic delivery of world leading cancer care. The trust aims for the facility to become fully operational in 2018. The capital funding requirements associated with the Phase 4 development are highlighted in the base case assessment of the five year financial plan.

Investing in Head and Neck Services (Phase 5): This capital and strategic development is focused on the re-provision of the Royal National Throat, Nose and Ear Hospital (which must take place by 2019 as part of the transition agreement with the Royal Free London) and the Eastman Dental Hospital from their current sites on Gray's Inn Road to the UCH campus. The Phase 5 development will provide an opportunity to co-locate these national and local services into a combined world class ambulatory facility closely linked with our academic partner (UCL). The facility will aim to be fully operational by 2018. The funding requirements associated with the Phase 5 development are highlighted in the base case assessment of the five year financial plan.

A&E expansion: As previously highlighted, UCLH A&E services now face a much higher level of demand; almost twice that of when the building the opened. UCLH has a staged redevelopment plan that is phased over a number of years to provide an environment that will be appropriate for the number of patients attending and will also improve the overall patient experience. The capital funding requirements associated with the A&E development are highlighted in the base case assessment of the five year financial plan.

Maternity expansion: The maternity services at UCLH have become particularly popular with mothers-to-be since the movement of services into the new Elizabeth Garret Anderson wing of the UCH hospital. The number of complex maternity cases seen is also increasing. As a result UCLH is planning a three phased expansion that will increase maternity capacity from around 6200 births per annum to potentially 8000.

Stage 1 of this process of expansion is now complete. Completion of stages 2 and 3 will be based on a clear market analysis of demand and in discussion with our partner network of providers and purchasers of maternity care. The capital funding requirements associated with the maternity development are highlighted in the base case assessment of the five year financial plan.

Expansion of the National Hospital for Neurology and Neurosurgery: the buildings around Queen Square, both Institute and Hospital, are fully utilised with no significant capacity for housing new clinics, beds or laboratories. Furthermore there are major infrastructure and service problems which threaten the continued presence of, and scientific productivity from, world class service and research. New translational research initiatives are currently limited by space rather than funding constraints. There is no hospital capacity for expanding patient services, restricting opportunities for growth and increases in market share. An outline business case is being developed at a high level to assess the possible requirements for increased site development and service re-provision. This will be developed in partnership with UCL over 2014/15 and any capital costs associated with this development are not included within the 5 year financial plan.

Strategic approach to staffing

Any organisational strategy is completely dependent on the quality and support of its workforce. The staff at UCLH will continue to be its most valuable asset as the Trust aims to deliver on all of its strategic ambitions. High quality, motivated and engaged staff correlate closely with high quality patient outcomes and safety and will be needed to deliver, where appropriate, expanded services. There are some key strategic aims that will be pursed as part of the workforce development strategy, these include:

- UCLH will continue to improve staff experience in order to improve patient experience. By continuing to engage staff in the plans and development of the organisation, keeping them safe, and making the feel supported, we will give patients a better experience at UCLH hospitals. In 2012 UCLH developed 'our UCLH values' of *safety, kindness, teamwork* and *improving*, and these values are now being put into the heart of everything we do, both for staff and for patients.

- UCLH will continue to embed leadership development, developing and implementing a systematic approach that generates a vibrant community of leaders at all levels of the organisation who are confident and competent to lead.

- UCLH will continue to simplify and improve workforce processes such as recruitment, occupational health, and learning and development. These will become processes that support staff rather than represent obstacles that they need to overcome.

- Workforce costs are significant for hospitals, and improving the productivity of the workforce is an opportunity to save money and at the same time improve the quality of our services. This will be done by applying lean and improvement methodologies to remove waste in processes, and ensuring that the organisation always operates to levels of appropriate skill mix in all departments.

Given the planned growth in activity and future strategic service reconfigurations coupled with the need to ensure safe, optimal care through appropriate staffing levels, a small degree of growth in the workforce in the medium term is anticipated.

There are a number of risks that will need to be managed as part of the strategic development as a trust:

- A decline in investment in education of new clinical professionals. At present, for example, there is concern that there is going to be a reduction in nursing trainees in 2015/16, and there is increasing

difficulty nationally in staffing A&Es with the appropriate level of experienced middle grade doctors. UCLH is particularly focussed on ensuring that appropriately skilled staff will be in place for all the current and future strategic service developments.

- There is a real battle for the most talented staff in the NHS, with a particular challenge of turnover across central London trusts. In part this is good for new ideas and the sharing of innovations. UCLH recognises though the importance of attracting and retaining the best candidates through provision of excellent facilities, a chance to be part of innovative R&D work and service models and being part of an organisation that engages its entire staff in its plans.

Education and training

The UCLH strategic vision over the next five years for Education, Learning and Development consists of three key elements: to ensure that everyone has the skills, knowledge and support to do their job; that everyone has access to positive education and learning experiences; and that everyone understands the importance of education and learning in achieving continual improvements in the care and experience for patients, carers and staff.

The strategic goals for education are excellent education, competent and capable staff, an adaptable and flexible workforce, wide participation in education, and particularly that UCLH and NHS values become embedded in our work. UCLH expect that this strategy will deliver benefits to patients and the public in that they will receive safer, higher quality and more effective care; that they can be confident of consistency of care aligned to best practice; that they will be treated in an environment of kindness and compassion; and that the interpersonal communication skills between patients and public on the one hand and carers on the other hand will be improved.

For the education partners of UCLH and commissioners of education they should have confidence in UCLH as a provider of excellent education for all and value for money for the funding invested in educational activity. They should find alignment of all of our educational activity; to the local and national workforce development initiatives currently in place, and an alignment of education activity to patients and to service delivery.

Quality strategy

UCLH has a strong track record of providing high quality and safe care to patients and has consistently achieved some of the best mortality rates in the UK. The Trust remains committed to ensuring the highest quality service for patients and is particularly focused on the drive to reduce any avoidable pressure ulcer, fall or hospital acquired infection.

UCLH has always operated with the philosophy of aiming to improve. In the wake of the mid Staffordshire report Francis, Keogh and Berwick presented a number of challenges to all trusts to listen to patients and improve the quality of the services that they provide. UCLH has taken a number of key messages from these reports. Perhaps the most striking point has been the imperative of listening to and learning from patient feedback. While UCLH performs reasonably well on measures of patient experience, the organisation feels that there is much more that can be done to understand what patients think about services and to identify services which are below the standard we would expect at UCLH. All staff need to understand the importance of listening to patients and responding to their individual needs. Themes from patient feedback need to be constantly monitored, from ward to organisational level, to know where to target efforts to improve services. Through the ‘Making a Difference’ campaign the Trust is focused on improving and developing in this area. This campaign is set to grow and develop further over the next five years.

The Trust is aware that like many organisations more can done to ensure a consistency in care quality

across weekends as well as during the week, and out of office hours as well as during office hours. A key strategic theme in the short and medium term will be investing in staffing and new ways of working that will provide the same quality of care 24 hours in every one of 365 days of the year. This work has already begun in areas such as emergency medicine and maternity services and is set to continue where appropriate across the Trust and hospital sites.

Using all of the data and qualitative information that the organisation has in a more intelligent way will also be a strategic priority in the coming few years. The plan is to redirect resource to take the rich information that is available to derive more insights and early warnings from it than takes place currently. One of the areas where this will be a priority is the assessment of readily accessible data on the clinical outcomes from individual clinical teams. Work will continue to develop the use of “quality boards” and “quality huddles” which to date have provide highly effective in improving the quality of care provided and patient experience. Work also continues to roll out the use of Electronic Prescribing Medicine Administration (EPMA). This will be used to help clinical teams further reduce the number of prescribing and medical errors across the Trust.

NHS England’s specifications for the specialised services that they now commission will be a driver of quality. It is anticipated that all providers will need to make improvements to meet the specifications, and in some cases may need to stop delivering certain services because the cost of meeting the specifications will be too high. This will provide a further stimulus to rationalisation of services. It is envisaged that in many areas this will support a flow of additional work and resources to UCLH (especially the tertiary clinical services). It is hoped this shift will in addition improve the quality and efficiency of these services for a wider population of patients.

There are currently a few areas of immediate challenge and focus in terms of the quality metrics and performance which UCLH is addressing; although these are not seen as part of any fundamental strategic weaknesses:

- Infection Control: UCLH has not always performed well against the Clostridium difficile target thresholds, although we are concerned that the measure itself is not a useful indicator of safe clinical care. Nonetheless it is anticipated that this will improve through continued development of environmental cleanliness and management.
- Pressure ulcer management: Constantly ensuring that patients avoid pressure ulcers is a key priority for the clinical teams across UCLH. During 2013/14 UCLH saw a 25% reduction in avoidable pressure ulcers and this included a 50% overall reduction in quarter 4. Continued improvement of this key indicator area is a challenge but one that all sites and services are fully focused on.
- Fall Management: This remains a key area of continued focus for UCLH and a number of developments and plans are already underway to ensure a continued reduction in the number of patients who accidentally fall.

Performance and ambitions for high quality services at UCLH rest on other strategic foundations dealt with elsewhere in this document but in particular:

- Improved staff experience as the best way of improving the experience of patients
- Embedding organisational values: safety, caring, improving and teamwork
- Building leadership capability, very specifically amongst clinical staff and teams

Transformation strategy

UCLH has made progress in both establishing a clear clinical strategy and understanding the contribution that each service makes to the financial position of the organisation. The knowledge gained in areas such as service profitability will be used to guide investment decisions.

UCLH will continue to work closely with local commissioners to integrate services with those in the community where appropriate to generate financial opportunity for the wider health economy while at the same time seeking opportunities to diversify the range of services provided.

As a clear signal of the organisations commitment to delivery of a transformation strategy the newly appointed Deputy CEO will now have overall responsibility for ensuring delivery of a clear scheme of substantial service improvement and change.

UCLH will be organising major work-streams for transformation under some key strategic headings:

Creating an operating model through the application of lean methodology: In clinical areas UCLH has enjoyed significant success through the “Productive Clinical Services” programmes, in particular the productive outpatients programme, which the Trust is looking to extend to all clinics over the next year to 18 months. The Trust is looking to scale up its lean transformation activity over the year ahead to include redesign of inpatient clinical streams and corporate services. The aim is to roll out lean methodology, training and support across all of the teams in the organisation. To achieve this UCLH is working with an external consultancy firm to accelerate the Quality, Efficiency & Productivity (QEP) programme and help support the 3-5 year transformation roadmap through an opportunity search, which will be named the "Transformation Roadmap" work stream. This roadmap will set out the 5-year UCLH transformation journey following the initial development of exemplar services and departments. It will raise the standard of day-to-day operational management to make best use of resources consistently.

One of the most critical aspects of this programme is having clinical teams using the same information about their patients and to have our patients on a documented clinical pathway, so that teams know exactly what we should be doing for a patient at any given moment and whether that is actually happening. This would be supported by state-of-the-art ICT systems (see below). Work on increasing early daily review by a senior doctor has been successful; the challenge is now to implement decisions rapidly, anticipate discharge earlier and plan for this, and where necessary to invest in six and seven day service provision. The Trust has developed, with partners, a range of alternatives to acute inpatient care. This work will be extended further in the year ahead.

Technology**:** There will be a continued focus on using technology to release clinical time to care. The centrepiece of the work here will be the procurement and implementation of a new electronic health record system. Finally, UCLH is in the early stages of analysis and Outline Business Case development. This is included within the baseline 5 year financial plan at a modest £40m with further detail provided as the assessment of options and the market concludes. This investment is seen as critically important to helping continue to drive the delivery of transformed and highly efficient, high quality models of care at UCLH.

In addition, and in the shorter term, the Trust will be making more tactical changes including extending electronically shared handover lists across the Trust, and the development of innovative Apps that save busy clinicians time by both streamlining core data collection activities and enabling these to be completed at the bedside. UCLH will also seek to increase visual management on wards by developing electronic whiteboard displays. The implementation of updated WiFi which is taking place across the Trust will assist the journey towards mobile clinical solutions. The Trust is introducing location tracking of core assets, beds, mattresses and specific items of portable clinical kit. Activity flows have identified that every trained

nurse spends over an hour a week searching for equipment, and nursing assistants and therapists even more than this.

Research and Development

Clinical Research underpins all aspects of UCLH's high quality services, and will be a key driver for service developments over the next five years.

The work to build UCLH's position as a world-class leader of research to improve patient care is continuing to flourish with a host of major research initiatives.

The Biomedical Research Centre (BRC), which is a partnership between UCLH and UCL, has gained increasing recognition and prominence. Funded by the National Institute for Health Research (NIHR), with £100m funding over five years, the BRC has in the last year invested over £10 million in work to speed up the translation of new discoveries into improvements in treatments, diagnostics and patient care.

The NIHR/Wellcome Clinical Research Facility (CRF) at UCLH provides a tailored environment and support dedicated to clinical research and at any one time hosts over 50 research projects involving innovative treatments. The dedicated facility ensures research studies can be conducted as safely, effectively and efficiently as possible. The facility has ensured that over the last year UCLH has not only maintained a wide portfolio of clinical trials but has also been able to become a major player in recruitment to international trials.

UCLH is also a key member of one of the UK's first academic health science centres UCLPartners (UCLP) and has been central to increasing funds and recognition of the local geographical area as an international focus of academic and applied health research. UCLP brings together the expertise of clinicians and researchers from across north, central and east London. The aim is to share expertise, resources and processes to benefit research and patients.

2013/14 in particular has seen significant development in the UCLH strategy for research:

- The BRC entered its second year of its five year funding period with an ambitious programme of investment with a shift of emphasis to experimental medicine, which tends to be 'first in man' studies such as research into new therapies and devices or the mechanisms of disease. Investment has focused on high impact initiatives. A key part of this is a drive to speed up the translation of new discoveries into improvements in treatments, diagnostics and patient care, and to increase the scale across which these improvements can be delivered for patient benefit

- The development of key partnerships with companies to enable researchers to fast track the development of new drugs and treatments. The BRC has invested 0.7m over four years to enable researchers to take up laboratory space at Stevenage BioScience Catalyst which means they have access to the experience and expertise of GlaxoSmithKline.

- Reduction in the bureaucratic burden of research project approvals

- Development of a database of UCLH research studies, open to the public.