Final V5
PUBLIC VERSION

University Hospital Southampton NHS
NHS Foundation Trust

Strategic Plan Document for 2014-19

University Hospital Southampton NHS Foundation Trust

Strategic Plan Guidance – Annual Plan Review 2014/15

The cover sheet and following pages constitute the strategic plan submission which forms part of Monitor's 2014/15 Annual Plan Review.

The strategic plan must cover the five year period for 2014/15 to 2018/19. Guidance and detailed requirements on the completion of this section of the template are outlined in Section 5 of the APR guidance.

Annual plan review 2014/15 guidance is available here.

Timescales for the two-stage APR process are set out below. These timescales are aligned to those of NHS England and the NHS Trust Development Authority which will enable strategic and operational plans to be aligned within each unit of planning before they are submitted.

Monitor expects that a good strategic plan should cover (but not necessary be limited to) the following areas, in separate sections:

1. Declaration of sustainability
2. Market analysis and context
3. Risk to sustainability and strategic options
4. Strategic plans
5. Appendices (including commercial or other confidential matters)

As a guide, we would expect strategic plans to be a maximum of fifty pages in length.

As a separate submission foundation trusts must submit a publishable summary. While the content is at the foundation trust's discretion this must be consistent with this document and covers as a minimum a summary of the market analysis and context, strategic options, plans and supporting initiatives and an overview of the financial projections.

Please note that this guidance is not prescriptive. Foundation trusts should make their own judgement about the content of each section.

The expected delivery timetable is as follows:

Expected that contracts signed by this date	28 February 2014
Submission of operational plans to Monitor	4 April 2014
Monitor review of operational plans	April- May 2014
Operational plan feedback date	May 2014
Submission of strategic plans (Years one and two of the five year plan will be fixed per the final plan submitted on 4 April 2014)	30 June 2014
Monitor review of strategic plans	July-September 2014
Strategic plan feedback date	October 2014

1.1 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	**28 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)*	**John Trewby**

Signature

Approved on behalf of the Board of Directors by:

Name *(Chief Executive)*	**Fiona Dalton**

Signature

Approved on behalf of the Board of Directors by:

Name *(Finance Director)*	**Alastair Matthews**

Signature

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***

1.1.1 *Summarise key evidence base and critical schemes relying on to ensure sustainability of high quality services*

The board has declared that it will be sustainable over the 5 year plan period based on the assumptions made within this document which fulfils the requirements of this year's Annual Planning Review (APR). Core assumptions have been discussed with stakeholders by the Trust, and local commissioners have supported the principles within the plan. The plan will be reviewed annually, as part of the ongoing APR process, to assess any changes each year and in view of the developing challenges facing the NHS.

The NHS and Trust is facing unprecedented change and therefore risks due to the national affordability challenge of £30bn and significant number of unknown changes within the health economy pending.

The Trust has a marginal threshold to be viable financially and deliver performance. Within the strategic landscape it is difficult to plan and forecast over the next five years but it has set out realistic plans. On the prudent planning assumptions made for this planning round it should retain a marginal 3 CoSRR and move toward consistent delivery of performance targets.

Key risks to the sustainability of the Trust have been identified and summarised along with mitigating plans in section 1.4, and include the following:

Internal Risks:

- ***Ability to provide and fund capacity to meet demand***
- ***Increasing challenge to deliver CIP***
- ***Stability to deliver RTT and ED performance***

External Risks:

- ***Demand and growth patterns driven by changing patient demographics and need***
- ***Pace and delivery of Better Care Fund and QIPP Plans***
- ***Uncertainty facing the NHS in terms of political change, tariff and Specialist Commissioning***
- ***Affordability challenge of the Local Health Economy and commissioners***
- ***Availability of skilled nursing and medical staff in some key specialties***

University Hospital Southampton NHS Foundation Trust (UHS) achieved FT status in October 2011. Since that time an increasingly difficult financial environment, coupled with consistent demand growth, has ensured that the main challenge for the Trust has been maintaining a high quality service to patients and financial stability. This challenge remains the key focus for the Trust over the plan period and this is reflected in this strategic document.

The Trust strategy is designed to maintain steady financial performance whilst building towards an exemplar quality service for our patients, in a changing environment. The strategic outlook and approach adopted by the Trust is not therefore overly optimistic but is felt to be realistic. Our plan includes base assumptions on growth and capacity that differ from those of our commissioners. However, our Commissioners have been engaged in the development of this plan and the Trust is committed to maintaining its position in the local health economy in a way that supports the financial challenge across that economy where possible. Our strategic plan is grounded in the principles of the Trust 2020Vision whilst also focussing on providing the right treatment to patients at the right time and in the right setting.

Currently the Trust expects a higher level of demand based on the consistent growth in the volume of referrals received (circa 10% per annum) and activity trends, than our commissioners are predicting. The Trust and LHE commissioners are committed to having pathways in the right setting at the right time which should result in shifts or work and/or require alternative capacity solutions.

Whilst our core assumptions may differ from those of our commissioners this is more noticeable in the latter years of the plan and as with all strategies, these assumptions will be reviewed as we progress through the plan period. As our joint activities develop, the Trust anticipates that initiatives will deliver target performance and as a result we will achieve alignment with commissioners. For example, whilst our demand assumptions are higher than those of our commissioners, so are the benefits of the Better Care Fund that they have included in their plans. The Trust has yet to see a tangible benefit from this initiative and therefore has more modest assumptions. If this program is successful, so activity within the Trust in terms of both income and cost will be reduced.

Although there are a range of potential changes within the health economy both locally and nationally, much of these are still being developed, hence we have included them within our narrative as concepts that will play an increasing role in later years, but have excluded them from our financial projections whilst their impact is still being quantified. One such example is the potential consolidation of specialist services into 15-30 centres. Our strategy focuses on UHS being one of these centres but no significant change has been made to our finances, or organisation, at this stage as the actual nature of any changes, their magnitude and timescales remain very unclear.

With regard to quality, we recognise the importance of changes to services that will be required to maintain the highest levels of quality care, particularly those that result from the recent high profile reviews of NHS activity. The Patient Improvement Framework is embedded within the organisation and outlines key quality priorities in order to improve and deliver safe services. The Trust undertakes internal reviews to also understand any key issues take; appropriate action and learn as part of an ongoing continuous improvement cycle. The Trust expects the bar on quality to continually rise which will require innovative changes in clinical practice and pathways, new technologies and at times commissioner funding for any significant step changes as service models evolve.

Financially we expect to continue to achieve our CIP targets but believe that this will be increasingly difficult. Whilst there may be changes to the current PBR tariff system beyond the deflator assumption, we assume no significant amendments beyond the increased income that reflects increased growth. Our ability to invest capital and our development program are directly related to these financial assumptions.

Whilst the Trust expects an increase in the level of competitor activity within the local market significant loss of share is not anticipated. The local Independent Treatment Service Centre (ISTC) contract will go out to tender later this year, our plans have not assumed any gain from this, the Trust assumption is that the status quo will be maintained. In addition it is felt that merger and acquisition activity will be minimal due to the nature of the competitor landscape, in particular following the outcome of the recent attempted merger in Dorset.

Pathway integration is a potential opportunity for the Trust but, it is felt that this will unfold with the implementation of the Better Care Fund hence no additional assumption has been made at this stage. In addition the impact of longer term developments such as hospital chains, have also yet to be fully assessed.

The financial sustainability of the Trust and the ability to deliver high quality, integrated services will be dependent upon having a balanced Elective Programme and achieving consistent patient flow throughout the Trust. This is critical when emergency activity is paid at marginal rates for over performance and the Trust is a Major Trauma Centre and potentially a designated Major Emergency Centre. Successfully achieving this balance relies on the Trust's ability to align demand with capacity, financial and operational performance, and patient experience when the system and patient flow are under pressure.

The likely changes in demand for the Trust will be influenced by the following schemes or issues hence close co-operation across the health economy will be critical:

- Productivity gains e.g. elective to day case, day case to outpatient, reduction in follow-ups (QIPP)
- Reduction in unnecessary emergency attendances and admissions, phased reduction in complex discharges (BCF/QIPP)
- The future strategic direction of other providers such as Hampshire Hospitals NHS FT
- Integrating patient pathways across organisational boundaries and the availability of healthcare provision in alternative settings
- Better patient and public education and sign-posting of health and social care services

- Increased national recognition of the Children's Hospital services and excellent outcomes
- Impact of Major Emergency Centre status
- Impact of anticipated centralisations/regionalisations
- Impact of local health system market shifts and workforce changes through 'expert' retirements
- Implication of an increasing workforce and skill mix shortage
- The financial sustainability of the Trust in such a complex, changing health economy
- Limitation of capital funds to invest
- Technological opportunities to change health models and innovation

In addition to these assumptions the trust will continue to progress its Education, Research and Commercial strategies which will also support the financial sustainability of the Trust, improve healthcare through innovation and enhance patient, visitor and staff satisfaction.

The Trust will evaluate its strategy through each year of the plan period however an additional response to the current challenge will be for the Trust to undertake a comprehensive strategic review to recast the existing 2020Vision, with engagement from local health economy partners. This initiative will enable the current strategic challenge to be fully appraised whilst also checking the strategic fit and alignment of the full local health economy. The Trust acknowledges the degree of uncertainty and the affordability challenge within the health and social care sectors over the next five years and therefore sees this as a crucial activity to ensure it remains a key stakeholder within the local health economy and wider specialist service environment.

1.2 Market analysis and context

Introduction - Market Context

The strategic focus of the organisation is consistent with our 2020Vision. As a University Hospital Trust we are committed to providing:

- A local acute hospital for South West Hampshire and Southampton primarily providing emergency/unplanned care and a focussed portfolio of elective services for our local population.
- A tertiary centre providing a broad portfolio of specialist acute services (emergency and elective) for a larger population, including our local population but also covering South West and South Central England, the Isle of Wight and the Channel Islands.
- A recognised clinical academic centre working closely in partnership with the University of Southampton and with a strong research, education and training infrastructure that underpins the delivery of high quality evidence based clinical services.

Our strategy is broadly consistent with the objectives and priorities of our local commissioners and recognises the increasing affordability challenges that the local health economy faces. Our strategy focuses on maintaining and protecting our specialist status, moving local and routine services safely into the community and operating efficiently within and across organisational boundaries. Our strategy also recognises the need for the Trust to adapt to face the challenges that change within the health economy will bring.

1.2.1 *Healthcare needs assessment:*

The Trust's assessment of the wider local health economy (LHE) and engagement with all stakeholders has demonstrated the following material challenges.

a) Needs Assessment

UHS is a stakeholder of the Southampton Joint Strategic Needs Assessment (JSNA) forum. The JSNA informs priorities for the Health & Wellbeing Board for the local population, which are shown in the chart below and are also representative of national priorities.

Current priorities therefore include:

- Smoking
- Alcohol and drug dependency
- Obesity
- Dementia
- Mental health prevention
- Addressing health and social inequalities
- 'Cradle to grave' patient centred care is also a core priority

The rise of genomics, personalised medicine and new technology will be seen over the next five years, technological and clinical advances will continue to emerge. Examples include robotic surgery, stereotactic radiotherapy and HDR Brachytherapy.

Patient expectations will continue to increase, particularly regarding preventative healthcare and seeking interventions with the best clinical outcomes, which will drive demand for quality services. Patients will also expect access to emergency care at the point of need. With health as a core enabler of independence, health and wellbeing, improved life expectancy and quality of life; it is a high priority for the public and therefore politically sensitive. From a patient perspective, 'personalised' care is increasingly desired in different settings. This can mean provision of service from acute to step-down care that is close to, or at home locations and which benefits their independence and family/carer support available.

Patients need to be fit for work, which is important for them personally to sustain independence but also as part of economic recovery both regionally and nationally. The Trust is one of the major employers in the City so is also dependent upon staff to be fit for work. Looking forward, there is already a skills and labour gap, with a significant number of people expected to retire over the next five years. The national pipeline of skill mix and available staff is increasingly identifying shortages across a range of sectors.

With affordability pressures for the long-term expected; greater education and sign-posting of health care will be needed. This will encourage the public and patients to access care in the 'right setting at the right time', increasingly through integrated pathways that are seamless in terms of patient experience. This will require greater inter agency working, better information sharing and networks; together with transformation of services. The role of the patient in 'self management' will be increasingly critical. The voluntary and charity sectors will also have a key role to play in supporting this issue by sign-posting patients to the numerous patient expert groups, support groups and key services, as well as fund raising in an increasingly competitive market.

The Trust is fully committed to learning from patients, staff and key national reports including the Francis Report, Berwick Report on Safety, Peer Reviews and the activities of the Care Quality Commission (CQC). These collectively inform the Trust quality strategy regarding those priorities and drivers that should determine service change.

b) Population Forecast

UHS operates within a health economy that serves a local population of circa 1.9 million and covers Southampton City and West Hampshire (New Forest, Eastleigh and Test Valley). The Trust also serves a tertiary health economy of circa 3.6 million people and, for paediatric cardiac services, a population of 5.6 million, stretching from West Sussex in the East to Devon in the West. Whilst the Trust provides a full range of services to the local health economy, the service provision to the wider region focuses on specialist tertiary activity.

There has been a relatively recent increase in birth rate, in part due to EU immigration over the past five years, which has now flattened. Predicted growth by age group is illustrated below and indicates the potential increase in our 65 age group.

The Trust has a high rate of over eighty year olds, which significantly impacts Trust acuity i.e. the complexity of need and as a result capacity requirements. These patients often require complex discharge packages which can result in discharge delays and the use of a significant volume of Trust beds.

In particular, the elderly are living longer with co-morbidities, which affects their 'need' and length of stay and has a significant implication for health and social care capacity. Lifestyle choices continue to also have a significant impact on smoking related diseases, alcohol and drug misuse, obesity and other long-term conditions such as diabetes. For the elderly there are also mental health conditions, depression and increasingly loneliness and isolation issues to consider in the provision of care.

c) Defined Market

The Trust has seen continued growth across all work, including an increase in day cases. Broadly, the Trust is in line with the national direction of growth based on historic trends and our market forecast to 2018/19 depicts a continuation of this.

An Independent Treatment Centre was commissioned in Southampton in 2008/09 which resulted in several thousand cases of non complex work being transferred to the new private provider; more work has followed. This facility and the increasing specialist work over the past five years has seen the Trust case mix and acuity become more complex.

In terms of size and patient flow the Trust will have treated the patient volumes set out in the table below by the end of 2013/14, with an overall NHS clinical turnover of circa £511m, and staffing levels of approximately 8,115 (wte).

Point of Delivery	2013/14 Activity (FoT)	2013/14 (FoT) £ Income
First Attendances	116,000	£20m
Follow-ups	243,000	£24m
Elective Admissions inc DC *(DC c65% of activity)*	77,000 *50,000*	£107m
Emergency Admissions	100,000	£137m
A&E Attendances	128,000	£15m

Source: SLAM

The Trust has developed over the past years to deliver high quality services to local populations and become a major specialist provider with centre status for a number of adult and paediatric services. It has invested in the infrastructure to support this and is increasingly moving towards a twenty-four seven service provision which will continue to improve access and fully utilise fixed assets. The strong partnership with the University of Southampton has enabled a portfolio of research to be established with excellent clinical outcomes together with clinical expertise. This has made UHS an attractive Trust for employment based on the reputation built.

The Trust has a 'defined market' which includes eleven CCGs and Specialist Commissioning and represents ninety-six percent of all Trust clinical activity. However 89% of this clinical activity and value is shared between 3 commissioners (Specialist, Southampton CCG and West Hants CCG).
The Trust market can be profiled by considering:

- Specialist Services (Elective & Emergency)
- Local Services (Elective & Emergency)
- Children's Hospital
- Major Trauma Centre (Adult & Paediatrics)

Specialist Services (Elective & Emergency)

The Trust continues to develop its position as a specialist tertiary provider for the six 'defining' services originally defined within the 2020Vision; cardiovascular, neurosciences, respiratory, cancer, gastro-intestinal and women and children.

The Trust serves a population of 3.6 million living locally and across central south coast of England including Hampshire, Isle of Wight, Dorset, Devon, Cornwall, Wiltshire, Somerset, West Sussex and the Channel Islands primarily for tertiary services. Generally this population is older, more affluent and with a lower proportion of ethnic minorities than the UK as a whole. Epidemiology varies widely across the area but long term conditions, cancer and respiratory are particular issues.

Following the 'maximum take' contractual shift, of specialty designations to Specialist Commissioning from 1 April 2013; Specialist Commissioning is now the largest of the Trust's contracts in terms of income. During 2013 the Trust responded to the National NHS England (NHSE) consultation on specialist service specifications. The Trust provides services for approximately eighty of the specifications consulted at this stage, which are now registered centrally. Some specifications were removed subsequently by NHS England.

Over the next five years there is an expectation nationally that there will be fifteen to thirty 'centres' emerging for specialist services. This direction will provide opportunities for the Trust but potentially threats too, particularly if barriers to 'new market entrants' are removed for new services or unexpected shifts. The Trust has developed, or is developing the following initiatives which have delivered quality outcomes for patients as well as a contribution to research and development:

- **Cancer Centre**
- **Major Trauma Centre (Adult & Paediatrics)**
- **Children's Hospital**
- **Respiratory Centre**
- **Neonates Centre**
- **Neurosciences Centre**
- **Cardiac Centre**
- **Maternity Unit (6000 Births)**

The Trust is an established, leading teaching hospital with a strong research and development portfolio, and a partner of the University of Southampton. This has enabled Trust clinical services to be at the leading edge of new innovations and emerging research opportunities in the development of specialist services. The Trust has invested over the past decade to build the infrastructure to support the development of specialist services, including leading critical care units and clinical expertise.

Local Services (Elective & Emergency)

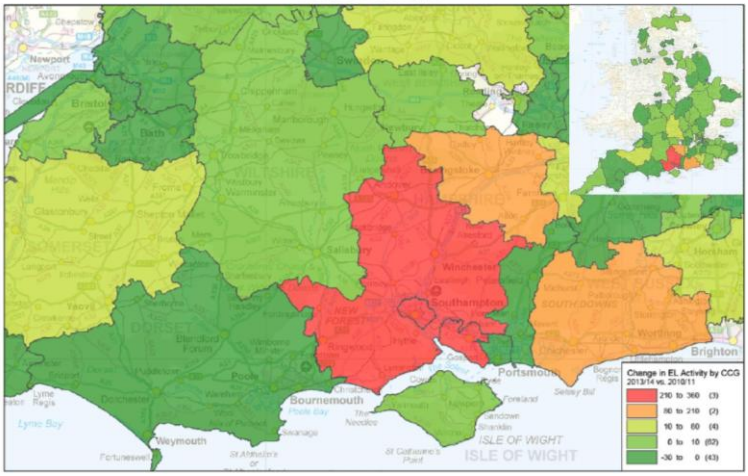
The Trust serves three very different populations each with very different health needs:

1. Southampton City 223,000; relatively young, ethnically diverse population which is growing significantly; includes large transient student population and pockets of deprivation above average for South of England.
2. The New Forest 172,000; an old and increasingly ageing population with an above average life expectancy; population is decreasing overall in particular in the 16-44 year old age group.
3. Eastleigh and Test Valley South 165,000; relatively affluent population, with a rising birth rate and an age profile that is less skewed than the other two areas; population is growing, including in the under 20s.

Elective Demand

Overall Trust elective demand has been relatively stable for the past three years. There has been growth in day case activity during this period as activity has transferred from admitted care. Continuous growth in emergency demand above contracted levels has impacted the Trust's ability to keep capacity aligned for the Elective Programme. This in turn has affected performance delivery on referral to treatment time for some sub-specialties. The Trust now has a plan agreed with local Commissioners to meet the performance target.

Change in Elective Activity by CCG
2013/14 vs. 2010/11



Source: Business Objects. Admitted Elective activity only, no Day Cases.

Although the general trend has been for a steady increase in elective spells, there have been pockets of market shifts away from UHS, e.g. Winchester and Andover, where a few GP practices have shifted some activity towards Hampshire Hospitals. This is perhaps not too surprising, given geography, and is mitigated by increased activity from New Forest, Totton and along our eastern border with Portsmouth (particularly Fareham & Gosport).

Emergency Demand

Locally the Trust has experienced growth in emergency admissions with an average three year trend of 3.3% per year. The majority of local emergency demand is within a twenty mile radius of the Trust.

Change in NEL Activity by CCG
2013/14 vs. 2010/11

Source: Business Objects

Between 2010/11 and 2013/14, the largest volume increase in non-elective activity came from Southampton City CCG (2,165 spells or 7%), though West Hampshire CCG was very similar (2,046 spells or 8%) peaking at the time of the Winchester and Basingstoke merger.

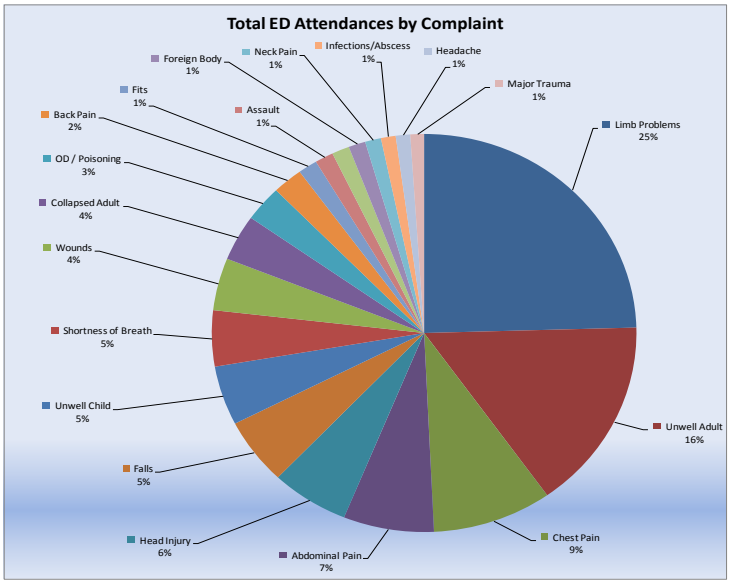
Over the same three year period, attendances at ED increased by circa 6% (6,905) in total. This has shown a similar pattern to non-elective admissions with Southampton City and West Hampshire CCGs closely matching each other's volume of growth. Some of this will be MTC related but the Trust has seen greater local growth in emergency demand; reflecting pressures within the health and social systems.

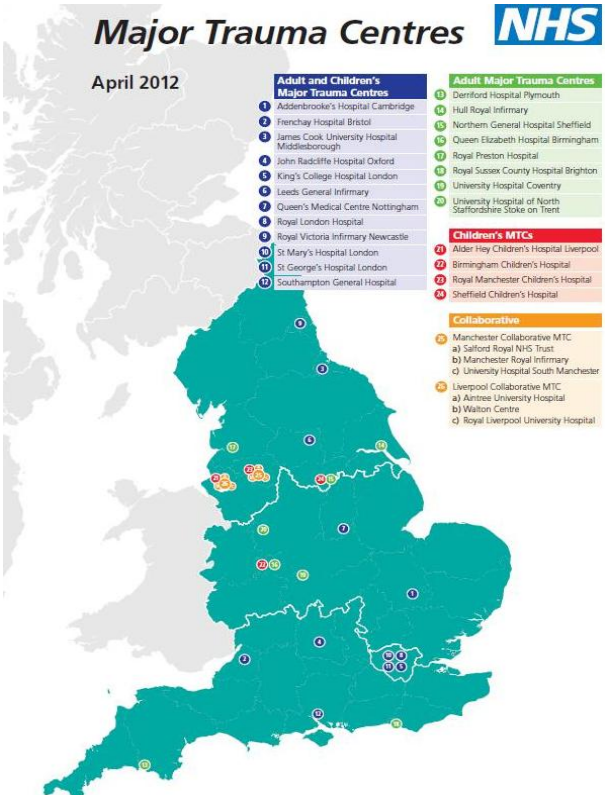
Future Direction of Emergency Care

Looking forward, the emerging picture nationally for Emergency Medicine hinges around the future results of the Urgent and Emergency Care Review. Professor Jonathan Benger, National Clinical Director for Urgent Care for NHS England, suggests that there will be two types of hospital-based emergency facilities

designated, Emergency Centres and Major Emergency Centres. The Trust assumes as a designated MTC it will be a Major Emergency Centre.

In terms of emergency attendances activity at the Trust, the service has seen annual growth of circa 3%. The core categorised conditions driving ED attendances are shown below, with the growth in Elderly population converting increasingly into admissions in line with the national trend:





In April 2012 the Trust became a Major Trauma Centre (MTC). This resulted in an increase in more complex trauma but less over triage cases from within the region than originally forecast. Therefore, less volume but more complexity in terms of case mix and capacity requirement.

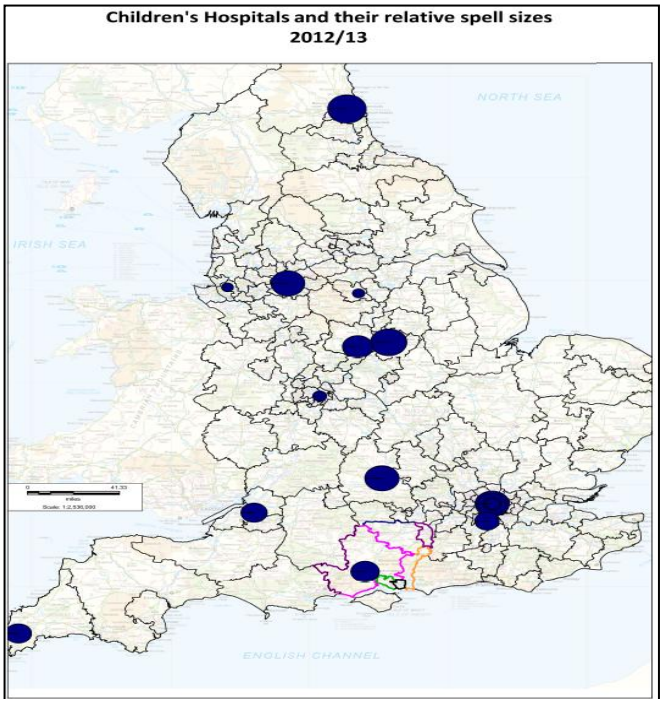
There is a national pressure of unmet need requiring specialist rehabilitation post trauma (level one and two) which has been discussed by the Trauma Network.

Following MTC designation the Trust activity (over triage figures not included) has increased by 27% pre MTC to year one and a further 22% year one to year two, resulting in an overall 54% increase pre MTC to year two.

The MTC has treated 83 additional patients overall year on year (2012/13 – 2013/14), but there have been big shifts in acuity within this.

Children's Hospital

The Children's Hospital has been established in Southampton since 1884, originally in the City then as part of the Trust.



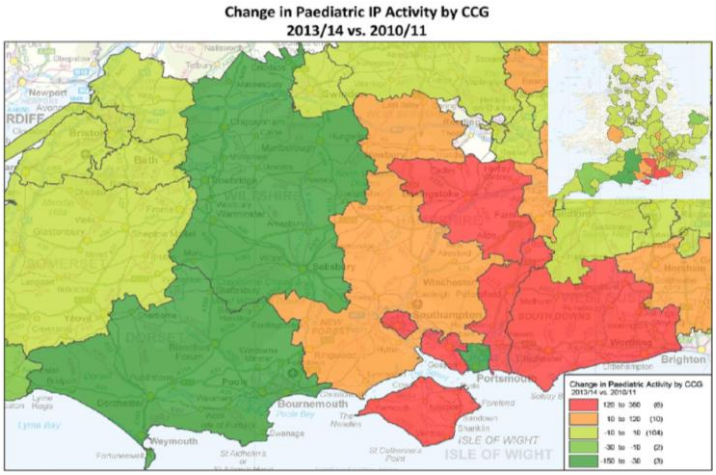
The Children's Hospital has evolved to provide both local and specialist services, with excellent clinical outcomes. This includes the Paediatric Intensive Care Unit (PICU) which is the sixth largest unit in England.

The chart provides an illustration of the Children's Hospital in terms of geography and size compared to other Children's Hospitals in England.

The Children's Hospital is growing in terms of research and development, working with key partners, as well as specialist work.

Whilst the local birth rate has currently stabilised, there is a tail of population growth as would be expected between the ages of five to fourteen. More babies are surviving premature delivery and specialist conditions but can then have complex health needs during their childhood; as well as the transition into young adult and adult services.

Our Children's Services market share for inpatients has grown nationally, which is highlighted in the map below comparing the net change 2010/11 v 2013/14 activity:



Looking forward, it is likely our Children's Hospital services will continue to grow due to population, re-designation of units, regionalisation and centralisation of services, and will therefore continue to be a major provider for the Wessex Region and South Coast.

The Trust is investing in new modern facilities for the Children's Hospital over the coming years. A new Ronald MacDonald Parent Hotel is opening this summer with a Paediatric Emergency Department to follow. This project will be an 'enabler' for service and pathway redesign, innovation and productivity changes. It will also deliver environments that are fit for children and young adults to meet their needs as well as their families or carers. The Children's Hospital is currently dispersed across the campus but will become co-located with a dedicated entrance.

1.2.2 *Capacity analysis (5 year forecast trend):*

The Trust undertakes annual capacity analysis in support of the Strategic Review process and monitors this monthly. This enables the Trust to strategically plan capacity to meet demand, developing solutions internally and with partners to ensure a system solution.

a) **Level 1 Beds**

The underlying growth in bed day demand results from the need for emergency beds, predominately in elderly care. Our existing capacity constraints impact the elective program and creat RTT pressures despite the transfer of volumes of elective work into day case activity and reductions in length of stay.

Underlying trends, coupled with demographic and case mix delays, have led the Trust to conclude that the health economy will need an additional 375 beds (or bed equivalents) over the plan period in order to mitigate growth and improve occupancy to circa 95% (mid-night occupancy). The concept of bed equivalents is based on the assumption that demand may be absorbed elsewhere within the local health economy and may not, therefore, require a physical bed within the Trust. On this basis the Trust expects to fund and provide capacity for 177 bed equivalents over this period with the remaining capacity being part of the LHE changes in provision.

The Royal College of Physicians published a report *'Hospitals on the Edge? Time for Action?* (September 2012)', calling for co-ordinated action to save hospitals from collapse in view of existing current pressures and forecast demand. There is a national drive to shift acute care into Community and Primary Care settings, supported by local CCGs. The national assumption is a 3% reduction on all emergency admissions each year for five years, which is fundamentally looking to zero base forecast growth that is circa this level. This has a significant bearing in planning the future size of the Trust and estate.

The capacity forecast does not quantify future national direction in Specialist Services and expected further centralisation and regionalisation. The Trust would anticipate growth from future re-designation of Neonatal Units (level 2/3 cots), for Maternity and in emergency pathways due to HHFT strategic plans as examples. Therefore, it is difficult for the Trust to plan with significant confidence within this changing landscape. The future direction of National policies may also change with an election in 2015 but the affordability gap is expected to remain a key issue.

The Trust solutions to meet the capacity demand include:

- Utilisation of LHE capacity or offsite wards
- Reduced complex discharges to release existing beds
- Virtual capacity (healthcare at home)
- Step-down facilities, e.g. Patient Hotel, nursing home capacity
- Increased beds and day case facilities
- Additional CIP delivery in length of stay
- Complex Rehab facilities
- Outsourcing

Each of these initiatives has been risk assessed to identify a realistic set of targets for the Trust to work with partners to deliver or develop.

If demand released capacity it would:

- Enable the Trust Ward Refurbishment Programme;
- Reduce Trust occupancy rates and improve patient flow; or
- Be considered for decommissioning.

b) Critical Care

The Trust has leading critical care units in England for patient outcomes. Over the next five years capacity will need to be increased to meet growing demand. The Trust has an overall average annual growth rate for critical care (level one and level two) of circa four beds per year.

c) Theatres

Investment in two modular theatres has been made for 2014/15 to support growth in emergency demand and delivery of RTT performance for key specialties. A Theatre Strategy is being developed to determine future need, including the refurbishment to modern standards of facilities in an aging estate. The Trust mitigates demand pressures through outsourcing, waiting list initiatives and improving theatre utilisation but is also undertaking longer-term planning of this capacity.

d) Outpatients

Growth in outpatient demand is circa 6% per annum and has been increasing. Clinics have been centralised to the Southampton General Hospital campus where possible for efficiency. With constraints on Trust estate, innovative approaches are being implemented to support demand management, including an Outpatient Transformation Programme being led by the Service Improvement Team, rollout of patient triggered follow-ups (one of the national leads in starting this initiative) and other models of virtual clinics. Collaboration with partners has also been on going to integrate pathways and use system capacity including Glaucoma community clinics, Endoscopy at Lymington and ISTC Ophthalmology work.

e) Diagnostics

Over the next five years it is forecast that there will be broadly a 13% increase in diagnostic demand. The Trust has an established equipment replacement programme which will see existing radiology machines replaced and upgraded to future proof capacity. A new Diagnostic Hub facility is being planned in the Trust to enable co-location of key diagnostic services with related services. This is a strategic priority to enable the Trust to meet demand and continue to build a strong research and development portfolio as a centre for Cancer and Neurosciences.

f) Core Strategic Capacity Solutions

In summary, the Trust has a number of strategies and plans to align capacity with demand including:

- **Virtualisation** – virtual wards, healthcare at home, virtual clinics, telemedicine. Some of these initiatives will require investment in IT for the Trust and the Health System to fully realise opportunities in this fast moving technological field.
- **'Front door'** – for example redirect ED attendees to appropriate settings e.g. MIU, hot clinics
- **Reducing complex discharges** – working with partners to reduce from circa 140 average to target 50 per day
- **Rehabilitation** – consider providing complex rehabilitation to support the Major Trauma Centre and work with partners to optimise the use of step-down facilities
- **Seven day working** to maximise capacity and provide flexible services for patients
- **Integration** – pathway transformations, including in-reach / outreach services
- **Move service/s off site -** through the provision of care elsewhere in the system
- **Flexible capacity,** e.g. potential use of mobile, modular (theatres, wards)
- **Flexing of staff,** e.g. skill mix, rotation of staff for education and up skilling

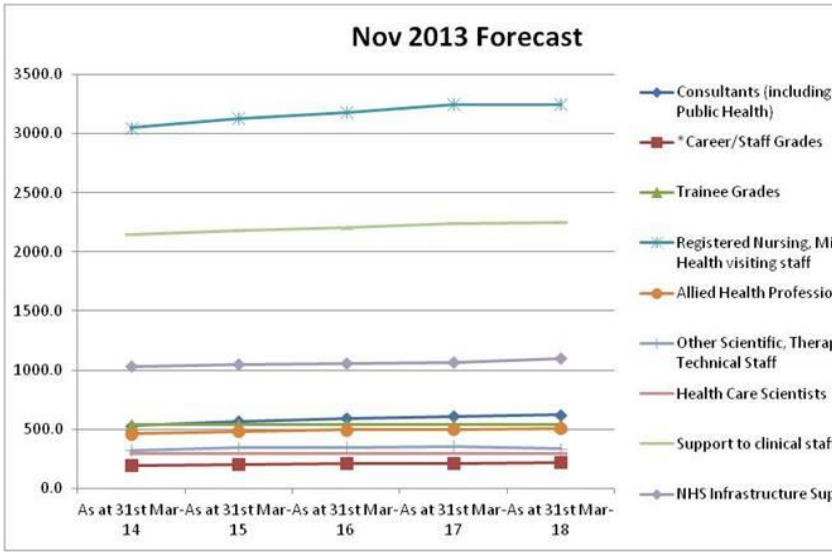
The Trust is also engaged in the *Wessex wide acute capacity planning project, and SW health and social care capacity planning project,* where partners are working collaboratively to design a whole system capacity plan for the health system. One work stream is looking at the Medicine for Older People pathway with modelling being completed by the University of Southampton. Another work stream is an asset based review looking at utilisation and potential opportunities for the estate, including what is needed for the population in the 'right place', across Southampton initially, then West Hampshire.

g) Workforce

It is widely reported that there is a national shortage of key specialty consultants such as for Emergency Departments, where pressures are well documented. There has been an increasing need for the Trust to recruit from international markets for core staff groups and skills, particularly nurses. This presents a key

risk to the Trust in having the workforce and skills required to meet demand for services. Overseas recruitment can add to the lead-in time for staff to be fully trained, and there are also signs of it becoming saturated. There is urgent need to work nationally and with partners to ensure there is a pipeline of skills available to the market. Also, opportunities exist for the Trust to develop the skills required through apprenticeships, in-house training and development programmes.

Workforce Plan projections over the next five years suggest the demand shown in the chart on the next page for core staff groups.



1.2.3 *Funding analysis:*

Over the longer-term, estimated funding for the Trust's defined market by commissioner has yet to be confirmed although NHSE Strategic Planning estimates have been used as a guideline.

The Trust has also used the national planning assumptions outlined in the *2014/15 Monitor Annual Planning Review Guidance* to inform financial assumptions supporting this plan. The Trust is paid predominantly on a payment by results (PbR) basis in line with the national funding structure. Looking forward the Trust assumes full PbR will continue to be paid for contracts. There has been an increasing issue that PbR does not reflect adequately the costs of acute, specialist activity because it is based on average reference costs which include District General Hospitals with lower acuity work. There are also some services which are not being paid the same tariff as the Trust peers. This could impact the financial stability of the Trust.

Key assumptions informing the Trust five year strategic planning includes:

- Baseline growth at 2013/14 outturn plus yearly population (census)
- RTT Plans to deliver performance
- Children's Hospital
- Neonates
- Specialist service provision status quo
- New emerging services (market entrant) subject to business case
- Better Care Fund (BCF) reduction in emergency demand 2015/16
- CIP to current levels as a minimum

Exclusions:

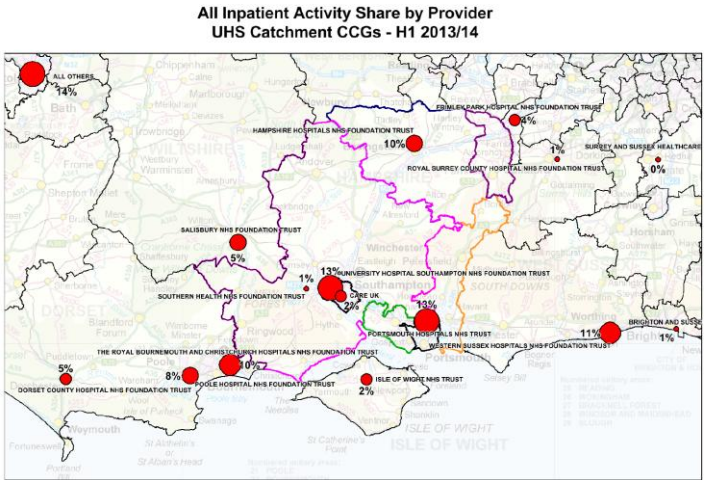
- New business cases
- Incremental consultant growth as require business cases and commissioner sign-off if new activity
- Potential regionalisation and centralisation of specialist services because direction to be determined nationally

- ISTC tender
- Lymington opportunities

Exclusions will be reviewed annually as part of the Strategic Review process to inform each respective year's Annual Planning Review response to Monitor. This approach also enables the Trust to adapt to a changing health landscape and prioritisation.

1.2.4 *Competitor analysis:*

The Trust has the following providers within the defined market, the map below shows them in terms of geographical position and market share. Whilst at times we compete with these organisations, we also work in partnership with them.



Private

ISTC - In 2009 the Southampton Independent Treatment Centre (ISTC) was opened in the City centre by the private provider CareUK. Several thousands of low complex cases were transferred to the ISTC from UHS. As a consequence this has impacted the Trust's acuity and therefore patient flow because it is treating more complex patients together with the increased specialisation. The re-tender of this contract is pending and to be awarded for 1 November 2015 start. The Trust is considering its options with regard to this tender.

There are also a range of private providers locally for example Spire and Nuffield who also compete for activity whilst serving as a useful resource for outsourcing.

Community

Lymington Hospital – Is a community hospital serving the West Hampshire population which is predominantly elderly. It provides Medical and Surgery services, plus an Urgent Care Centre. The location of the hospital within the New Forest has posed difficulties in terms of transport which can affect patient choice using the facility. The site is underutilised and therefore presents an opportunity for local system capacity planning and collaborative working.

Solent Healthcare NHS Trust – Created in April 2011, Solent focuses on community and mental health services. They are the main provider of community services for the populations of Portsmouth, Southampton and nearby areas of Hampshire. Within Portsmouth they are the main provider of mental health services. Turnover is approximately £180m, achieved by 1.5 million patient contacts a year served from over 100 clinical sites, staffed by around 3800 staff. Their five year strategic objectives are to provide services which enable improved health outcomes with particular focus on areas of known health inequality. Deliver care pathways that are integrated with local authorities, primary care and other providers.

Southern Healthcare NHS FT – Southern Health provide community health and specialist mental health

and learning disability services for people across the South of England (Hampshire, Dorset, Wiltshire, Oxfordshire and Buckinghamshire). They are spread across 225 sites, employing 10,000 staff, covering community hospitals, health centres, inpatient units and social care services.

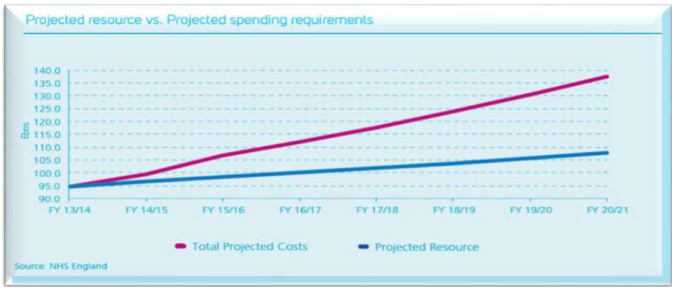
1.2.5 *SWOT analysis:*

Strengths: • Large catchment population of 1.9m for local services and 3.7m (Adult) / 5.6m (Paeds) tertiary services ▪ Strong portfolio of specialist (defining) services • Established strategic partnerships with the University of Southampton, other Southampton Universities (Solent) and local councils • Proven track record of delivery, particularly on financial management, low reference costs: 95% (12/13) • Strong academic portfolio including a Biomedical Research Centre (BRC), Biomedical Research Unit (BRU), MRC, Experimental Cancer Research Unit AHSN host • Commercial opportunities with research, education and support functions expertise • Balance of commissioners following maximum take shift to Specialist Commissioning	**Weaknesses:** • Capacity to meet continued increasing demand, particularly in emergency • Limited ability to influence demand management • Some parts of estate are not functionally suitable or enhance patient experience in terms of environment • Patient access issues linked to transport/parking • National Policy of marginal payment for emergency over performance • Competitors taking low volume, high profit work leaving the current PbR tariff structure inadequate to fully cover high complex work provided by acute Trusts • Relatively low levels of liquidity
Opportunities: • Service redesign & System Reform in SW Hants including pathway integration, improving emergency flow/system, drug procurement • ISTC Tender • National policy direction on centralising of specialist and emergency services (e.g. heart attack centres, major trauma & stroke, specialist cancers, neurosurgery) • Extend pathways to community • New processes for research & development and education & training funding • Partnerships with NHS, independent providers and commercial sector to address income/cost issues (including clinical networks) • Estate development potential • Cap on private patient income removed so could increase volume of work • Outsourcing clinical activity, e.g. diabetic nurses into homes, Older Peoples Outreach & Support Team (OPOST)	**Threats:** • Commissioner Affordability • NHS £30bn savings via QIPP efficiency • Continued Cost Improvement Programme deliverability • Impact of ISTC and options (MIU) when contract ends November 2015 • National policy changes – financial impact of readmissions • Pressures from ageing population – complex health needs, potential discharge issues • Impact of locally retained tariffs • Hampshire Hospitals strategic direction • National centralisation of services, including Paediatric Cardiac and Paediatric Neuro Safe & Sustainable consultations • Growth of local emergency workloads and social care budget reductions

1.2.6 *Forecasted activity and revenue in a 'do nothing' scenario and resulting financial gap across the LHE:*

a) **National Picture:**

Nationally the projected NHS resource versus spending gap is shown below, resulting in an estimated £30bn affordability challenge:



b) **Commissioner Allocations & Assumptions:**

In order to deliver an affordable health system, commissioners have forecast population growth and are seeking 'flat growth' through the delivery of Quality, Innovation, Productivity and Prevention (QIPP), the Better Care Fund (BCF) and system working. Key initiatives and priorities for transformation include:

- **Better Care Fund:** is a pooled budget of existing funds between CCGs and Councils, which is aimed at enabling better care out of hospital to support the shift of work from the acute sector.

- **Older People Partnership:** is a scheme to reduce length of stay by 'pulling' patients post acute care episode into the 'right settings' outside of the hospital with partners. Over a three year period the aim is to release fifty-five beds of capacity which would be decommissioned or support the growth requirement elsewhere.

- **Section 5 Complex Discharges:** working with partners to step-down emergency patients fit for discharge earlier; into virtual capacity and community managed wards or home with support

- **Further Integration:** for example Stroke, Heart Failure and Diabetes pathways

- **Reducing Inefficiencies/Opportunities:** for example follow-ups, elective care to day case, day case to outpatient procedure, re-admissions, patients being seen and treated at the 'right time, right setting', redesigning of pathways (QIPP/CQUINN)

- **Service Change:** for example new technological advances including drug treatments and changes in clinical practice to improve outcomes, re-designation of units, regionalisation and centralisation of services, prevention and risk stratification, self management rather than paternalistic model of care

Allocations & QIPP (Total) Ambition:

Commissioner	Year 1 2014/15	Year 2 2015/16	Year 3 2016/17	Year 4 2017/18	Year 5 2018/19	Outcome Ambition 2013/14 v 2018/19 (net change)
SCCCG						***Per 100,000 population:***
Available Funds	**£289,322**	**£298,542**	**£303,751**	**£308,718**	**£313,769**	• Improved patient safety rates • Reduce years of life lost to next quartile
QIPP Total	**(£10,485)**	**(£17,685)**	**(£12,462)**	**(£12,463)**	**(£12,463)**	• Avoidable emergency admissions (-361)
UHS QIPP Only	**(1,898)**	***tbc**	***tbc**	***tbc**	***tbc**	• Over 65's living independently 91 days after reablement (87.7% to 90%) • Permanent admissions to Nursing Homes (-124) • Delayed transfers of care (-24 av p.m) • Injuries due to falls >65 yrs (-20) • 20% productivity improvement in elective care (Total spend £41m to £33m / Attendances (-48950) via: -24% FA, -34% FUP, -4% OPROC, -25% DC, -14% EL
WHCCG						• Commission quality services for patients
Available Funds	**£595,600**	**£613,100**	**£632,700**	**£634,000**	**£644,400**	• Care in the community will become the 'norm' with people only admitted to hospital for acute illness or injury
QIPP Total	**(£16,600)**	**(£17,600)**	**(£17,600)**	**(£17,900)**	**(£17,900)**	• Enable patients with long-term conditions to end of life e.g. 10% reduction in prevalence gap, 20% reduction in emergency admissions for poorly controlled Diabetes, for Asthma, Heart failure, Epilepsy and Chronic Obstructive
UHS QIPP Only	**(2,700)**	***tbc**	***tbc**	***tbc**	***tbc**	

						Pulmonary Disease crises and for lower limb amputation • Local providers achieve a 20% productivity improvement within 5 years, so that existing activity levels can be delivered with better outcomes and 20% less resource **tbc* • Ensure access to emergency and urgent care e.g. GP/OOH and meet National performance targets • Commission flexible, responsive Mental Health inc Autism, Learning Disabilities & Autism • Deliver high performing Women & Children's Services healthcare • Effective use of prescribing • Sustainable model for Primary Care with an increased focus on people with complex and multiple conditions through the provision of integrated care e.g. P/C Urgent Care Centres, GP Federations, 7 Day Access

NHS England (Wessex) Specialised Commissioning (Total)

	2014/15	2015/16	2016/17	2017/18	2018/19
Revenue Resource Limit (£m)	1,127	1,099	1,118	1,137	1,157
% Change on Previous Year	7.70%	-2.50%	1.70%	1.70%	1.80%
QIPP Challenge (£m)	29	34.2	33.6	34.1	34.7
QIPP Challenge (%) *UHS QIPP Target*	2.60% *(2.4)*	3.10% **tbc*	3.00% **tbc*	3.00% **tbc*	3.00% **tbc*

c) UHS Strategic Financial Plan

The Trust anticipates that despite a challenging set of financial parameters over the period that it has a realistic prospect of maintaining a continuity of risk rating (CoSRR) of 3 in all years. Liquidity is expected to slightly improve as a consequence of a combination of the underlying EBITDA position and flat capital investment, whilst capital service cover is broadly stable over the 5 year period. Whilst this delivers a rating of 3 the CoSRR position has limited resilience and will be very sensitive to volatility in EBITDA. This reflects a relatively weak starting position and very challenging ongoing efficiency requirements, compounded in the many years of CIP already delivered

The Trust has assumed a modest level of growth in income (delivering a modest margin) which is below recent trends and has mirrored national tariff deflator and cost inflation rates as set out in the planning assumptions published in December 2013.

1.2.7 *Extent of alignment of findings with comparable intelligence from LHE partners:*

The Trust actively engages with partners and attended the SCCCG Health Conference, WHCCG Stakeholder Event and is a stakeholder at other key forums. This enables priorities to be shared and increasing alignment of plans. The System Chief's meetings and a move to more integrated social care with health, supported by the Better Care Fund initiatives, should see traditional ways of working change over the next five years to a 'system' and pathway approach of delivery.

Areas of joint consideration include:

- **Baseline activity** – based on agreed forecast outturn between Trust and Commissioners
- **Population growth** – used by Trust and Commissioners to inform forecasts
- **Local demand pressures** – the Trust has a comparable view with local health partners in where the pressures are and solutions to mitigate. The Trust is a 'barometer' of local system demand pressures as it becomes a default for patients seeking emergency care
- **Specialist Service Specifications** – the Trust has a number of compliant services against the specialist specifications and centre designation for key services. It is waiting for the next national direction following the recent consultation and prioritisation of Specialist Centres

- **Service change priorities** – subject to business case approval within the Trust.
- **Tenders** – subject to strategic and business fit, together with approval to bid within the Trust.
- **QIPP /CQUINN** – agreed each year with Commissioners as key plans to mitigate LHE affordability gaps and incentivise system reforms
- **Better Care Fund** – Social Care and local CCG led with UHS engagement
- **Networks** – engagement is sought for key service changes and assumptions
- **CQC/Peer Reviews** – learning from reviews inform Trust priorities

In line with National expectations local CCGs are planning on the basis of a 15% reduction in all emergency admissions over the next five years and a 20% elective productivity ambition. This is expected to result in a 'shift' from acute providers into Community and Primary Care settings in response to the affordability challenge.

Examples of commissioner and LHE focus include:

- Improving and sustaining A&E performance and urgent care management with UHS, South Central Ambulance Service and social care providers
- Delivery of referral to treatment waiting times and management of elective services including reprocurement of the independent treatment centre
- Continued improvement of stroke targets and early supported discharge service
- Delivery of diagnostic targets and maintaining capacity, specially to support cancer and Musculoskeletal access
- Addressing the issues raised in governance and quality reviews by the Care Quality Commission and Monitor, particularly in relation to orthopaedics
- Working with the Trust to continue to drive sustainable improvements in quality and a reduction in never events
- Sustaining recent improvements in ambulance handover performance, across all health systems
- Developing a sustainable health care system with social care partners, including significant focus on managing delays in discharge, including a review of rehabilitation and reablement, and creation of an integrated discharge bureau

Source : WHCCG/ SCCCG Strategic Plans

From a Trust perspective there is general alignment between the Trust, LHE plans and commissioning intentions, with a common shared principle of:

- ***Patients and quality being at the centre of health and social care services***
- ***Integrating pathways so that they are increasingly seamless to the patient and also promote collaborative working***
- ***Care provided in the 'right setting at the right time'***

1.3 Risk to sustainability and strategic options

1.3.1 *Following the market review and Trust internal robust Strategic Review planning process, the likely impact of the identified external challenges on key service lines and sustainability risk has been considered.*

The analysis below provides a high level view by key service line:

Service Line	Impact & Sustainability Risk
Cancer Centre	**Service growth expected to continue, with assumption HHFT to provide activity for their local population and unmet need, rather than UHS work going forward. Growth of service requires consolidation and transformation over the next five years to meet demand, capacity and changes in new technologies to ensure sustainability of services**
General Surgery	**Service growth expected to continue because cancer related and complex cases. Service will consolidate to meet this pressure with options to utilise system capacity to also meet demand. Low complexity work was transferred to the ISTC. Issue for service is that PbR does not reflect the high complexity of acute cases because based on average reference costs nationally, therefore impacting profitability**

ENT	**As General Surgery**
Urology	**As General Surgery**
General Medicine	• Current growth from boundaries increasing (circa 6% NEL) - acuity and complexity increasing • Above average Diabetes admissions, working with LHE to rebuild the local infrastructure for urgent diabetes care which will improve outcomes **This service is a major feed from A&E therefore a temperature gauge internally on capacity pressures and patient flow**
Medicine Elderly Care	• Major growth, whilst the current rate is circa 2.2% EL / 2.8% NEL the real impact is seen on capacity as the elderly have co-morbidities and longer length of stay so impacts bed demand **In view of the growth profile and impact on capacity this is a priority service for (LHE) system collaboration and transformation.**
Ophthalmology	**Demand growth expected to continue unless new drug/treatment options come to market that reduce demand. The service is under pressure with the volume of outpatient related activity so working closer with partners to integrate clinics in community settings e.g. Glaucoma. UHS work is complex, with a significant volume of low complexity work already transferred to Lymington and the ISTC.**
Dermatology	• Centre for drug allergy, eczema and cutaneous allergy. • Expanding role as regional centre for all forms of skin cancer including MOHS micrographic surgery, skin cancer research • Expanding role of paediatric dermatology as part of the children's hospital
Heptology	• Regional satellite liver transplant unit (complete medical and interventional radiology care of patients pre and post transplant) • Network lead for hepatobiliary cancer (multimodality treatment of pancreatic, bile duct, liver and neuroendocrine cancer)
Diabetes	• Long-term condition • Insulin Pump Therapy • Satallite Unit for ISLET Cell Transplant
Children's Hospital	• Stable birth rate but increasing specialist work • It is likely that expected retirements in the local system and increasing regionalisation will result in growth over the next 5 years • The Trust has a Strategic Plan to modernise existing facilities and expand capacity in a phased approach over the next circa 7 years, subject to capital and success for a Children's Hospital charity campaign **The Children's Hospital will be transformed over the next five years with the provision of modernised facilities that will enable service redesign to be implemented.**
Obstetrics & Gynae	• Gynae Oncology work increasing • Move from Gynae inpatient to outpatient services for treatment closer to home, also enabler for increasing specialist work with aspiration to become a Gynae Centre **The service is likely to see a shift of inpatient to outpatient services for Gynae with more Specialist work growth. Obstetrics may have an impact from HHFT plans over the next 2-3 years.**
Neonates	• A Specialist Service with future direction of units being re-designated, which is likely to shift work to UHS over the next 3 to 5 years that is recognised by the Neonatal Network **The Trust expects the service to continue to grow, therefore requires an expansion in facility to future proof capacity and investment from Commissioners if BAPM 2011 is to be achievable for ongoing sustainability**
Maternity Service	• Current growth rate 4.3% NEL **The service already delivers approximately 6000 births and consolidated at this position, therefore any further growth or centralisation would result in a step change in terms of capacity and resource planning.**
Wessex Neurosciences Centre	• Current growth rate 4.6% EL / 6.8% NEL • Service has an exceptionally low length of stay efficiency when comparing against peers and Specialist Service Specification **The service expects growth to continue being a Wessex Neurosciences Centre, which is one of the five largest centres in the UK**
Cardiovascular (Cardiac Centre)	**Growth is expected to continue as a Cardiac Centre for the region, Vascular centralisation remains pending consultation. A new Young Adult Cardiac Unit is under development which is the first one in the UK**
Trauma & Orthopaedics (Major Trauma Centre)	**MTC growth rate has consolidated since the designation was awarded, although higher trauma than triage treated than forecasted, therefore more complex. Orthopaedics has high cancellation rates due to Trust demand/capacity pressures which has impacted the service. The Trust has made significant investment in beds to improve patient flow and pressures.**

Note: Current growth rate based average (baseline)

1.4 Strategic plans

1.5.1 A summary of the Trust's prioritised service line initiatives are:

a) Top clinical strategic priorities include:

Initiative	Key Milestones	Dependencies	Risk Mitigations
Emergency Pathways	• Sustainable delivery of 4 hour target • Delivery of ECIST System Plan • Evidence of demand management impacting flow to UHS and to contracted level	• Recruitment of ED Consultants • Local demand management • Patient education	• Working with partners • Improving patient flow in UHS (upstream)
Children's Hospital	• Phased reconfiguration of estate to deliver modern facilities • Increased regionalisation	• Charity funding • Capital	• Phased approach enables annual review
Radiotherapy Modernisation	• Shielded theatre • Linac replacement programme	• Capital • Linacs dependent upon theatre to replace machines	• Stretch service hours toward 24/7 (under consultation)
Wessex Genetics Diagnostics Hub	• National tender pending	• Partner collaboration	• Pending national direction
Neonates Expansion	• Agreed plan for BAPM 2011 Standard and phasing • Expansion of unit to meet demand and future redesignation of units activity	• Specialist Commissioning & Neonate Network support • Capital availability	• Providing a safe service but the standard enhances nurse ratios to patient for better patient experience and dealing with demand peak flows
Vascular Centralisation	• Transfer of emergency service • Transfer of elective service	• Pending consultation	• No change for UHS until approved by Specialist Commissioning
Surgical Robot	• Approved case internally • Payment mechanism	• To support Cancer Centre	• Considering partner options
Critical Care Modernisation	• Phased modernisation of aging facilities • Capacity aligned to estimated demand	• Capital investment	• Work collaboratively with stakeholders • Interim plan to increase GICU x 4 beds implemented and x 3 MHDU
Complex Rehabilitation	• Next step from MTC to deliver complex rehab to further improve outcomes	• Require commercial partner • Existing step-down services for level three rehab patients	• Currently significant unmet need nationally and gap in current MTC pathway so dependent upon new services
Plastic Surgery	• Phased provision of complex plastic surgery supporting MTC patients	• Partner collaboration	• Subject to agreement and business case

The timescales for these priorities are dependent on available capital. Each requirement will be determined via respective business cases, available resources and stakeholder engagement.

b) Other Strategic Priorities

Service	Key Milestones
Commercial	• CEDP Programme: Front entrance modernisation & staff facilities to improve patient, public and staff experience including car parking capacity • Private patient strategy to offer self pay choice for key services (note PP only circa 1% of Trust activity so in context with this strategic position) • Commercial R&D portfolio growth
R&D	• Grow research activity in key areas including; children's health (through development of SCH R&D priorities with SCH and key stakeholders); respiratory; oncology; ED, trauma and critical care; diabetes. • Establish supported research activity across all of our services, with commercial research income generation and reinvestment as an integral, highly valued activity within services • Secure renewed funding for our NIHR infrastructure and strengthen our genomic, immunological, microbiological and metabolic research platforms to consolidate our areas of strength and ability to deliver research . • Generate a step-change in patient, clinician and public engagement with clinical research to ensure timely and complete recruitment to trials and PPI in research priority setting and delivery

	• Establish a joint research strategy and function with UoS, effectively linked with regional research infrastructure to enable Southampton to develop, position itself and collaborate effectively nationally
Education	• Embedding education and workforce priorities in service development-ongoing role redesign and development to reflect changes in patient pathways and services with an emphasis on staff flexibility and adaptability. • Developing our leaders across the organisation in all disciplines by implementing a more comprehensive talent management process alongside further development of our in house suite of leadership programmes and opportunities • Building profitable and productive partnerships promoting the UHS educational brand for excellence -as a leading teaching hospital opportunities to provide more education and training and offer national/international conferences for leading services in these fields • Assuring education quality and value for money / cost effectiveness by implementation of educational tariffs and further development of quality monitoring processes. *Risks* • Key risk is the overall reduction in education placement funding to UHS which supports education and training of current staff and the future workforce. • Space to undertake education and training and host conferences • Operational pressure mitigate against the release of staff for educational and other essential team building/leadership/QI activity
IM&T	• To improve workflow and integrate systems across the LHE, risk has been historically providers invested in eg Digital Imaging PACS but commissioners fragmenting enabling when procuring services to other bodies for short-term contracts • Increase patient on line system including support for virtual clinics • Introduce Electronic Document Management across the LHE to replace the traditional Case Note Library Function (circa 2017) • Computerising Critical Care Function across the Trust • Move to paperless working within the Governments Agenda (2018)

c) Trust Risks & Mitigation Assumptions

Changing Landscape & Health Economy

As evident through the analysis and findings of this Five Year Strategic Plan the Trust is facing an uncertain future over the next five years. There is continued growth in activity, based on trends and a number of key strategic denominators that are currently unknown. These will influence market share and include the ISTC tender, Specialist Service changes and centralisation. Also, fundamental to this will be the capability of LHE partners to improve step-down, risk stratification and other demand management solutions to support the Trust meet system demand. Any significant market shifts would be a risk to the Trust.

Capacity Risks

The Trust has a finite estate and capital to fund investments in capacity; it also has an aging estate which therefore requires refurbishment. To plan for the Trust to be the 'right size' in terms of capacity requires a number of variable assumptions. These will be informed by how successful demand management is by the LHE, as well as the degree of specialist services centralisation or 'market shifts' for example via re-designation of units, retirements or regionalisation.

The Trust cannot build or finance the degree of growth forecasted above current contracted levels and is therefore reliant on innovative solutions across the health economy. If this is not achievable then the Trust will see increasing pressures on bed occupancy, length of stay, complex discharges and cancelled operations, which in turn will impact performance and financial stability.

The Trust has analysed demand, capacity, system drivers and what the pressure on the Trust is likely to be based on the landscape as it is currently known. Consideration has been given on occupancy, the refurbishment programme, UHS and system solutions, and a risk assessment applied.

Workforce Risks

With the current labour market status and expected impact of forecast retirements pending as a national issue, there is an urgent need for the pipeline of skills to be reviewed and appropriate sectors to plan supply

to meet demand. Key areas are apprenticeships, 'grow your own' staff and pipeline feeds from the education or other business sectors. The future need of staff, in a changing health economy, will require greater flexibility in skills across acute, community, primary care and social care sectors with potentially less specialism outside of acute care. There is likely to be increased competition for staff at least for the short to medium-term.

Financial Risks & Downside modelling including mitigations

All risks and mitigations identified in the submitted two year Operational Plan have been assumed to continue into year three to five of the long term plan. The significant degree of uncertainty with the NHS over the next five years is a risk to the Trust and potentially financial and performance stability. There needs to be planned shifts within the LHE and rebalance of resource but with Trust fixed costs not to a point it becomes unviable. The impact of reducing Specialist Centres nationally poses both opportunities and threats financially.

Patient Safety & Governance Risks

The Trust is reliant on the LHE to also support the balance in demand and capacity in order to deliver safe and clinically effective services for patients, with an appropriate flow throughout clinical pathways and through the hospital. As more clinical pathways become integrated governance and patient experience should improve if supported by clear, multi professional clinical leadership.

1.4.2 *Communication plan for key stakeholders, including staff and LHE:*

Timeline	Communication Plan
December 2013	Special Trust Executive Committee: Annual Strategic Review Feedback
February 2014	Strategic Review Feedback • Trust Board Study Session • Council of Governors Strategy Sub-group
March 2014	Operational Plan Update: • Trust Board • Trust Executive Committee
April 2014	Operational Plan: • Trust Board approval then submitted to Monitor
May/June 2014	Strategic Plan: • Trust Board Study Session • Council of Governors, Strategy Sub-Group • Strategy & Finance Committee • Trust Board • Trust Executive Committee • Commissioners
End June 2014	Strategic Plan submitted to Monitor • Public Version of Strategic Plan on Monitor website • Trust website and shared with stakeholders
July 2014	Communication of Operational and Strategic Plans with staff: Core Brief, Team Meetings, appraisal objectives

1.4.3 *Processes in place to monitor performance against the strategic plan and how plans will be adapted and amended for unexpected future challenges:*

Annually the **Strategic Review** is undertaken to reassess the Trust strategic position, changing economy and healthcare landscape; together with LHE priorities. These inform Trust prioritisation, Annual Planning Review (APR) submitted to Monitor, commissioner negotiations and Capital Programme prioritisation.

The Trust has developed a new **Integrated Trust Board Report** to improve the oversight of both strategic and operational delivery of key organisational objectives. The key performance indicators have been prioritised and the critical success measures will be monitored on a monthly basis.

The Strategy Department has a **Corporate Project Plan** for service developments and tenders to ensure business cases and bids are developed to agreed timescales and for monitoring. Post project evaluations are undertaken for key developments.

Service line reporting is also routinely produced and shared with Divisions to monitor performance against plans. There are a number of key forums that monitor performance including **Divisional Performance Review Meetings** which focus on Quality, Operations, Strategy and Finance.

1.5 Appendices

Five year financial plan (see separate finance template)
Five year capital forecast (see separate plan submitted early Jan 14)