

Strategic Plan 2013-14

Strategic plan for year ending 31 March 2014 (and 2015, 2016)

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

Richard Hathaway

Director of Finance and Commerce
Queen Victoria Hospital NHS Foundation Trust
richard.hathaway@qvh.nhs.uk
01342 414458

The attached strategic plan is intended to reflect the trust's business plan over the next three 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.

Approved on behalf of the Board of Directors by:



Peter Griffiths, Chair



Amanda Parker, Interim Accountable Officer



Richard Hathaway, Director of Finance

Executive summary

Queen Victoria Hospital NHS Foundation Trust (QVH) is a specialist NHS hospital providing life-changing reconstructive surgery, burns care and rehabilitation services for people across the South of England.

Our world-leading clinical teams also treat common conditions of the hands, eyes, skin and teeth for the people of East Grinstead and the surrounding area. In addition we provide a minor injuries unit, expert therapies and a sleep service.

We are a centre of excellence, with an international reputation for pioneering advanced techniques and treatments.

Everything we do is informed by our passion for providing the highest quality care, the best clinical outcomes and a safe and positive patient experience.

QVH has a successful record of both financial management and service quality. In 2012/13 we received the highest score of any hospital in the Care Quality Commission's national NHS inpatient survey for how well patients rate their experience of being in hospital.

QVH provides both regional specialist expertise and local services for local residents. It therefore has an array of core services which need to be supported across the full range of complexity. In common with other NHS providers, QVH faces challenges from continued efficiency requirements and new commissioning strategies. We are working closely with commissioners to ensure that we are able to play a full role in supporting the Sussex health economy.

QVH expects its overall activity numbers to decline slightly over the life of this plan but for the complexity of cases it receives to increase, reflecting the specialist nature of work undertaken. It is expected that national tariffs will continue to decrease by around 1.5% per annum and that efficiency savings of around 4% per annum will be required.

We are currently undertaking a major construction project to replace our ten operating theatres. This is financed partly from a £10m loan and partly from the trust's own resources. Financial performance needs to continue to be robust to support repayment of the loan.

In summary, QVH expects financial performance over the next three years to be:

	2013/14	2014/15	2015/6
Turnover	£56.4m	£55.6m	£54.8m
Surplus (for FRR purposes)	£2.50m	£2.51m	£2.51m
Cash	£6.96m	£9.13m	£11.27m
Financial Risk Rating (FRR)	5	5	5

Strategic context and direction

QVH provides high quality clinical care for the people of Kent, Surrey, and Sussex. The hospital is a centre for reconstructive surgery and rehabilitation for people suffering disfigurement or damage through trauma, cancer, disease, burns, major surgery, or a congenital condition. In each of our clinical specialities, we treat the full range of conditions, from those which are common problems (such as cataracts and skin lesions) to those which are rare and complex.

Our specialities include (among others) corneoplastics (front of the eye), head and neck, maxillofacial and orthodontics, sleep disorders and plastic surgery for melanoma and skin cancers, breast reconstruction, hand surgery, burns, and trauma.

Our aims and objectives are

Purpose:

We provide specialist reconstructive surgery and expert rehabilitation services for the south of England, together with healthcare services for our local population.

Mission:

We aim to be a national and international reference centre for reconstructive surgery, therapy, and rehabilitation services, and to be recognised locally for the high quality of our local healthcare services.

Vision:

Through a fully resourced and expert team of leading clinical specialists, we will be a centre of excellence for our specialist reconstructive and rehabilitation services, which we will offer through a network of facilities across the south of England, centred on East Grinstead. We will continue to provide and extend direct access to the healthcare services we offer to our local population.

Key strategic objectives:

1. To deliver the highest standards of patient care and safety
2. To streamline our care pathways for the benefit of patients
3. To achieve and maintain a sustainable financial position
4. To provide a safe, reliable and comfortable physical environment for staff and patients
5. To be an exemplary employer treating our employees with fairness and respect
6. To maintain a strong professional and caring culture which demonstrates humanity, pride and continuous improvement.

QVH's strategic position within the local health economy

QVH provides services across the south east, both from the main site in East Grinstead and also from a number of spoke clinics across Kent, Surrey and Sussex. The nature of the services provided by QVH means it is not in direct competition with its neighbouring hospitals for its specialist services but there is a choice for patients for much of the non-specialist work. QVH has a record of good financial and operational performance and achievement of quality targets.

The NHS in Sussex continues to face financial challenges and a programme of work is underway to achieve future stability. QVH is participating in all relevant elements of the Sussex Together programme and expects the work to reinforce the trust's position as the primary provider of the specialist services within its portfolio. Where necessary, QVH continues to develop clinical networks with other local providers to support delivery of its services.

During the year (2012-13), QVH admitted over 17,000 patients for surgical procedures and treated a further 27,000 on an outpatient basis (including therapies). Nearly 36,000 new outpatients were seen and there were over 107,000 follow up appointments. Our minor injuries unit had over 12,000 attendances.

The demographics of an ageing population and increased incidence of some of the conditions which QVH treats means that overall demand for its services is expected to remain strong.

Threats and opportunities

There are some areas, such as oral surgery, where the introduction of community-based providers has led to a decrease in referrals to QVH in 2012/13. However, the level of more complex referrals has increased and the overall impact on activity and income has been factored into the 2013/14 plan.

There are also opportunities for QVH to continue developing existing regional reconstructive services by taking complex work from neighbouring providers, allowing them to focus capacity to meet the increasing demand for other services.

Following an external review in October 2012 QVH has been accredited as a burns facility but it is recognised that the QVH site does not meet all the infrastructure requirements set out in the burns service specification, such as an onsite accident and emergency department. The service has an excellent clinical quality performance and we are working with commissioners and local providers to address remaining issues as well as strengthening existing links with the major trauma centre in Brighton.

Our strategy remains to focus on the 'core' specialist services we provide. However there are a small number of other services provided where the numbers of patients seen are relatively low. This poses a potential risk for achievement of waiting time targets within some services where the number of breaches needed to result in a 'fail' can often be in single figures. These services will be reviewed regularly with

commissioners to ensure the services QVH provides offer the most effective patient pathways.

In common with all NHS organisations, QVH continues to face financial pressures, with reducing payments under the tariff system for the treatments that it carries out. However, by focussing on streamlining our care pathways, reducing administrative processes and ensuring optimum efficiency in our treatment of patients, we are both improving the quality of care that we provide and reducing the costs of our services.

As the NHS in general seeks to reduce its spend on hospital care, one of the key risks that QVH faces is a reduction of patient referrals to the hospital. QVH's ability to continue to provide its unique service of burns care and highly complex reconstructive surgery depends upon a continual stream of less complex but no less important surgery for more common conditions in each of its specialities. We are delighted that patients continue to choose QVH for the quality of care that it offers. We will continue to work with GPs and commissioners to ensure that QVH remains a hospital of choice for their referral protocols.

Approach to quality

QVH is required to register with the Care Quality Commission (CQC) and its current status is 'registered'. The CQC has not taken enforcement action against QVH during 2012/13. However, QVH has participated in a routine inspection by the CQC relating to the following areas during 2012/13:

- Outcome 2: Consent to care and treatment
- Outcome 4: Care and welfare of people who use services
- Outcome 7: Safeguarding people who use services from abuse
- Outcome 12: Requirements relating to workers
- Outcome 16: Assessing and monitoring the quality of service provision
- Outcome 21: People's personal records, including medical records, should be accurate and kept safe and confidential.

For Outcome 21, minor concerns were raised and QVH is taking action to address the conclusions reported by the CQC in regard to the documentation of health records.

The key risks to the board's annual objectives are identified within our board assurance framework. The key risks identified are:

- failure to meet cancer targets and the 18 week target, with the impact recognised as failure to meet patient expectations and the impact on governance ratings;
- failure to achieve CQUIN targets and therefore gain the attached income; and
- the potential of not meeting fire regulations.

These risks all have actions identified to mitigate and further reduce the identified risk.

QVH continues to have systems and processes in place through quarterly directorate reviews conducted by the chief executive to assure itself regularly on the quality of the service provided to patients. At these meetings, the safety of care is monitored through governance reports on incidents, infection control and identified risks. Where there are concerns, action plans are put in place and reviewed at monthly operational meetings of the directorates.

Clinical effectiveness is reviewed through reports on cancelled operations, clinical indicators, clinical outcome measures, waiting times for surgery and patient complaints. Patient experience is reviewed through complaints and feedback questionnaires. A summary quality dashboard is presented monthly to the clinical cabinet and board of directors.

The audit committee routinely review the framework of control in respect of quality and reports back regularly to the board of directors.

Where the executive team or a directorate identifies a significant concern they will instigate actions that are documented and regularly reviewed. Significant incidents are reported through to the trust board and followed up through the quality and risk committee.

Clinical strategy

QVH has a clear strategy of focusing on its core services where it can offer the full range of treatments from basic to regional specialist centre care. Many of our core services have been developed in response to the continued increase in the prevalence of cancer and on our position as the main sole provider of reconstructive surgery in the region.

In implementing our strategy we have closed or transferred services, in agreement with commissioners, which were not central to the services we provide such as community medical beds, urology, dermatology and gynaecology.

Over the next three years, QVH will further develop its clinical strategy to focus on its core services by:

- Responding to changes in patient profiles, catering for more complex cases as the regional centre for cancers such as head and neck oncology and providing immediate breast reconstructions.
- Continually reviewing our services to respond to changes in demand by matching available capacity in order to minimise waiting times.
- Implementing a programme of streamlining to ensure clinical pathways are efficiently managed.

- Reviewing and refining our 'hub and spoke' model for outreach services across the region.
- Strengthening our partnership with trauma services, including major trauma centres.
- Continuing to work with other acute providers to ensure that we offer a range of services that meet the needs of the local population.
- Increasing the use of information technology to become a 'paper light' organisation by 2015, enhancing patient care.
- Developing clinical outcome measures as an integral part of improving patient access to information and informed choice.
- Developing clinical relationships with other units to further enhance existing referral pathways for complex surgery.
- Working with commissioners to agree regional services to be delivered at QVH that support care closer to home as well as securing local services under AQP (any qualified provider), e.g. ultrasound.
- Developing our range of therapy services to support rehabilitation from complex reconstructive surgery and well as providing care to local population in a variety of settings.

Growth within the wider health economy of West Sussex is likely to be in services for the elderly. QVH has maintained, and is looking to expand, its status in this field with an established outpatient consultant and therapist-led rehabilitation service for the elderly and those with long term conditions. In addition, QVH is looking to expand its diagnostics and therapy services under the AQP regime, with some successful bids already secured.

QVH has secured its status as a burns facility but is working with commissioners and clinical partners to ensure the long term sustainability of the service.

QVH produces monthly service line reports which analyse the demand, activity and financial performance for each area. Together with the clinical quality data produced, these reports form the core of the management information available to the service line management teams. A summary of the performance by service line is seen monthly by the board of directors.

The information produced, together with on-going analysis of market and demographic data, is central to QVH's business planning process. We are continuing to refine the way in which this information is produced and presented. Next steps include a clearer link between the elements of demand, activity and finance and also the implementation of a data warehouse solution to aid performance reporting and analysis.

Clinicians are involved as heads of all service lines - including clinical support services such as radiology - in clinical director roles, reporting to the medical director. Clinical directors are responsible for appointing clinical leads to their teams, work closely with their general managers and matrons and take responsibility for their budgets and strategic initiatives.

In addition to monthly directorate meetings, quarterly business reviews are held for each service line, chaired by the chief executive and attended by the medical director. These meetings measure performance against a broad set of metrics that are not exclusively financial. QVH continues to develop leadership and management skills amongst its consultant staff, giving them greater working knowledge of and responsibility for financial and clinical performance and strategic development.

Lead clinicians will be given the means to demonstrate and improve outcomes with the development of suitable IT support and will be engaging with commissioners over provision for services to both our local population and specialist services provided to those from much further afield.

Performance across the consultant workforce will be considered as part of a job planning review to ensure outcomes and management roles are recognised by both employer and employee and to explore ways to make more efficient use of consultant time.

The QVH clinical workforce strategy ensures that the organisation has the right staffing levels to continue meeting demand for the services we provide. In clinical areas a review of staffing, skill mix and patient acuity is undertaken every six months. During 2013/14, this will be increased to every quarter. In line with recommendations from professional bodies, managers of clinical areas work in a supernumerary capacity. We have also started the introduction of e-rostering to aid the effective allocation of clinical staff and we will be rolling this out across the hospital to all areas and groups of staff during 2013/14.

We are working with local universities to provide in-house training develop the skills of our own staff to fill vacancies in those groups experiencing a national shortage, such as sleep physiologists and specialist prosthetic lab technicians. In response to reductions in medical training posts, we are reviewing junior doctor rotas, expanding nurse and therapist-led clinics and exploring ways of sharing training roles with other providers to ensure that patient care is not adversely affected.

Productivity and efficiency

QVH has assumed an on-going efficiency requirement of 4% in its financial plans based on national planning assumptions where available. The trust has a good track record of delivering its financial plans, including cost improvement programmes (CIPs).

In the previous two years QVH has undertaken a major restructuring of management posts to streamline the organisation, resulting in a recurring saving of £2.7m. In addition, savings from non-pay reductions have delivered a further £1m. For 2012/13 the emphasis was on consolidating the changes already made and for 2013/14 the focus is on ensuring delivery of the service improvement and streamlining work. This includes operational improvements such as consolidating some processes and functions as well as investment in IT systems such as e-rostering to improve staffing schedules.

QVH has established a service improvement group, chaired by the chief executive and including senior directors and operational managers. The group reviews areas for potential improvement, whether in patient experience, service quality or financial performance. In assessing schemes for inclusion, the medical and nursing directors assess the potential impact on clinical quality and safety to ensure there is no unacceptable risk involved. The trust board receives monthly reports on a range of quality metrics and any quality concerns would be quickly identified through this process.

Clinical directors and leads, together with operational management teams, lead on the delivery of many of the service improvements. The investment in IT or other infrastructure changes, where necessary, is prioritised through the trust's annual capital programme.

In delivering non-pay CIPs, QVH works closely with the regional procurement hub and national initiatives as well as its own local programme of work.

QVH recognises that on-going incremental CIP targets are expected to continue and may be increasingly difficult to achieve. We will therefore continue to drive our business strategy of consolidating off-site activity into profitable spoke sites and ensuring on-going operational efficiency improvements through investing in technology and estate. In addition, the Sussex Together programme is intended to identify further operational efficiencies across Sussex providers. QVH is engaged in this programme to ensure that access to its services is fully considered as part of the Sussex model.

Financial and investment strategy

QVH has achieved a good financial performance in recent years, delivering its financial plans and maintaining a Monitor financial risk rating of 5 (lowest risk).

In 2012/13, QVH achieved a better than planned surplus of £4.2m (for financial risk rating purposes) on a turnover of £55m. The surplus was driven by a combination of strong demand for services, some additional activity agreed with commissioners to improve waiting times in a couple of services, and also some non-recurrent benefits accruing from a slightly delayed capital programme which resulting in lower interest and depreciation charges. We recognise that this level of surplus is unlikely to be repeated in 2013/14 as the trust faces the combined pressures of tariff reductions, national pay awards and the additional costs of its major capital scheme once complete. Therefore QVH is planning for a recurring surplus of around £2.5m per annum to support the cost of this development and the other investment priorities for the trust.

QVH identified some time ago that the major risk it faced was the quality of its estates infrastructure. A business case was approved by the trust board in 2011 to proceed with the building of six new operating theatres as the first stage of replacing the ten theatres at QVH. QVH is borrowing up to £10.1m from the Foundation Trust Financing Facility to fund this work and the programme is expected to be complete in

the summer of 2013. Following the strong financial performance in 2012/13 the trust board has agreed to proceed with Phase 2 of the theatre build, replacing the remaining four theatres, in 2013/14. This is subject to negotiation of an acceptable cost for the work but based on current estimates the work should be affordable from the trust's own resources and further borrowing will not be necessary.

Replacement of the operating theatres will not only ensure that patients at QVH have access to state-of-the-art facilities for their care, it will also significantly improve scheduling flexibility and operational efficiency.

QVH has also prioritised its investment in IT solutions recognising that on-going incremental cost reductions will not be a sustainable way of delivering future CIPs. We are jointly procuring an electronic patient record with two other Sussex hospitals. and also investing in wireless technology to improve bedside information access and in clinical systems to improve operational efficiency. The development of the telemedicine system for burns and other referrals to QVH remains an important link to other hospitals across the south east.

The key risks to achieving the financial strategy remain similar to last year, namely that:

- Commissioner actions - intended or otherwise - lead to a destabilisation of services by moving activity away from QVH and affecting our critical mass of services.
- Changes to the commissioning landscape from April 2013 lead to changes in clinical priorities.
- The national tariff fails to adequately reflect the cost of delivering more complex services.
- Operational efficiency is disrupted during the move to the new theatres (or by other factors) leading to failure to achieve performance targets and resulting in contractual penalties.

QVH has already developed good working relationships with its new commissioners, both in the local clinical commissioning groups and with the specialist commissioning team of the local area team. As these organisations are still new and personnel are still changing there will be an emphasis in the coming year on ensuring that these relationships are further developed.

QVH continues to implement its business development strategy and to raise its profile both locally and regionally. We also work closely with clinical networks and other providers to ensure sustainability of services and to deliver the best possible clinical outcomes.

