



Strategic Plan Document for 2013-14

York Teaching Hospital NHS Foundation Trust

Strategic Plan for y/e 31 March 2014 (and 2015, 2016)

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

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Date

29 May 2013

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:

Name
(Chair)

Alan Rose

Signature



Approved on behalf of the Board of Directors by:

Name
(Chief Executive)

Patrick Crowley

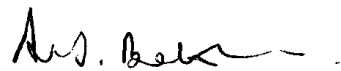
Signature



Approved on behalf of the Board of Directors by:

Name <i>(Finance Director)</i>	Andrew Bertram
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Signature

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Executive Summary

The Trust provides services from 3 district hospitals, 3 community hospitals, 4 rehabilitation hospitals, along with community services and covers a geographical area of some 3,400sq miles. The general health of the population is better than the England average, with the exception of mortality from accidents. Life expectancy is also higher than the England average. The population of North Yorkshire is increasing with a disproportionate increase in the over 65 residents. This growth is expected to represent 25% of the whole population by 2020. As a result of this it is forecast the region is likely to see a rise in cases of dementia. There are pockets of significant deprivation in the area which provide additional challenge to the Trust in ensuring the delivery of services. It was identified in 2007 that there were 8 small areas in York that were in the most deprived 20% in the country, along with 13 areas in Scarborough and 15 in North Yorkshire.

The ethos of the Trust is to put the patient at the centre of everything we do. The care patients receive must always be safe and meet the expectations of patients, their families and friends. The Trust seeks comments from patient and uses them to improve the service and where we receive praise for our services, we ensure we maintain that standard. Surveys such as the inpatient survey and Friends and Family test are vital to the planning of the services. The Trust engages with the Council of Governors as part of the development of the plan. Staff feedback through the staff survey and other mediums also supports the planning and development of future services. Our staff are, along with the patients the key components to the Trust in ensuring we are providing the right service at the right time to the right people at the right quality. In a recent staff survey 99% of our staff said they would recommend our services to others.

Our workforce is at the centre of our success in delivering top quartile services. To maintain that success the Trust engages with staff at all levels and has recently introduced Clinical Strategic Leads. These are senior clinicians in the organisation that work across the whole organisation supporting the strategies and engaging in the debates around the provision of services.

YTHFT aspires to be the main provider of acute hospital services and community services to its local community and has developed a portfolio of services with some opportunities for growth over the next few years. The Trust remains committed to working in collaboration with healthcare organisations including both commissioners and providers. The Trust has a mature alliance model in place with Harrogate and District Hospital NHSFT and is developing models with other providers of healthcare services in the region. The Trust is actively seeking to work in a collaborative way with other sectors such as social care to ensure a holistic approach to healthcare is able to be provided for the community. The Trust's responsibility for community services is important to the organisation as it provides the mandate for the Trust to formulate an integrated service.

The Trust has been able to identify a number of threats that could impact on services, but these threats are also seen as opportunities for the Trust to confirm its planning and its approach to working with the CCGs and other stakeholders in providing the desired service. The Trust sees quality and safety as a priority in the organisation and this is a theme that runs through all the services the Trust provides.

The Trust has developed a robust clinical strategy, which has its foundations in the Integrated Business Plan developed as part of the acquisition and revised during 2012. This strategy was confirmed for the next three years at a recent time out session involving all the clinical leaders and senior management. Working alongside the clinical strategy is the human resources strategy and the approach the Trust takes to recruitment, workforce design and utilisation along with health and wellbeing. Both of these strategies complement each other and support the efficiency agenda and the Trust's expectation that it will provide services that are required by the commissioners and the community it serves.

The key themes of the clinical strategy are:

- Strengthening the depth, breadth and quality of clinical services through internal integration programmes and activity.
- Achieving financial economies of scale through improved internal efficiency, productivity and estate utilisation.
- Developing an integrated hospital and community service approach and community hospital strategy.
- Developing and fostering alliance and partnership working with neighbouring acute trusts, CCG's and local authorities to create potential economies of scale improve patient pathways and choice and achieve mutual organisational sustainability.

The Trust has an excellent track record of delivering productivity and efficiency savings and the last financial year has been no exception. The plan for the next three years is challenging, but achievable. It will require the Trust to

continue to be innovative and creative about identifying savings and ensure that the Trust is using the resources in ways that delivers high quality care standards, so the Trust is providing the best possible care within the available resources for the patient.

Background

The Trust includes 3 district hospitals in York, Scarborough and Bridlington, 3 community hospitals at Selby, Malton and Whitby, and rehabilitation hospitals in York and Easingwold.

The vision of the Trust following the completion of the acquisition of Scarborough and North East Yorkshire Healthcare NHS Trust (SNEY) is to be a healthcare organisation that is recognised locally and nationally as delivering outstanding clinical services that meet the needs of its varied population and supports services that matter to patients. The vision is underpinned by three key goals:

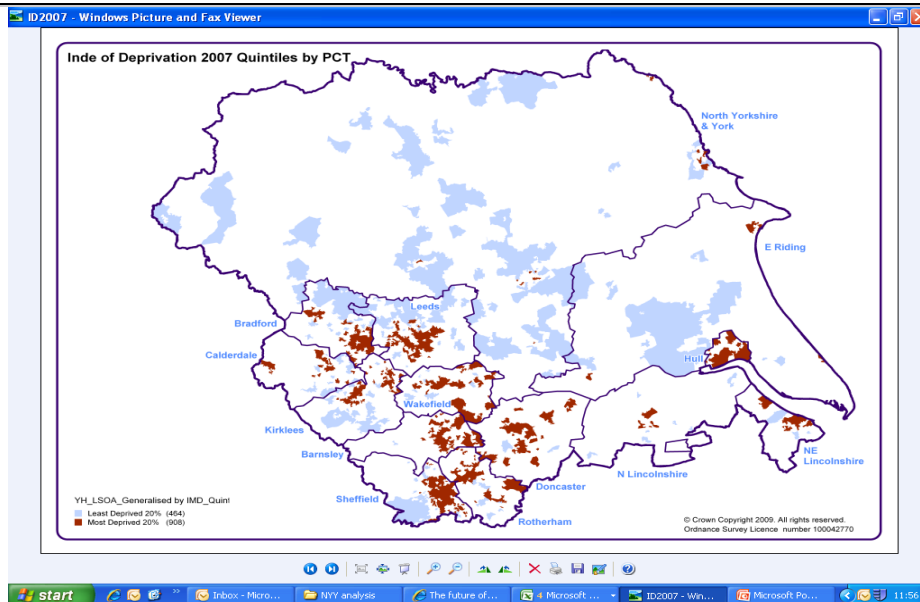
- To be an effective and sustainable provider of general acute, community and appropriate tertiary services.
- To remove uncertainty in relation to healthcare services particularly for the population of the East Coast of Yorkshire.
- To extend genuine public involvement opportunities from being part of an FT, giving the population of the East Coast the opportunity to be heard more formally through membership.

The Trust reviewed the mission and objectives during the year and confirmed the mission to be: *To be trusted to deliver safe, effective and sustainable healthcare within our communities.* The objectives fit into four strategic frames and are:

- Improve quality and safety - To provide the safest care we can, at the same time as improving patients' experience of their care. To measure our provision against national indicators and to track our provision with those who experience it
- Develop and enable strong partnerships - To be seen as a good proactive partner in our communities - demonstrating leadership and engagement in all localities.
- Create a culture of continuous improvement - To seek every opportunity to use our resources more effectively to improve quality, safety and productivity. Where continuous improvement is our way of doing business.
- Improve our facilities and protect the environment - To provide a safe environment for staff, patients and visitors, ensuring that all resources are used as efficiently as possible.

The population of North Yorkshire is increasing with a disproportionate increase in the over-65s. This age group is expected to increase by 16% by 2013 and by approximately 40%, to 198,000, by 2020, so that this group will make up almost 25% of the total population. By 2020 it is expected that the number of people aged over 85 years will increase by 60% to 30,600. As a result of this, between 2008 and 2025 North Yorkshire is forecast to see the largest rise in cases of dementia and a 68% increase in prevalence. Age is recognised internationally as a key driver of demand for healthcare services, and the ageing population in North Yorkshire is growing faster and living longer than the national average. This is resulting in an increasing need for services for age-related illnesses. In 2008-09 the over-75s represented 10% of the population but accounted for approximately 20% of admissions and 30% of expenditure.

The region is an area where the general health of the population is better than the England average as would be expected of a relatively affluent population. Premature mortality from heart disease, stroke and cancer are all lower than the England average, with the only exception being premature mortality due to accidents. Female life expectancy in North Yorkshire is 82.5 years and male is 78.7 years. These are higher than the England figures of 81.8 and 77.7 years respectively. The difference in life expectancy between the most and the least deprived 10% of North Yorkshire's population is 7.5 years for men and 3.6 years for women. The Index of Multiple Deprivation (IMD) looks at a range of economic, social and housing issues which influence health and wellbeing. In the 2007 IMD there were eight small areas in York in the most deprived 20% in the country and 15 in North Yorkshire, of which 13 are in Scarborough. 11% of children in the PCT in 2008 lived in poverty, defined as families receiving means-tested benefits. North Yorkshire includes a large rural area. Those living in rural areas who suffer from deprivation, and who have the greatest health needs, have the least opportunity to access services and are hidden among the generally affluent and healthy.



YTHFT aspires to be the main provider for acute hospital services to its local community. It currently achieves this with few significant flows to neighbouring trusts from its core population and no growth in these outflows. Historically elective patient flows for Scarborough and North East Yorkshire Healthcare NHS Trust (SNEY) have reflected patient choice with a much smaller market share than the non-elective population base would indicate was possible.

As YTHFT develops its portfolio of services, some opportunities for growth exist and these are being actively pursued, namely:

- The development of “secondary care plus” services for the North Yorkshire population. In recent years, the intention has been to secure the catchment base for this aspiration through the Clinical Alliances with Harrogate in the West and the Malton/Pickering/Pocklington corridor of population in the North and East. Following the acquisition of SNEY and the integration of clinical services across the two previously separate organisations, the Trust is now in a position to strengthen its core services.
- Discussions with Hull and East Yorkshire NHS Trust (HEY) colleagues are progressing regarding the transfer of Bariatric Surgery and potential opportunities in relation to Renal Medicine.
- There is an opportunity to attract additional elective work from other providers (e.g. acute coronary syndrome and elective angioplasty cases from Leeds).
- Provision of clinical support services to neighbouring NHS Trusts and independent sector providers (e.g. Laboratory services).
- Implementing vertical integration of community services (formerly Provider Arms of surrounding PCTs) as part of the Transforming Community Services agenda (which will deliver care pathway improvements and economies of scale).

The Trust maintains an environment where it works closely with other organisations through collaboration and alliance agreements. The Trust is seeking to increase the use of such models to create a model of care that is as integrated as it possibly can be. The Trust works with a number of other providers including:

Independent Sector Providers - The main Independent Health Sector Provider in the York area is the Nuffield Hospital in York. The Nuffield Hospital offers a range of elective, diagnostic and outpatient services, supported by in-patient beds. The Nuffield Hospital is now a recognised Provider of choice for General Practitioners. YTHFT enjoys a productive relationship with the Nuffield Hospital, calling on it occasionally to supplement capacity, although recently there has been no requirement to activate this support.

The Ramsey Healthcare Group runs the Independent Sector Treatment Centre facility at Clifton Park in York, having won a competitive tender process in 2009 for a three-year contract. Currently, YTHFT has a secondment arrangement with Ramsey, supplying Consultant Orthopaedic Surgeons and Anaesthetic staff to undertake routine Orthopaedic and some General Surgical procedures.

Whilst the routine surgical activity, formally carried out in YTHFT is undertaken at the Treatment Centre, YTHFT recovers its costs through a secondment arrangement with Ramsey under the auspices of a Service Level Agreement.

YTHFT would consider if the opportunity were to arise, to bid for the management of the facility for the duration of the new contract when tendered in 2013. The Ramsey organisation's future intentions are unknown at the current moment in time.

At present there is no private provider working in the Scarborough/Bridlington area for the Trust to work with.

Harrogate and District NHS Foundation Trust (HDFT) - Harrogate has a reputation for effective delivery of services and accessibility for patients to the west of the YTHFT patch. The aspirations and plans of the two organisations are managed in a mutually beneficial way through a clinical alliance arrangement.

There are strong partnerships in a number of clinical specialties including Vascular and Breast Surgery, Urology, ENT, Maxillofacial Surgery, Ophthalmology and Renal Medicine. Further areas for collaborative working to generate economies of scale, improved care pathway outcomes are being reviewed.

Hull and East Yorkshire NHS Trust (HEY) - HEY has strong links established with the Hull/York Medical School and through clinical partnerships in Neurosurgical and Vascular services.

It is seeking to ensure continued sustainability for their Cancer Services Centre and there have been productive discussions around establishing patient choice options for tertiary cancer work on the eastern side of the patch. There has also been recognition of the York/Scarborough linkages for non-tertiary cancer service activity that previously went to Hull from Scarborough. Further areas for collaborative working to generate economies of scale, improved care pathway outcomes are being reviewed.

Leeds Teaching Hospitals NHS Trust (LTHT) - YTHFT has strong service linkages with Leeds across a number of specialist services. The strategy will be to continue to explore repatriation of services previously provided at Leeds where it makes sense for them to be provided locally given in house capability and capacity and patient access issues. LTHT has acknowledged that there are certain specialties where repatriation would benefit them in freeing up capacity for more specialist areas of work.

Examples of such services include Gynaecological and Colorectal Cancer, Angioplasty and ICD devices (the last of which is currently under discussion and is reflected within the cardiology service plan for YTHFT).

Threats and Opportunities from changes in local commissioning intentions.

From the 1st April 2013 the Trust will be contracting with several Clinical Commissioning Groups (CCGs) in North, East and West Yorkshire, NHS England and two Local Authorities. Most of these commissioning organisations are new following the enablement of the Health and Social Care Act 2012 on the 1st April and, therefore, present the Trust with both Opportunities and Threats as follows:

Threats	Opportunities
<p>New NHS Commissioning Landscape</p> <ul style="list-style-type: none"> Commissioning budgets have been created for the new commissioners using historic data and population based apportionments and these may have lost the audit trail back to existing service contracts. The different commissioners may take varied approaches to commissioning and contracting for services with different outcome requirements being required of the Trust for the same service. Commissioners are taking differing approaches to the application of CQUIN to the different contracts. There are many financial penalties built into the standard contract for Never Events and National Quality Requirements and these present an increasing financial risk to the Trust. <p>Local Commissioning Strategy</p> <ul style="list-style-type: none"> The Trust's two main commissioning CCGs (Vale of York and Scarborough/Ryedale) have inherited significant deficits from the North Yorkshire and York PCT and have a significant QUIPP 	<ul style="list-style-type: none"> The changes to the system put in place from 1st April 2013 give the Trust an opportunity to develop and improve its service delivery. The introduction of the CCGs will allow the Trust to think differently about commissioning and provide opportunities to identify savings and change how services can be designed to more closely to reflect the commissioner's desires. The Trust will be working with different commissioners and a greater number of stakeholders. This will provide the Trust with an opportunity to be imaginative about the provision of services, The local NHS treatment centre currently run by Ramsay healthcare is due for re-tendering before October 2014. The Trust has recently won a tender to provide Cervical Cytology services across North and East Yorkshire. The West Yorkshire service will be tendered during 2013/14.

<p>programme to achieve and then remain in balance over the next 3 years. In particular the CCGs will focus on outpatient follow up ratios as a means to achieving cost efficiencies.</p> <ul style="list-style-type: none"> • Vale of York CCG has signalled its intention to competitively tender some services currently delivered in an acute setting with the intention of moving these to community setting and making cost efficiencies. • Vale of York and Scarborough/Ryedale CCGs have signalled an intention to test the market for ARMD assessments at national Ophthalmology follow up tariff. • Vale of York and Scarborough CCGs are trying to introduce local financial penalties for local quality initiatives. • Vale of York CCG has signalled its intention to commission an integrated health and social care service during 2014. This will include some services provided by the Trust. • Vale of York CCG has benchmarked the Trust's direct access Pathology services and believes it can achieve efficiencies through market testing. 	<ul style="list-style-type: none"> • The inherited deficit remains a significant challenge, but is a driving opportunity for the health and social care providers in the area to work together and find collaborative solutions to the challenges. • Vale of York CCG has signalled its intention to commission an integrated health and social care service during 2014. This will include some services not currently provided by the Trust. • The Trust welcomes the opportunity to be involved in market testing exercises. This will allow the Trust to consider how a service is delivered and how it can be improved and be more efficient. • The introduction of financial penalties will sharpen the expectations of the Trust and enhance the opportunity to work closely with the commissioners. • There are opportunities as a result of competition to win business from other providers and this is welcomed by the Trust.
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The Threats and Opportunities presented by CCGs competitively tendering services highlighted above will have little or no impact in 2013/14 as the CCGs have not yet given the appropriate notice to the Trust of the intention to change the contract. In addition the tendering process will take at least 9 months from tender issue to service commencement and, at the date of the annual plan, no tendering processes have started. The Trust has assumed that the overall impact of the threats and opportunities highlighted above will be neutral on the income and expenditure position for the 3-year planning period.

Diversifying Income Streams - The Trust is developing plans to increase non NHS income to protect against future NHS income losses.

On the Bridlington Hospital site the Trust is assessing the potential to increase private patient income by developing a new operating theatre and utilising existing spare in patient bed capacity. At present there is no private patient inpatient provision in the Bridlington/Scarborough area and private patients are travelling to either Hull or York for services.

On the Scarborough Hospital site we are currently tendering for a partner to work with the Trust in developing an eye care service for Trust staff, members and their families and friends.

Quality – Quality and safety are always seen as a priority to maintain in the organisation. It is the theme that links through all the objectives and activities the Trust undertakes. Currently the Care Quality Commission Quality Risk Profile did not indicate any quality concerns with the Trust.

The Board of Directors is responsible for ensuring that the organisation complies with all national, legal and regulatory requirements. This includes compliance with the CQC regulations and outcomes. Operationally, compliance with standards is reviewed by a senior management team on a rolling basis. All staff are aware that they have a personal responsibility for ensuring that they comply with statutory legislation in whatever role they are undertaking.

The triangulation of key performance data is paramount to an organisation developing a cohesive understanding of its risks. In reality this means that the identification of risk is a multi faceted process, involving the physical inspection of services and localities, reviewing of key performance indicators (complaints, datix web reports, claims, nursing care indicators etc), and establishing improvement plans where necessary. This work is undertaken by a small team of Governance Facilitators who work directly with the Risk and Legal and Patient Safety teams as well as clinical and non clinical directorates to review and improve performance. This will include the development of Governance Dashboards for each service area and these will be regularly reviewed at Directorate and Performance Management Meetings.

The Medical Director has lead responsibility at Board level for Clinical Audit and Effectiveness within the organisation. Operationally he is supported by the Assistant Director of Healthcare Governance and the Clinical Effectiveness Team. The Trust requires all Clinical Directorates to participate in local and national clinical audit, and for this to be reported in the Trust's Quality Report.

The Government's NHS reforms require the provision of high quality and clinically effective care. The delivery of this agenda relies upon maximising and coordinating the use of resources to ensure that organisational values and key priorities are identified, communicated and met. The strategic direction of clinical audit and effectiveness within the organisation seeks through the programme of national and local audits to benchmark performance, identify performance short falls, and establish improvement plans. The outcome of all audit projects will be based on robust information on which decisions can be made and services improved.

In terms of Effectiveness, the Trust undertakes benchmarking reviews of all guidance being issued by the National Institute for Clinical Excellence. This involves undertaking a self assessment against each piece of guidance and where necessary developing, implementing and reviewing an action plan that aims to ensure compliance with the relevant guidance.

The Medical Director reports on clinical audit and effectiveness issues directly to the Board of Directors.

Clinical Strategy

The Organisation's Clinical Strategy over the next three years is derived from some of the key themes articulated in the Integrated Business Plan compiled for the Scarborough acquisition. These include:

- Strengthening the depth, breadth and quality of clinical services through internal integration programmes and activity.
- Achieving financial economies of scale through improved internal efficiency, productivity and estate utilisation.
- Developing an integrated hospital and community service approach and community hospital strategy.
- Developing and fostering alliance and partnership working with neighbouring acute trusts, CCG's and local authorities to create potential economies of scale improve patient pathways and choice and achieve mutual organisational sustainability.

A recent organisational strategic timeout session involving Corporate Directors, Clinical Directors and other key senior clinical leaders reviewed and refreshed the Clinical Directorate's priorities for the next three years in the context of corporate objectives. Allowing for some particular specialist Directorate issues, the session identified significant alignment and congruence with corporate goals and agreed to focus on the following key common themes:-

Continuation and enhancement of integrated clinical team working across the York and Scarborough Hospital sites.

This involves single directorate clinical and management structures, standardised governance and clinical protocol arrangements, the sharing of expertise and capacity, developing access to sub-specialised services across the patch, redesigned service pathways generating improvements in care and economies of scale and streamlined recruitment processes to attract and retain skilled staff.

The intention is to move to have fully integrated single directorate structures within the organisation by April 2014.

Review of the approach to managing acute care and the impact on internal capacity.

There is an acknowledgement that triage and assessment need to occur earlier in the patient pathway to ensure staff resources are deployed to best effect and patients are cared for in the most appropriate way. This will involve work with CCG colleagues in designing a single point of access for triage at a primary/neighbourhood care level and liaison with trust staff for potential new cases in addition to known groups of patients with multiple long term conditions and the frail elderly.

In addition, work will continue internally on developing more focussed hospital acute assessment triage involving Acute Physicians, GP's operating out of the Emergency Departments and the continuation of integrated minor injury unit working that has involved the physical relocation of staff.

Also, Early Supported Discharge Schemes for long term condition patient groups (e.g. Stroke and COPD patients) involving specialist hospital/community teams that will enhance recovery through self management in the community setting while freeing up acute bed capacity in the hospital setting will also be explored.

Detailed plans are being worked up through the CCG Care collaborative meetings (see below) for implementation in 2013/14.

Review of internal bed configuration on the main Hospital sites and the approach to elective care.

There is consensus that there is potential to transfer beds from surgery to create additional dedicated medical/elderly capacity. The remaining surgical bed base would be tightly managed and improvements in productivity and efficiency through increased usage of day surgical and extended stay beds and enhanced recovery beds on surgical wards will be pursued further. Possibilities of separating elective surgical capacity in dedicated units outside the main hospital sites (including Bridlington Hospital and potentially Clifton Park Treatment Centre as part of a future tendering exercise when the current contract expires) will also be explored further.

Detailed Project Plans will be worked up for implementation in 2013/14 and 2014/15

Redefinition of role and purpose of Community services and hospitals.

There is agreement that this element needs to be part of the core business of the organisation. Working with CCG colleagues the role of neighbourhood care teams requires to be developed for triage and assessment purposes (see above) and the management and usage of Community Hospital beds for step down requires review. The management of frail elderly patients with geriatrician input will be explored further.

Detailed Project Plans are being worked up with the CCG Care Collaborative meetings (see below) for implementation in 2013/14.

Clinical workforce strategy

The Trust has developed a human resources strategy which works in conjunction with the clinical strategy described. This strategy is based around 4 key themes as follows:

- **Entry to the organisation** - Our focus will continue to be on recruiting in line with our values, ensuring not only do we consider individuals skills and experience, but importantly that we consider values and behaviours. We will also continue to ensure we provide greater clarity on the expectations we place on those we employ, and hold people to account against these. The package of employment we offer to staff will further be developed, in particular ensuring the benefits of joining a larger organisation are clear, and we promote the benefits of senior clinical staff working from the Scarborough site.
- **Workforce design** - Ongoing review of the make up of the workforce across the integrated organisation will continue, in order to ensure we have consistent models where appropriate. This will result in the conversion of some apprentice roles into healthcare assistants, and the introduction of new roles to some sites. The role of advanced clinical practitioner will be introduced, both as a training role and as an established position. We will also make further progress to develop increased clinical presence out of hours.
- **Workforce utilisation** - In order to ensure the workforce resource we have is used to best effect, we will:
 - Improve how we make use of our rostering tools for both nursing and medical staff. We will implement e rostering across the whole organisation, and through increased compliance we expect a reduced need on temporary staffing.
 - Review our in house bank arrangements, and how we further reduce our need for temporary workforce solutions.
 - Continue to focus on maximising attendance at work.
 - Implement twice yearly nurse staffing audits which will be benchmarked against national models. This will inform our levels of ward staffing and help determine where changes may be needed, either through redistribution of staff or investment. Through regular audit and benchmarking the organisation can seek assurance that our nurse staffing levels are all safe.
- **Employee health and well being** - This will largely focus on progressing our reward and recognition agenda as well as other factors that impact on how employees feel about coming to work.

The strategic workforce committee, a committee of the Board, will oversee this work and be the forum where assurances will be sought. It is envisaged that these measures will result in some changes in skill mix and staffing numbers. Whilst some increase in nursing levels is to be anticipated, this will need to be resourced primarily through efficiencies described above, such as reducing temporary workforce spend. Some reduction in other staff groups may need to be considered to deliver the efficiency requirements placed upon us.

Co-operation/Alliance/Partnership working

There is consensus that Alliance and Partnership working with other organisations needs to be pursued. In respect of neighbouring acute/community trust organisations (e.g. Harrogate and Hull Trusts) there are potential benefits in terms of mutual service sustainability (through pooling of population numbers and shared expertise and manpower) economies of scale and improved patient pathways.

Examples of services that are being looked at include Oncology, aspects of General Surgery, Ophthalmology, Renal Medicine and Sexual Health. Partnership/Alliance Boards involving senior managers and clinicians from the respective organisations are overseeing developing work programmes.

Similarly, partnership working with CCG colleagues via Care Collaborative meetings is being pursued to promote integrated Hospital/Community care working and more effective deployment of resources across the patient pathway (see above).

Work Programmes for the Partnership/Alliance Boards and Care Collaborative meetings for implementation in 2013/14 and the following two years are being developed.

A North Yorkshire Health and Social Care Leadership Group involving Chief Executives from the Acute/Community Trusts, CCG's and Local Authorities has been set up to look at areas of common interest and concern where potential system wide improvements can be made (e.g. care of the frail elderly, improved access to services out of normal working hours).

The developing work programme flowing from the implementation of the above strategic themes and supporting Directorate Plans will be overseen by the Organisation's Strategic Implementation Group working in close collaboration with the Executive Board.

Financial & Investment Strategy

The Trust continues to operate within the context of the difficult national economic situation and its impact on the NHS. In addition, although the commissioning landscape has changed with effect from 1st April 2013 the CCGs (particularly the Vale of York CCG) that composed the Trust's former main commissioner (North Yorkshire & York PCT) continue to be severely financially challenged, which has wider implications for the whole of the local health economy.

The 'Systems Management Executive' (SME) for the North Yorkshire and York PCT (NYYPCT) area established by the Yorkshire & Humber SHA (then North of England SHA) in 2010 continued to meet during 2012/13. The SME included membership from the PCT and its main provider organisations including the York Trust, with the main objective was to establish an affordable solution for the whole patch. For 2012/13 a financial risk management arrangement was brokered by the SHA and agreed between NYY PCT and its providers. This provided greater financial certainty for the patch as a whole, and the Trust's Annual Plan for 2012/13 was set with this arrangement in mind.

The key event during 2012/13 was the acquisition of SNEY by the Trust with effect from 1st July 2012. The Trust's outturn financial performance for 2012/13 was an I&E surplus of £70.3m, although this included a technical gain from the transfer of Scarborough's assets under absorption accounting of £68.9m, and £5m strategic capital received as revenue. After accounting for other adjustments, the Trust's underlying performance for the purpose of calculating its Financial Risk Rating was £0.2m.

Of note is that within this position the Trust exceeded its largest ever CIP target of £23.6m by £2.7m. The Trust's liquidity position remained robust at £12.8m, although lower than plan due to the delay in receipt of all the strategic capital promised by the DoH. A final financial risk rating of 3 is assessed for the year in line with the Trust's 2012/13 plan.

Moving forward into 2013/14 the Trust's financial strategy over the next three years continues to be primarily influenced by the acquisition of SNEY from 1st July 2012. The Trust will receive financial support from NHS England for a further 4 years (5 years in total including that received during 2012/13) during which time the prime financial objective will be to manage the risks and successfully integrate SNEY into the enlarged York Trust so that the organisation is financially viable in its own right by the time the support terminates. To achieve this, the extensive efficiency improvement programme developed as part of the Integrated Business Plan continues to be executed including taking advantage of the synergies offered as a result of bringing the two organisations together.

The financial strategy is designed to deliver growing operational surpluses over the next 3 years of £2.4m in 2013/14 (0.6% margin on turnover); £4.3m in 2014/15 (1.1%); and £5.5m in 2015/16 (1.7%).

As part of the acquisition of SNEY, the Trust secured £20m additional capital resource to enable it to address key environmental and other risks on the SNEY site. £5m of this sum was received late in 2012/13. The 2013/14 plan assumes the balance of £15m strategic capital is received in July 2013, and is invested in capital developments over the following two years.

Under the transforming community services initiative, the Trust has taken ownership of a number of community hospitals and clinics with effect from 1 April 2013, with a further community hospital expected to transfer during the course of the year. The total value of these assets is estimated at £29.5m. Under the current absorption accounting guidance, this transfer will give rise to an in year gain of £29.5m, which will be reflected through the balance sheet reserves.

The Trust's cash position remained robust with a closing balance of £12.8m at the end of 2012/13, although lower than plan due to the delay in receipt of all the strategic capital promised by the DoH. Cash balances are forecast to remain in excess of £15m over the next three years, as increasing surpluses are achieved each year.

For 2013/14, the commissioning landscape has changed with the introduction of CCGs, Local Authorities, and NHS England as commissioners for different elements of the services provided by the Trust. This has increased the diversity and number of contracts. The SME has been disbanded and contract negotiations have been undertaken outside of the framework formerly offered by that forum. For all commissioners contracts have been negotiated within the context of the full PbR framework.

The key assumptions made in developing the financial plan over the three years:

- Activity plans are underpinned by PbR principles, and include the impact of assessed growth. It is assumed that activity will be delivered as planned.
- PbR tariff will be subject to further deflation of 1.3% per annum. Clinical services not subject to tariff have a locally agreed tariff also subject to 1.3% deflation per annum. Other income is assumed to inflate at 1% per annum.
- The Trust has set itself a challenging CIP target over the 3 years of the plan of £55.6m, with a target of £23.4m in 2013/14. This equates to 5.7% in 2013/14, with 4% assumed in later years.
- CQUIN is valued at £9m and assumed to be earned in full
- A provision for contract penalties and challenges has been created.
- Capital programme spend will be financed by a mixture of Strategic Capital, loan funding and retained depreciation and focussed on upgrade and replacement of existing assets on both the main hospital sites, plus new build works at Scarborough.

The key risks to achieving the financial strategy are:

- Failure to fully deliver the cost improvement programme, which is an essential cornerstone of the IBP in delivering a sustainable organisation post acquisition of SNEY, once the transitional support expires.
- Tariff differs from the levels assumed.
- Activity is lower than planned, including the prospect of the loss of business.
- Cost inflation is higher than predicted.

If any, or a combination of these was to materialise the Trust will use a combination of strategies to mitigate against their impact:

- Stop and/or defer planned investments.
- Where practical increase the level of cost improvements being targeted.
- Reduce and/ or defer expenditure supported by the transition funding.
- Increase activity and income through seeking new business from new markets.
- Reduce and/or defer elements of the capital programme.

Productivity and efficiency

The aim of the Trust is to deliver appropriate, high quality and cost effective services for its patients on a sustainable basis. This requires that the Efficiency target is achieved without compromise to patient care. The CIP target for 2013/14 is £23.4m and plans have been identified to meet this.

Sustainable Efficiency planning requires skills beyond financial management. Leadership of this programme must

recognise the purchasing and QIPP intentions of the CCGs, likely changes in local health trends, demographics and the sustainability of key services.

Incremental savings, although important, need to be made along side transformational schemes. These will be linked to delivering services out in the community, integration opportunities and a clear understanding of cost opportunities from benchmarking.

The size of the target, and the need to consider the wider health economy, presents a significant and complex planning challenge. The strategies in place to address this are outlined below.

The current target and efficiency schemes to deliver this are presented below as Table 1.

Table 1 – Efficiency Target and Themes for 2013/14.

Target	£m
In Year Target	23.4
Target Delivery Schemes	
Back office Review	3.7
Integration Savings	2.2
Operational Efficiency	9.9
Workforce Review	2.9
Total Schemes	18.7
Agreed Directorate non-recurrent delivery programme	4.7

The main Efficiency Themes identified are back office review, integration savings, operational efficiency and workforce review. These broad headings cover a large number of projects that are managed at Directorate level, with appropriate corporate support. Further details are provided as part of Appendix 2.

Historical delivery -The Efficiency programme for York has a history of delivery with the results since 2009/10 presented in Table 2 below:

Table 2 – Historic Delivery of CIP Savings

	2009/10	2010/11	2011/12	2012/13
	£000	£000	£000	£000
Efficiency Target	8,879	12,186	14,187	23,638
Total Achieved	9,283	12,517	15,205	25,609
Variance	404	331	1,018	1,971

The Trust has delivered or exceeded against an ever increasing target for the last four years, with an over recovery of £1.9m reported for 2013/14. This reflects a culture of continuous improvement; with the organisation constantly working to further support the Efficiency agenda.

Ensuring future delivery - During 2012/13, the Corporate Efficiency Team was strengthened, in recognition of the increasing future challenge. The team includes project, operational and data management expertise; working along side finance professionals. The team also has a Clinical Lead for Efficiency on each of the York and Scarborough sites.

Projects undertaken by the team will be determined by benchmarking and referrals from Directorates. The team will also work to review back office functions. Progress will be managed through The Efficiency Group where projects will be commissioned, challenged and supported. The Team aims to provide a particular focus on supporting failing Directorates. This will involve seeking out examples of best practice from other sites, through

links with NHS Benchmarking, NHS Elect and Better Care, Better Value. The Efficiency Programme at York has been based around the Monitor publication Delivering Sustainable Cost Improvement Programmes.

The Trust merged with Scarborough Hospital In July 2012. This presents a significant opportunity to reconfigure clinical services. The Head of Corporate Efficiency will work along side the Integration Team to ensure that Efficiencies made are recognised against Directorate Plans. The Strategic Integration Group will provide leadership for this agenda.

Operational productivity gains will be supported by the new Programme Director for Service Development and Improvement. This role will coordinate existing improvement projects with larger projects being managed through the Acute and Surgical Boards.

Workforce Efficiencies are an essential strand of delivering our 6 year plan. Projects based within Directorates will be reviewed to ensure that the cumulative impact of small projects does not compromise patient care. The Head of Corporate Efficiency has established links to the Directors of Nursing and HR and is a member of the Strategic Workforce Committee. This ensures that projects to reduce skill mix or head count have appropriate financial support and are recognised within the Efficiency plan.

Leadership - The efficiency programme at York Teaching Hospital NHS FT is led by the Head of Corporate Efficiency with significant support from the Director of Finance. Progress and quality assurance is monitored through a range of meetings, to include

- Directorate Management Meetings (Monthly) led by clinical directors, directorate managers and senior clinical staff to discuss operational business. This is where ideas are generated discussed and developed.
- CIP Meetings (Monthly) with directorates led by the Head of Corporate Efficiency, to develop, plan, challenge progress and refer team support. This is where benchmarking, ideas from other areas and best practice examples are discussed.
- Efficiency Group Meetings (Monthly), chaired by the Chief Executive, to challenge delivery and support individual corporate projects.
- Finance and Performance Committee (Monthly), chaired by a Non-executive Director, to provide detailed challenge to the efficiency programme and provide subsequent assurance to the Board.
- Efficiency Panels (Annual), chaired by the Chief Executive, to monitor the impact of plans on quality and safety; as well as to drive delivery and support six year planning.

The involvement of directors, non-executive directors and senior clinicians, working along side the Corporate Efficiency Team, ensures that this agenda is well supported at all levels within the organisation.

CIP Profile - The main themes for delivering Efficiencies have been presented in Table 1 above. These are then sub divided into a large number of individual projects. Appendix 2 provides an overview of the structures and risk management arrangements in place to support delivery against these work programmes. Due to the anatomy of the programme these 4 themes, rather than top 5 schemes by value, have been presented. Organisational enablers to support the delivery of the Efficiency programme are outlined below

CIP enablers - Clinical Leadership is an essential component to the Delivery of Efficiencies. Clinical Directorates are represented at the Executive Board and have an understanding of Corporate Financial challenges and opportunities. These senior Health care professionals also support the identification of Efficiency plans within their Directorates.

The Corporate Efficiency team has two clinical lead sessions, one for York, which is well established and a newly established role for Scarborough. This is aimed at providing clinical leadership, support and appropriate challenge to Clinical Directors.

Enabling efficiencies - The role of infrastructure to support efficiency delivery is well recognised at the Trust. The expansion of financial systems into Scarborough has enabled its Payroll to be brought back in house with an annual saving of £40k.

The rollout of the Patient Data base system is also expected to realise significant operational efficiency savings.

Targeted capital investment can be used to release revenue savings. This link has been recognised and the

current Capital spend programme has been reviewed for potentially enabling schemes. This work is expected to have some impact on the prioritisation of work.

Links with the wider health economy are essential to transformational change. Good relationships have been developed at Director level, enabling appropriate support for cross boundary schemes as appropriate. This is particularly pertinent to work with CCGs, Community services and Local authorities.

York has a history of commissioning external expertise where appropriate and made excellent use of Ernst and Young to support the acquisition process with Scarborough. Consultancy firms may be considered to support future projects; and NHS Elect have already been used to assist in a length of stay project in Elderly services.

Quality impact of CIP - The link between quality and Efficiency has been the topic of a number of papers to the Efficiency Group. A new system, proposed for 2013/14, has been developed by the Clinical Efficiency Lead and incorporates a governance risk scoring system. .

The new process is based on the current Trust Risk Assessment schedule which recognises the following categories of adverse incident

- Injury or illness
- Patient experience
- System, project, target or objective
- Flow, pathway
- Adverse publicity

This presents a balance scorecard approach to risk and can be reviewed at any stage in the project lifestyle. Identified high risk projects will be managed and reviewed through the Efficiency Group. The annual Efficiency Panels, and associated paper work, are also aimed at reviewing Efficiency based risk at the project planning stage

In summary, the efficiency programme at York is well established and successful. It does however continue to evolve to meet the challenging external environment.