



Strategic Plan Document for 2013-14

Liverpool Women's 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	31/05/13

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)	Ken Morris
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Signature 

Approved on behalf of the Board of Directors by:

Name (Chief Executive)	Kathryn Thomson
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Signature 

Approved on behalf of the Board of Directors by:

Name (Finance Director)	Vanessa Harris
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Signature 

Strategy Guidance - Annual Plan Review 2013-14

Principles underlying the Annual Plan Review (APR) process

1. This document sets out the requirements for the principal published forward plan ("Strategic Plan") for Foundation Trusts. The Strategic Plan should set out how the Trust's Board intends to deliver appropriate, high quality and cost-effective services for its patients on a sustainable basis. It should, therefore, lay out the Trust's assessment of the challenges it faces (both within the organisation and more broadly within its local health economy), its strategy to address those challenges and its implementation plans over the 3 years from 13/14 to 15/16.
2. The Strategic Plan should be consistent with the information submitted in the finance template (being issued on 29th March), and provide context for key figures included in the finance template.
3. It is crucial to recognise that the Annual Plan is not meant to be a simple budgetary exercise, but rather a key governance document which explains how high quality services will be delivered into the future. This will involve analysis of a broad range of issues, which may, for example, include: demographics and health trends; clinical sustainability and the implications of 24/7 consultant rotas; opportunities and threats from reconfiguration; cultural factors and their impact on delivering services which are safe, clinically effective and result in high patient satisfaction; cost benchmarking and the opportunity for transformational CIPs. Clearly, this is not meant to be an exhaustive list and different Trusts will have differing starting positions and face somewhat differing challenges.
4. Monitor has for many years emphasised the importance of robust planning over a multi-year time horizon in maintaining a healthy and sustainable FT sector. Our experience in prior Annual Plan Reviews has shown, however, that FTs on the whole tend to focus on a one-year planning cycle and look less at addressing longer-term strategic issues. The context to the 2013/14 Annual Plan is particularly challenging, with FTs facing rising demand and the need to deliver increased quality and efficiency and an improved experience of healthcare services for patients. Against this background, a short-term planning outlook, particularly one which does not take due consideration of the local health economy or the sustainability of service delivery models, would be inadequate.
5. There is no prescribed format for the published section of the Strategic Plan. However as a guide we would expect plans to be between 10 and 20 pages in length. To support APR analysis there is some specific information, not for publication, that we require from all Trusts and we have therefore included space for these in Appendices 1-4. Where there are commercially sensitive or confidential matters that Trusts do not want to include in the main published section and which cannot be accommodated within Appendices 1-4, these may be included in Appendix 5¹.
6. Annex A sets out, at a high level, the main stages in the development of the three-year Strategic Plan and the key elements which underpin each.
7. Monitor expects that Strategic Plans would include an Executive Summary outlining key elements of the Strategic Plan, including a summary of key financial data.
8. The main section of the Strategic Plan should normally address the areas set out in the following table, and any other relevant areas.

¹ Although Monitor does not intend to publish these Appendices, all information provided to Monitor is potentially subject to disclosure under the Freedom of Information Act 2000 (subject to the normal exemptions).

Strategic Context and Direction	<p>Trust's strategic position within LHE including:</p> <ul style="list-style-type: none"> • An overview of the Trust's key competitors and an assessment of the Trust's key areas of strength/weakness relative to the key competitors; • Forecast health, demographic, and demand changes; and • Impact assessment of market share trends over the life of the plan. <p>Threats and opportunities from changes in local commissioning intentions</p> <ul style="list-style-type: none"> • An overview of the key changes to local commissioning strategy and intentions and their anticipated impact on the Trust, including: <ul style="list-style-type: none"> ○ QIPP & demand management; ○ Decommissioning; ○ Potential "Any Qualified Provider" Tenders; ○ Shifting care delivery outside of hospitals; and ○ Reconfiguration plans. • An explanation of how the Trust has factored these considerations into its strategy; • Analysis of how the Trust's demand profile and activity mix has evolved over recent years and what changes are forecast; and • Details of how the Trust is diversifying its income streams (e.g. research, private patients, exploiting intellectual property). <p>Collaboration, Integration and Patient Choice</p> <ul style="list-style-type: none"> • Plans to integrate services to provide better care and/or increase efficiency; • Development of partnerships and collaborations with other providers; and • Consideration of impact of proposals in relation to competition rules (CCP etc.) and patient choice, where applicable.
Approach taken to quality (including patient safety, clinical effectiveness and patient experience)	<ul style="list-style-type: none"> • An outline of existing quality concerns (CQC or other parties) and plans to address them; • The key quality risks inherent in the plan and how these will be managed; and • An overview of how the Board derives assurance on the quality of its services and safeguards patient safety. (Trusts may find Monitor's Quality Governance framework helpful in appraising quality arrangements).
Clinical Strategy (Consistent with information contained within the Trust's published Quality Account).	<p>Service Line Management Strategy:</p> <ul style="list-style-type: none"> • The Trust's overall clinical strategy over the next three years; • The Trust's service line strategy over the next three years; and • The inputs the Trust used to develop this strategy (e.g. SLM, benchmarking etc). <p>Clinical Workforce Strategy</p> <ul style="list-style-type: none"> • An overview of the clinical workforce strategy (covering doctors, nurses and other key clinical groups); • Key workforce pressures and plans to address them; • The impact of the Workforce Strategy on costs (short-term and long-term); and • Findings of benchmarking or other assessment (eg using the DH Workforce Health Tool).

	<ul style="list-style-type: none"> • Clinical Sustainability • Identification of which of the Trust's services could potentially lack critical mass (defined by Royal Colleges etc.); • Identification of which services have consultant cover below those recommended by Royal Colleges etc. (link to financial template); and • Innovations in care delivery developed at the Trust or in conjunction with partner organisations.
Productivity & Efficiency	<p>An overview of potential productivity and efficiency gains built into plans, including financial impact of projected gains, in areas such as:</p> <ul style="list-style-type: none"> ○ Length of stay; ○ Bank and agency spend; ○ Bed occupancy ○ Theatre productivity; and ○ Emergency readmission rates.
	<p>CIP governance</p> <ul style="list-style-type: none"> • An assessment of historic performance, including main drivers, and necessary further action to ensure future delivery; and • An overview of PMO, leadership and assurance arrangements for the life of the Strategic Plan.
	<p>CIP profile</p> <ul style="list-style-type: none"> • Key CIP schemes including risk ratings for individual schemes (see Appendix 2); and • An outline of transformational /service redesign CIP schemes which represent step changes in processes rather than incremental changes and a brief explanation of how this change will be achieved.
	<p>CIP enablers</p> <ul style="list-style-type: none"> • The extent of clinical leadership and engagement in identifying and delivering CIPs; • The requirement for enabling investment in infrastructure (external support, IT, project delivery resources, etc.)
	<p>Quality Impact of CIPs</p> <ul style="list-style-type: none"> • The mechanism by which the Trust ensures that its CIP plans won't adversely affect quality of services; • The measures of quality which will be used to inform this assurance and how the Trust monitors quality impact of CIPs on an on-going basis.
Financial & Investment Strategy	An assessment of the Trust's current financial position.
	Key financial priorities and investments and how these link to the Trust's overall strategy.
	Key risks to achieving the financial strategy and mitigations.

Monitor Annual Plan 13/14 to 15/16

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Strategic Context and Direction

Review of 12/13

Liverpool Women's NHS Foundation Trust is a specialist Trust and the principal provider of maternity, gynaecology and genetics services in Liverpool and the North Mersey conurbation. The Trust is also the recognised specialist provider in Cheshire and Merseyside of high risk maternity care, level 3 neonatal care, complex surgery for gynaecological cancer, reproductive medicine and laboratory and medical genetics.

The Trust had a successful year in 12/13 which builds on the previous track record of success including;

- Improving clinical outcomes as evidenced by quality account
- Good patient feedback received through the national patient surveys and local feedback through early friends and family results
- Improving staff engagement scores in the staff survey results
- No concerns from regulators
- Strong track record of financial and performance management delivering a Financial Risk Ratio of 3 and a green governance rating from Monitor
- Completion of major capital schemes including the Centre for Women's Health Research and the Maternity refurbishment

Review of Strategic Context

There have been a number of changes in the strategic context in the last year the key issues in respect of the strategic context for the Trust over the next three years are outlined below.

Health & Social Care Act

The Health and Social Care Act received royal assent in 2012, the Act is wide ranging but two of the key issues for the Trust are as follows

- Opportunity to diversify income and develop private patient income following the removal of the private patient cap. The Trust has previously had to restrict the level of private patient income it has earned but will now develop the private patient income source. The Trust has a number of business development opportunities which include private patient opportunities and intends to generate £10m of additional revenue from these opportunities and a contribution of £2.6m over the course of the plan.
- New role for Governors who assumed additional duties as a result of the Health and Social Care Act 2012. One of these is a duty to hold the Non-Executive Directors (NEDs) individually and collectively to account for the performance of the Board.

To support both our Governors and Directors to successfully respond to this new provision we will hold a joint workshop during the year based on a scenario linked to the Francis Report, in which Governors can consider how they will hold Directors to account. We are also making available to our Governors workshops being run by the Foundation Trust Network in respect of these new duties and including details in our new governor induction programme.

New Commissioning structures and commissioning intentions

The new commissioning structures came into operation from 1st April 2013 and contracts are now signed for 13/14. At this stage the local Clinical Commissioning Groups (CCGs) have not indicated that there will be any significant changes to the services commissioned from the Trust.

Previously Liverpool PCT had introduced a primary care gynaecology service to reduce demand for the Trust services however the impact on the Trust activity was very limited and the number of patients accessing the primary care gynaecology service was also very limited. The CCGs have therefore notified the Trust that this service will be terminated from September 13.

Previously Liverpool PCT has supported the Trust maternity services with additional funding of £2m over the national tariff to support specific initiatives including 98 hour medical cover on delivery suite, additional midwifery staff, clinics closer to patients in area of social deprivation and specialist midwifery teams to meet the needs of patient with complex social needs. The CCGs have given the Trust notice that they will no longer support these initiatives and will only fund services at national tariff. For 13/14 the Trust has negotiated a final year of funding however it is activity based and will reduce if the number of deliveries reduces. To maintain current services the Trust will need to identify recurrent funding of £2m and this is built into the business plan as an increased level of cost improvement in 14/15.

However Liverpool CCG is about to launch a review of all services across the Merseyside area entitled "Healthy Liverpool Programme". The Trust will be actively involved in this project and will advocate for the development of a Women's Network to ensure the delivery of sustainable women's services across the city but also the wider area of Cheshire and Merseyside. Currently in the wider Mersey area there are six 24/7 consultant led maternity units which deliver 24,000 babies per year, all within approximately one hour travelling time of the Trust. The Trust will advocate that in order to achieve clinically and financially sustainable services the number of units must be reviewed.

A number of the Trust specialist services are now commissioned by NHS England including fetal medicine, neonatal services and genetics. For 13/14 contracts reflected previous agreements with specialist commissioners. In future these services will be commissioned on a national basis although the impact of this is not clear at this time.

Francis Report

The final report of the Mid Staffordshire NHS Foundation Trust Public Inquiry was published on Wednesday 6 February 2013. With nearly 300 recommendations covering a wide variety of health care providers and regulators, the Trust has studied the recommendations carefully, and identified 80 that are relevant to the Trust. Over the course of 2013/14 the Trust will undertake a gap analysis, identifying those areas where improvement is necessary to exceed the expectations identified in the recommendations. This work will be managed by the Clinical Governance Committee (CGC) with oversight and scrutiny provided by the Governance and Clinical Assurance Committee (GACA) on behalf of the Board of Directors.

The Head of Governance reported to the May CGC the outline project management arrangements for the Francis Recommendations, noting the need to link the recommendations to the proposed Governance Consultation which will be launched before the end of Q1 2013/14. The Trust had embarked on a series of listening events across the organisation to discuss the Francis recommendations with all staff groups, combined with intelligence from the Friends and Family Test as well as triangulated intelligence from complaints, claims, PALS contacts the Trust will by the end of Q3 have enhanced its levels of patient experience feedback considerably

Financial challenge

The financial challenge continues as the NHS continues to deliver the £20 billion of savings outlined to the end of the current spending round. The Trust has assumed the 4% year on year saving will continue for the life of this business plan.

National tariff

The relatively limited numbers of specialities provided by the Trust represent a financial risk as the Trust is reliant on the national tariff for each specialty to adequately cover operating costs. In Trusts with a wider range of specialities gains and losses on tariff for different specialities can be offset.

The national tariff for maternity services was revised for 13/14 the Trust experienced a marginal loss from the revision to the tariff. However the wider Mersey area is not in a position to implement the tariff in 13/14 and therefore the Trust has agreed a modified version of the tariff which includes the non recurrent funding for 13/14.

The Trust does not believe that the current maternity tariff covers the cost of providing the service. The Trust can demonstrate that it is an efficient provider of maternity services as it has a lower than average cost base, indicated by its reference cost index for maternity of 95, however the Trust operates maternity services at a deficit of £750k. This experience is similar to many other Trusts and can be demonstrated by evidence collected from other Trusts through the Women's Alliance.

The Trust believes the current national tariff does not support Royal College recommended staffing levels, a recent survey highlighted that only 20% of Trusts achieve the recommended midwife to birth ratio. As the tariff is based on historical cost it will continue to reflect the costs of existing staffing levels which in 80% of Trusts are below recommended levels. In order to increase midwifery staffing levels to recommended levels the Trust would need to invest £2m increasing the loss on maternity services to £2.8m. This is unachievable within the current national tariff and would not be financially sustainable. In order to maintain current staffing levels the Trust will need to ringfence midwifery staffing which will require the level of cost reduction in all other areas to increase to 5% not the 4% national efficiency level.

The Trust will continue to seek influence the setting of the national tariff for maternity services as it is critical to the provision of high quality maternity services and has volunteered to undertake the patient level costing work with Monitor as the tariff setting responsibility moves to Monitor. However setting the tariff it is outside the control of the Trust and therefore no change in tariff is included within this business plan.

Population changes, market share and patient numbers

The patient numbers for the last three financial years are shown in the table below.

Patient Numbers	Notes	2010/11	2011/12	2012/13
Births		8,251	8,232	8,141
Neonates				
ITU		3,591	3,729	3,412
HDU	1	5,149	2,959	3,027
Special Care	1	8,074	10,696	8,970
Sub Total		16,814	17,384	15,409
Gynaecology				
A&E		11,778	12,187	11,684
Emergency In-Patients		1,345	1,424	1,218
Out-Patients	2	21,764	13,484	13,154
Elective Patients		5,157	5,010	5,051
Gynaecology Oncology				
Out-Patients		7,781	7,722	8,727
Elective Patients		784	791	950
Cycles - Assisted Conception		1,272	1,218	1,321
Genetics - Out-Patient Attendance		3,711	3,645	3,495
Notes				
1 - Reclassification in 11/12 between HDU and Special Care				
2 - Reclassification of pre-operative outpatient appointment and follow up, not 1st appointment, as per national guidance				

There are a number of notable trends in the information including the increase in patient numbers for gynaecological cancer, the level of complexity of cancer patients is also increasing and therefore tariff associated with these patients. The Trust is the main provider for gynaecological cancer in Cheshire and Mersey and therefore this increase represents an increase in patient numbers across the region and is consistent with other cancer services.

Also notable is the reduction in the number of births and the reduction in the neonatal bed days. Further analysis to support the maternity patient numbers is shown below.

District	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2020/21
Liverpool	465,700	465,030	464,360	463,690	463,020	462,350	459,000
St. Helens	175,400	176,060	176,720	177,380	178,040	178,700	182,000
Knowsley	145,900	146,210	146,520	146,830	147,140	147,450	149,000
Total	787,000	787,300	787,600	787,900	788,200	788,500	790,000
No of Del'ries	11,431	11,592	11,777	11,781	11,786	11,790	11,813
% Del'ries of Population	1.45%	1.47%	1.50%	1.50%	1.50%	1.50%	1.50%

	2010/11		2011/12		2012/13	
District	No. Of Del'ries	Mix of Total %	No. Of Del'ries 000s	Mix of Total %	No. Of Del'ries 000s	Mix of Total %
Liverpool Women's Hospital	8,251	72.2%	8,232	71.0%	8,141	69.1%
St Helens & Knowsley NHS Trust	3,180	27.8%	3,360	29.0%	3,636	30.9%
Total Market	11,431	100.0%	11,592	100.0%	11,777	100.0%
Total Market Movement Inc / (Dec) - %		3.7%		1.4%		1.6%

The tables show a modest increase in the number of births over the last three years with this trend continuing to 2020. However the Trust has lost market share to St Helens and Knowsley Hospitals NHS Trust which is a Trust in the local area. This represents a 3% loss of market share between 10/11 and 12/13 equating to approximately 350 births or an income loss of between £700k to £1.6m at current tariffs. The number of births for all other providers remains broadly constant across the three years to 12/13.

The Trust intends to address this issue in a number of ways including

- Maternity refurbishment will be complete in June 13 and the Trust intends an official opening
- Midwifery staffing levels have recently been improved to improve the patient experience
- Service models are currently under review to improve the patient experience
- The reduction in market share has been experienced in particular localities and to address this the Trust has opened a local facility in the Kirkby area for patients and intends to publicise the Trust services with the local population and GPs

The number of neonatal bed days has also reduced in particular the intensive care bed days this reflects a significantly reduced level of out of area babies using the Trust neonatal unit. This results from local neonatal networks in other regions investing in local facilities which allow babies to remain close to their families. This reduction in bed days equates to approximately a £1m reduction in income to the Trust which is included within the financial forecasts. The cost base has not been reduced as the fall in bed days brings the service closer to recommended staffing levels.

The remaining Trust services show a stable patient activity trend and with no significant changes to the CCG commissioning strategy identified at present the business plan anticipates this trend to continue.

Service Line Position

The table below shows the service line position for each of the Trust services for the financial year 12/13. The service line management strategy for each service is outlined below;

	£000s				
Service Line Reporting	Maternity	Neonates	Gynae	RMU	Genetics
Income	34,732	14,342	23,927	7,433	5,535
Total Costs	31,339	12,218	20,274	5,856	4,642
Contribution before Depr. Financing & O'heads	3,393	2,124	3,653	1,577	894
Depreciation	933	395	1,056	281	186
Financing	665	161	594	181	63
Contribution before Corporate O'heads	1,795	1,568	2,003	1,115	645
Corporate Overheads	2,517	1,095	1,506	534	423
Total Surplus / (Deficit)	(722)	473	496	580	222

Maternity

- Continue to influence the national tariff to support recommended staffing levels
- Seek to develop network approach to services across Cheshire and Mersey through the Healthy Liverpool review
- Deliver improvements in patient outcomes, patient experience, productivity and market share in the local area

Neonates

- The commissioning of neonatal services has transferred to NHS England and the Trust awaits the national specification, contract and tariff
- However there are currently two level three neonatal units in very close geographical proximity the Trust will recommend that this situation is reviewed as part of the Healthy Liverpool review following the reduction in neonatal bed days in respect of out of area babies.

Gynaecology

- The Trust will continue to ensure that the gynaecological cancer service is a centre of excellence
- Move to an ambulatory model for gynaecology which is supported by the Trust capital programme and delivers productivity gains in 14/15
- Extend current service to the Wirral locality after securing a contract for services with a local CCG
- Develop and market the range of specialist services provided by the Trust

Fertility Services

- Expansion of current services is planned to capitalise on the specialist skills and significantly better than average outcomes for patients
- Expansion into South Manchester is already in progress with a new clinic opened in Knutsford
- Further development opportunities in North Manchester/Lancashire, Leeds, London and overseas are at business case stage.

Genetic Services

- The commissioning of clinical genetics services has transferred to NHS England and the Trust awaits the national specification, contract and tariff
- The laboratories have been successful in identifying and accessing private and overseas markets for genetic testing and this is planned to continue
- The laboratories are also working on a business case to enter the Liverpool Clinical Laboratories joint venture, which is a city wide pathology joint venture. The business case is in progress however no conclusion has yet been reached and no impact is reflected in this business plan

Vision, Values and Strategic Direction for Trust

At the current time the CCG and NHS England commissioning strategies are not clear, as these positions clarify over the next year the Trust will respond. However in the absence of clear commissioning strategies the Trust, together with all NHS organisations, faces a challenging environment for the foreseeable future and therefore the strategic direction is to continue to provide clinically and financially sustainable services.

The Trust vision is as relevant now as ever and remains

“to be the recognised leader in healthcare for women, babies and their families”

This is supported by the Trust values of

- **Caring – we show we care about people**
- **Ambitious – we want the best for people**
- **Respect – we value the differences and talents of people**
- **Engaging – we involve people in how we do things**
- **Learning – we learn from people past, present and future**

The delivery of the strategic direction is achieved through the strategic aims which are

- **To develop a well led, capable and motivated Workforce**
- **To be Efficient and make best use of available resources**
- **To deliver Safe services**
- **To deliver the most Effective outcomes**
- **To deliver the best possible Experience for patients and staff.**

Each of the strategic aims is covered in the remaining sections of this plan through the quality strategy, people strategy and the financial plan. The strategic aims are actioned through the setting of annual corporate objectives

Quality Strategy

In January 2013 the Trust's Quality Strategy was approved. It sets out the transformational improvements that will be undertaken over the next 5 years to ensure Liverpool Women's is a world leader in healthcare quality. It is driven by our commitment to being a healthcare organisation where patients receive excellence in clinical care that is safe and effective and underpinned by a positive experience.

The strategy is centred upon the four essential components of quality described by Lord Darzi in 2008:

- Effectiveness of the treatment and care provided to patients
- The Safety of treatment and care provided to patients
- The Experience patients have of the treatment and care they receive
- Delivering Innovative services to patients

The strategy details the Trust's key priorities for quality improvement across 2013 – 2018 and how those improvements will be delivered. Our priorities are:

To deliver **Safe** services by ensuring no patients are harmed whilst in our care.

- VTE assessment 95% compliance
- Reduce gynaecology surgical site infections
- Incidence of multiple pregnancy after fertility treatment at $\leq 10\%$
- Reduce number of babies born with Apgar scores < 4 at more than 34 weeks gestation
- Reduce number of instances of Cord Ph < 7.00 at delivery

- Zero incidence of Trust attributable MRSA bacteraemia and Clostridium difficile infection
- Reduction in severity of medication errors

To deliver the most **Effective** outcomes by ensuring care is evidence based and complies with best practice.

- Reduce readmission rates in gynaecology
- Maintain zero incidence of non cancer related deaths in Gynaecology
- Increase Biochemical pregnancy rates for patients receiving fertility treatments by 5% over 5 years
- Reduction of brain injury in preterm infants
- Perinatal mortality comparative to national average
- Stillbirth rate comparative to national average
- Nursing and Midwifery Indicators at >= 90% compliance

To deliver the best possible **Experience** for patients and staff.

- 75 % of patients recommend us in the family friends test
- Staff survey results in upper quartile
- Patient satisfaction surveys in upper quartile
- Excellence in Patient Led Assessments of Care Environments (PLACE)
- One to one care in established labour 90% of the time
- Women receiving pain relief of choice 90% of the time

To deliver **Innovative** services to patients.

- Ensuring that Liverpool Women's maintains and enhances it's Research and Development profile
- Ensuring that Liverpool Women's is involved on the development of innovative practice
- Ensuring that Liverpool Women's is at the cutting edge of introducing innovative practice

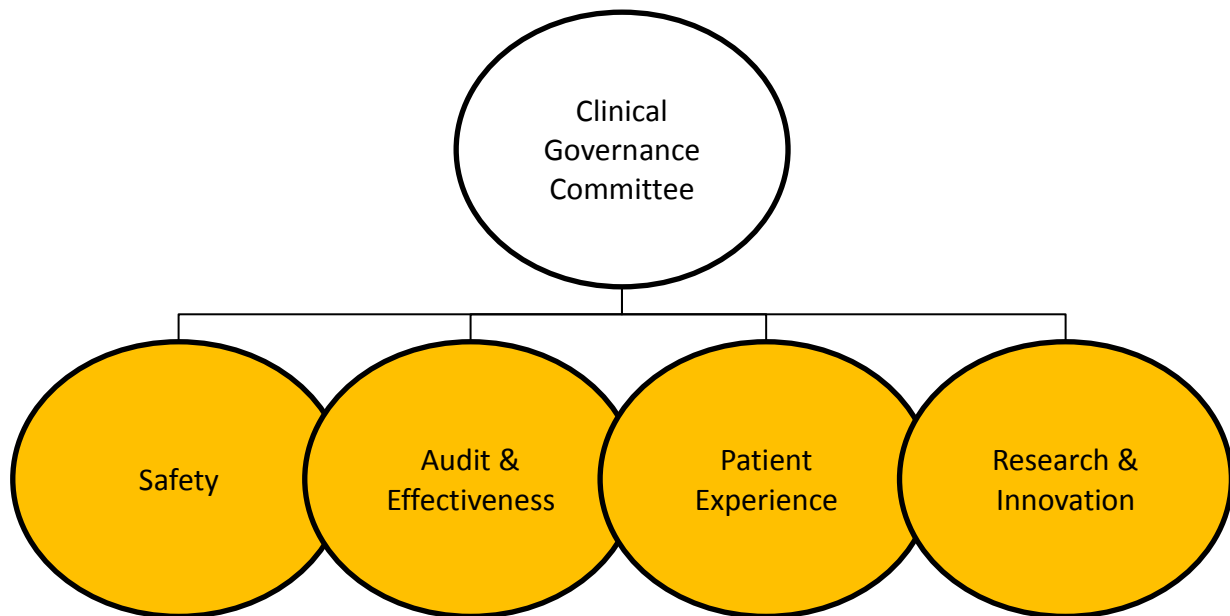
This five year plan will be underpinned by improvement methodology that was introduced following our participation in the Leading Improvement for Patient Safety (LIPS) programmes. This methodology has already been used with some success within this organisation. The areas that we will focus on relate directly to the core elements of effectiveness, efficiency and patient experience.

Each year, through our Quality Report, we will report on performance against our agreed priorities. Through this process we will also set out our improvement priorities, with measurable targets for the forthcoming years.

Our quality, risk and governance arrangements are primarily coordinated by our governance team. The team oversees the Trust's functions in respect of risk management, clinical audit, research and development, health and safety, infection prevention and control, patient experience, safeguarding, emergency planning and business continuity

The Trust has also committed to:

- A refresh of Governance using the following conceptual model.



- Incorporating Francis Recommendations into the day to day functioning of the organisation, embedded in a committee structure reflecting the above Darzi orientated model.

People Strategy: One team, one goal: Putting People First

In 2011/12, the Trust approved the One Team, One Goal: Putting People First Strategy. This three year integrated workforce and organisational development strategy

- set out the Trust's systematic and stepped approach to a challenging journey of cultural change with the aim of delivering great outcomes and experience to all our patients through a great employee experience

and

- is underpinned by a supporting Leadership Development Programme linked to the Trust's agreed values and behaviours which were developed in partnership with our people



Our people strategy focuses on the following themes:

- **Our people profile:** diversity of our people, their skills, productivity and how we plan to recruit and keep them
- **Our culture and values:** organisational development
- **Our leaders:** leadership, succession planning and talent management
- **Our people involvement:** engagement and communication
- **Our people development:** learning and development
- **Health and well-being:** supporting the health and well-being of our people
- **Our local community:** corporate social responsibility

To survive and thrive through these challenging times and achieve our vision we recognise the need to both work and think differently. The challenge is to deliver more with less whilst maintaining and continuing to improve the safety, effectiveness and efficiency of our services. Our focus on research and continuing to build and grow our skills to lead the way in developing innovative clinical care will ensure we lead and set standards of care which others will follow.

At Liverpool Women's we have five strategic aims to achieve our vision of becoming the leading healthcare provider for women, babies and their families. These strategic aims have been adapted to a people context to focus our resources to best effect and are as follows:

Strategic aim	One Team, One Goal: Putting People First
Workforce	Teams and individuals who are well led and driven by a desire to do their best for people
Efficiency	Teams and individuals who use their skills and expertise to maximum effect so time or money are not wasted on things that don't make a positive difference
Safety	Teams and individuals that follow policies and procedures to ensure safety and who are prepared to openly challenge when concerned about safety.
Effectiveness	Teams and individuals who are clear about the outcomes their people want and know what needs to be done to achieve those outcomes

Experience	Teams and individuals who have the overall goal of working together to make Liverpool Women's a special place to be

We have just entered the third year of our 3 year strategy. Evaluation of the achievement of Strategy's aims to date and the effectiveness and impact of the underpinning leadership programme has demonstrated strong progress against all objectives and has seen a statistically significant increase in overall staff engagement as evidenced by the National Staff Survey which we aim to build on year on year. The Board of Directors receives regular assurance of achievement of the Strategy's aims through the reports of the Putting People First Committee.

In April 2013 the Board of Directors received a detailed Staffing Review paper which identified the key workforce/staffing risks and the actions to reduce those risks for Maternity, Gynaecology, Neonatal services and Anaesthesia. A further report on the workforce/staffing risks for Genetics and Reproductive medicine will be presented to a future meeting of the Board of Directors. This staffing review includes medical and scientific workforce requirements. September 2013 sees the commencement of a co-ordinated workforce planning process with services working with finance, HR and performance teams to ensure that activity projections, financial forecasts and ongoing staffing requirements are in balance..

We have just entered the final year of the current Strategy and are actively in the process of evaluating and refreshing the Strategy with the intention of the Board of Directors approving the next three years of the Strategy before March 2014. The People Strategy and the supporting Leadership Development interventions will be developed in the context of learning from the Francis inquiry and the feedback of our people and our patients.

Our People priorities for 2013/14 are as follows:

- To ensure all our people have access to high quality, relevant training and ambitious personal development
- To support our people to be 'healthy, happy and here' through a proactive Health & Wellbeing strategy, supporting practices and an enabling and engaging culture
- To ensure we have a Liverpool Women's person, in the right place, at the right time, with the right skills
- To proactively build a culture which listens and acts on the views, suggestions and concerns of our people and developing solutions together

Financial Plans

Historical financial position

The Trust has delivered a Financial Risk Rating of at least 3 for the last three years including 12/13. This has been underpinned by the delivery of a significant cost improvement programme which over the last three years has reduced the cost base of the Trust by £15m or 17%. The Trust is an efficient provider of services as evidenced by its reference cost of 98.

In 12/13 the Trust received non recurrent funding of £3m from specialist commissioners at the end of a contract. This funding was used non recurrently during 12/13.

Summary financial position from 13/14 to 15/16

The detailed financial plans are attached as appendices however the key financial highlights are shown in the table below. The table identifies that the Trust will maintain a Financial Risk Rating of 3 for the next three financial years.

EXECUTIVE SUMMARY	2013-14 £000s	2014-15 £000s	2015-16 £000s
INCOME & EXPENDITURE			
Income	92,687	92,918	97,990
Pay	(57,326)	(57,214)	(61,044)
Non Pay	(29,213)	(29,332)	(30,494)
Operating Profit	6,148	6,372	6,452
Finance Income	45	43	77
Interest expense	-	-	-
Depreciation	(3,440)	(3,615)	(3,693)
PDC Dividend	(1,687)	(1,771)	(1,751)
Total Surplus / (Deficit)	1,067	1,029	1,084
CIP Total	3,500	6,000	4,000
Capital Expenditure	5,987	2,981	3,006
CASH FLOW			
Opening balance	11,660	7,696	9,203
Cash inflow/(outflow)	(3,964)	1,507	1,656
Closing balance	7,696	9,203	10,859
Rating			
FINANCIAL RISK RATING	3	3	3
CONTINUITY OF SERVICES RISK RATING	3	4	4

The table shows that although the Financial Risk Rating remains at 3 the continuity of services rating for 13/14 is also 3. This occurs as the Trust concludes the major capital programmes including the maternity refurbishment, as the levels of capital expenditure reduce in the two following years the cash flow position improves and achieves a 4.

The financial position in 13/14 is supported by non recurrent income of £2m which the Trust has negotiated through the contract discussions for 13/14. In previous years this income has been received from Liverpool PCT and has been used to support staffing levels in the maternity services. The CCGs have now notified the Trust that they will not support this funding in future. However it has been negotiated as a non recurrent increase on tariff for 13/14 and therefore needs to be identified from a recurrent source for 14/15, this increases the level of cost improvement necessary for 14/15 to £6m.

Financial Priorities

The key financial priorities for the three year period are to maximise the income due under tariff to the Trust, diversify the income base, identify cost reductions through productivity gains and maintain its current capital investment plans.

Income and tariffs

The Trust continues to believe that the maternity tariff does not adequately cover the costs of providing a maternity service that supports Royal College staffing levels. The Trust operates maternity services at a deficit and yet has a lower than average cost. The Trust will continue to seek to influence a tariff which allows Royal College staffing levels to be met. However this is outside the Trust control and is therefore not included within this financial plan.

In 12/13 the Trust together with all Trusts in the Merseyside area signed a block contract agreement to provide financial stability for Trust and PCTs. However for 13/14 the Trust will be returning to an activity based contract based on national tariffs, on this basis using forecast activity levels consistent with 12/13 outturn the Trust will see income rise by £1.5m.

In addition to this £1.5m gain the Trust has negotiated a further £2m in 13/14 of funding to support maternity services, this is in the form of a non recurrent premium on the maternity tariff as stated above and recurrent funding will need to be identified from 14/15 onwards.

It is notable that the Trust has lost market share for maternity services in recent years to a neighbouring trust this has a considerable impact as a reduction in births of 350 represents an income reduction of between £700k to £1.6m. The Trust plans that by 14/15 it will regain market share and increase income.

Diversification of Income

The Health & Social Care Act allows the Trust to grow its private patient income which until October 2012 was restricted by the private patient cap, however there are also NHS funded opportunities which the Trust is pursuing.

The Trust has recently appointed a Commercial Director to lead the business development process. The Trust is in the process of establishing a business development board, to oversee developments. The business development board will report to the finance subcommittee of the Trust Board.

The Trust Board has considered a range of options over the past year however priorities to date are focused on the expansion of current services which generate a surplus and are those where the Trust clinical outcomes are significantly better than average or are specialist in nature, therefore providing the Trust with a competitive advantage. The key areas for business development at this stage are the expansion of the Hewitt Fertility service, the expansion of the private patient unit, development of new markets for genetic testing.

The table below highlights the planned business development growth in the areas identified both in respect of turnover and contribution generated. The planned growth is based on identified opportunities and the contribution is consistent with the margin generated on the current services. The income and contribution

expected to be generated from those sources are included within this financial plan and the contribution is used to reduce the level of cost improvement which would otherwise be necessary.

Business Development Segment	2013-14 £000s		2014-15 £000s		2015-16 £000s	
	Inc.	Surplus	Inc.	Surplus	Inc.	Surplus
Hewitt Fertility Centre	600	300	1,200	335	3,361	748
Private Patients			880	120	1,849	420
Genetics			293	85	807	225
Gynaecology			467	70	800	120
Other Commercial Opportunities			53	40	183	137
Total	600	300	2,893	650	7,000	1,650

Productivity and Efficiency

During 12/13 the Trust established the Service Sustainability Board (SSB) the key focus of the SSB is to secure the financial and clinical sustainability of the Trust and therefore it has a significant focus on the identification and delivery of the cost improvement programme. The SSB is based on the principles outlined in the HFMA guidance for sustainable cost improvement programmes and key principles are as follows

- Chaired by one of the Clinical Directors
- Membership includes the full executive team, all Clinical Directors, all Heads of Nursing, Scientific Director, Divisional Managers and Heads of Corporate Services
- Programme manager has been appointed to support the delivery of the savings programme and a transformation manager is currently being recruited
- Project plans including risk assessments are completed for all savings plans

The Trust has already achieved significant cost reductions and has a lower than average reference cost however the year on year efficiency of 4% built within national tariff requires further cost reductions. The SSB has reviewed a number of productivity metrics and benchmarks to identify areas for cost reduction. The plans for cost reduction or generation of a contribution from income diversification or tariff are shown in the table below.

CIP Schemes	2013/14	2014/15	2015/16
Commercial Opportunities	300	650	1,650
Income	1,500	1,000	-
Divisional Schemes	750	500	-
Corporate	540	-	-
Procurement	410	1,350	950
Sickness and Absence	-	1,000	-
Reduction in DNA	-	1,000	250
Service Redesign / Demand Capacity	-	500	1,150
Total	3,500	6,000	4,000

The plans for 13/14 are included within agreed budgets for 13/14 and already in delivery. The plans for 14/15 are at an earlier stage but progress will be performance managed through the SSB.

Capital Plans

Three year capital plans in the business plan have been reviewed and approved by SSB. The three year capital plans included the completion of the significant maternity refurbishment. The remaining plans are to support cost improvement programmes e.g allowing the better use of the gynaecology footprint and maintenance and equipment replacement.

Financial Risks

The financial risks are outlined in the table below together with the plan to mitigate the risks. The Trust maintains a £1m risk reserve which also provides for mitigation against risk, the level of risk is reviewed during the year and if the risk has reduced then this reserve is used to fund non recurrent developments.

Financial Risk	Mitigation
National tariff changes adversely affect the income of the Trust	Continue to seek to influence in respect of the national tariff Volunteered to be involved in the Monitor patient level costing exercise
CCG commissioning intentions change	Ensure that the Trust is fully engaged with the Healthy Liverpool strategic service review. Ensuring that sustainable Women's services are commissioned.
Patient numbers fall due to loss of market share	Improve the quality and patient experience provided by the Trust Ensure that the Trust services are marketed effectively
Failure to identify and deliver levels of cost reduction or income generation necessary for financial viability	Robust performance management of agreed savings schemes Adoption of tools and techniques identified in HFMA guidance in respect of cost improvement plans
Business development plans do not deliver at planned levels	Business development opportunities subject to robust business case before commence with all risks and mitigations identified.

Member engagement and communication plan

In 2013/14 we will implement year three of our membership strategy as prepared by our Council of Governors in 2011. This strategy will be reviewed during the year and a fresh strategy for 2014/17 prepared. We will also:

- Coordinate our member engagement work with our patient and public involvement work, focussing in particular on our Quality Strategy
- Use Twitter as a vehicle for member recruitment and engagement
- Look to set up a 'Youth Council' in partnership with local schools
- Invite lay representation onto key committees and groups across the Trust's governance structure
- Continue to work in partnership with local voluntary organisations and others concerned in improving women's lives on the basis that our collaborative efforts will have maximum impact
- Regularly publish 'Generations', our members' newsletter.