

**Strategic Plan Document for 2013-14**

**Kettering General 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	31 <sup>st</sup> 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 ( <i>Chair</i> )	Steve Hone
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Signature



### Approved on behalf of the Board of Directors by:

Name ( <i>Chief Executive</i> )	Lorene Read
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Signature



### Approved on behalf of the Board of Directors by:

Name ( <i>Interim Finance Director</i> )	Iain Johnson
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Signature





## Executive Summary:

The Trust's Strategic Plan sets out the direction of travel the Trust intends to take during the next three years from 2013-14 to 2015-16, including how we intend to return to an FRR3 position during 2013-14. The Trust Board has reviewed and agreed our three year strategic objectives for 2013-2016.

Our strategic direction will be *Striving for Excellence in Partnership*, with a strategic vision of ensuring we have an excellent reputation for delivering safe, high quality services in a financially sustainable way, in a place where people want to work and feel proud to do so. The strategic priorities are: *Excellent Quality; Excellent People; Excellent Business*.

Our aims are:

- To put patients first, providing best possible clinical outcomes and the highest quality patient experience.
- To ensure value for money, to exploit our strengths and specialisms for the benefit of patient care and clinical outcomes.
- To ensure effective governance, accountability and leadership while maintaining staff engagement and involvement.
- To develop and maintain productive relationships with external partners and maximise opportunities for communication and joint working.
- To retain and recruit the best staff.
- To market and promote effectively the services of the Trust.

Reflecting this the Trust's main priorities during 2013-14 will be to effectively implement our Transformation Programme, and to strengthen our leadership and governance systems.

Looking to future years, the Trust is currently in discussions with Northampton General Hospital around the possibility of greater joint working between the two organisations. The aim of improved joint working will be to ensure high quality patient services continue to be provided to people living in the county and to ensure that the two hospital sites remain sustainable.

On October 24th, Monitor announced that it had found Kettering General Hospital to be in 'significant breach of its terms of authorisation' in respect of our A&E and financial performance and had some concern about the Trust's Board Governance processes. As a result this Strategic Plan will detail how we intend to address these issues and return the Trust to full compliance with our terms of authorisation during the life of this plan.

The key financial information contained in the appendices to this plan is shown in table 1 below:

Table 1: Key Financial Data

£m	2013-14	2014-15	2015-16
Operating Income Total	199.3	198.1	194.9
Operating Expenditure Total	191.0	188.0	183.9
Capital Charges & Restructuring	9.1	9.3	9.6
FRR Total	0.9	-0.8	-1.4



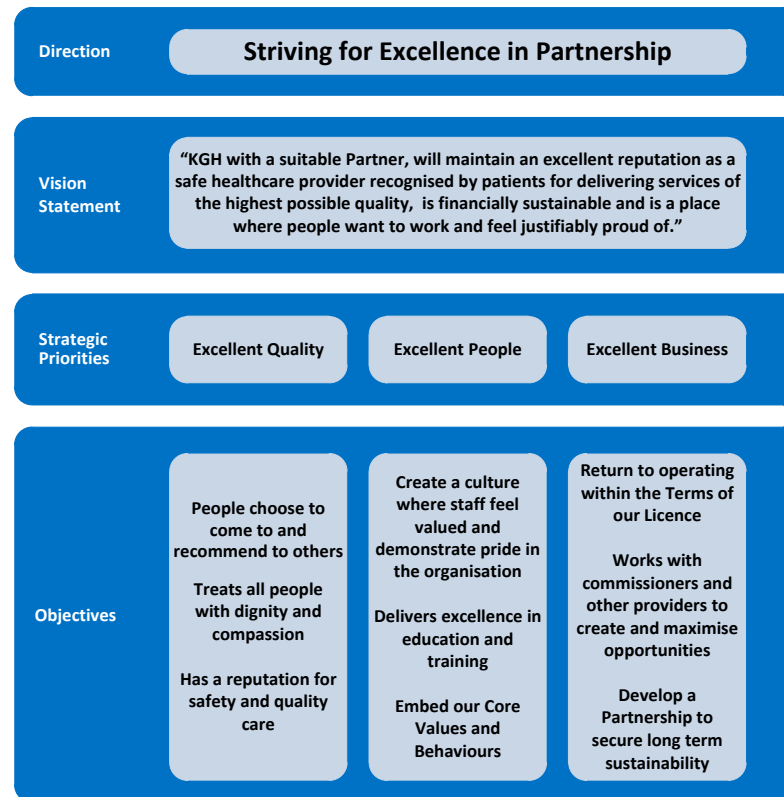
## Section 1: Strategic Context & Direction

### The Trust's vision is summarised as:

There is no doubt that 2012-13 has been a challenging year for Kettering General Hospital NHS Foundation Trust, marked by some significant changes both locally and nationally that will impact on our hospital and has led the Board and Governors to review our Trust Vision and Strategic Objectives to meet the challenges of the next three years.

The Trust is committed to ensuring a culture of, and reputation for excellence in terms of service quality and outcomes for patients, as a major employer and for its financial management and stewardship as a high profile public sector organisation.

*Figure 1: Trust Strategic Objectives*





Our Strategic Direction – “Striving for Excellence in Partnership”, is a message easily understood by our patients, staff, Commissioners and other key stakeholders and enables us to effectively describe to others our vision, priorities and objectives as detailed see Figure 1 above.

**The Trust’s strategic position is summarised as:**

Kettering General Hospital is the provider of acute healthcare services to the population of North Northamptonshire and South East Leicestershire and delivers a growing number of regional services that cover much wider geographical boundaries. On October 24th, Monitor announced that it had found the Trust to be in ‘significant breach of its terms of authorisation’ in respect of our A&E performance, our financial performance and had concern about the Trust’s Board governance processes. At that time Monitor laid out a number of concerns it required the Trust to respond to, which included the requirement for the Trust to develop a detailed strategy to secure its long term sustainability taking into account current service line performance, commissioning intentions and future local health economy reconfiguration.

This Strategic Plan reflects the work undertaken and the Board of Directors conclusions’ arising from it. The key conclusion being that the Trust will require significant transformational change supported by close collaboration with a partner by 2015-16 and as such needs to seek a partner to secure long term sustainability. Monitor has previously received detail of the work undertaken that arrived at this conclusion.

Within the County there are two clinical commissioning groups – Nene Commissioning and Corby Clinical Commissioning Group - both of which are seeking to develop alternative pathways of care to the acute hospital. Commissioning intentions include a number of demand management schemes – to date these aspirations have failed to deliver the expected reduction in hospital attendances, although the Trust recognises this may change over the plan period given the change in commissioning responsibilities. The Trust has worked hard to establish strong working relationships with our Clinical Commissioning Groups and we will continue to explore the potential for partnership working and models of care outside of traditional settings. It is essential that Kettering General Hospital is seen as a strong and credible partner across the local health economy.

The population that the Trust serves continues to grow and is becoming increasingly elderly. The population statistics demonstrate that in the period 2010 to 2020 the population the hospital serves is forecast to see a:-

- 13.1% (51,000) growth in population
- 34.4% (22,500) growth in 65+ population
- 25.9% (14,500) growth in Corby population

The charts (tables 2 & 3 below) provide further detail of the population estimates for 2020 and these estimates drove the 2013-14 contract discussions with Nene and Corby CCGs. This information in conjunction with the JSNA locality summaries has been used to inform the demand modelling for the strategic plan period starting in 2013-14.



Table 2: Population estimates for Kettering General Hospital catchment area

Resident Population 2010				Population Estimates 2020				Population Growth 2010 to 2020			
Total Pop	0-15	16-64	65+	Total Pop	0-15	16-64	65+	Total Pop	0-15	16-64	65+

**KGH Catchment**

Corby	55.8	11.8	35.6	8.5	70.3	16.4	43.4	10.6	25.9%	38.5%	21.9%	25.4%
East Northants	85.3	17.4	53.7	14.2	94.1	19.3	54.6	20.1	10.4%	10.9%	1.8%	41.9%
Kettering	90.6	18.2	57.7	14.8	104.5	22.0	62.7	19.8	15.3%	20.8%	8.8%	34.3%
Wellingborough	75.7	14.9	48.3	12.5	81.1	16.6	48.8	15.8	7.1%	11.2%	0.9%	26.1%
Harborough	84.4	15.0	53.7	15.6	93.0	17.0	54.8	21.7	10.2%	13.3%	2.0%	39.1%
Total	391.8	77.3	248.9	65.5	443.0	91.2	264.3	88.0	13.1%	18.0%	6.2%	34.4%

source: Northants Information Hub Nov 2012

Table 3: Joint Strategic Needs Assessment (JSNA) for Kettering General Hospital catchment area

JSNA Locality Summary (Northamptonshire and Harborough)													
Children in Poverty	Obese Children (year 6)	Teenage Conceptions	Adult Obesity	Adults who smoke	Adult high risk drinkers	Incidence of Cancer	Hip fracture in the 65+ population	Dementia in the 65+ population	Male life expectancy	Female life expectancy	Early Deaths - Heart disease	Early Deaths - Cancer	
Kettering	14.2	19.5	41.1	24.9	24.4	25.4	382.9	4.1	71.6	78.3	81.9	73	107.3
Corby	19.5	22.7	53.7	26.4	35.9	24.7	435.5	5	63.8	74	80.9	94.3	144.3
East Northants	12	17.4	31.4	25.1	21.8	25.7	362.1	5.2	69.6	79.1	81.5	55.6	117.6
Wellingborough	18.1	20.3	50.1	26.9	25.8	31.3	378.9	4.2	65.5	78.3	83	63.3	116.7
Harborough	10.5	12.8	21.0	23.0	15.0	19.8	361.1	3.2	62.1	79.6	84.1	49.8	81.7
Northampton	21	18.4	47.6	24.1	25.5	19.8	371.1	4.8	71.9	77.9	81.9	74.1	120.5
Daventry	10.8	15.4	31.6	23.7	21	27.7	401.5	4.7	62.0	78.9	82.7	50.1	110.3
South Northamptonshire	5.8	15	17.4	22.8	17.7	27.8	384.2	4.1	64.6	80.4	83.9	51.9	98.5
National Average	20.9	18.7	38.2	24.2	22.2	23.6	374	4.6	71.4	78.3	82.3	70.5	112.1
Worst (national)	57	28.6	69.4	30.7	35.9	39.4	486.8	6.3	86.9	73.7	79.1	122.1	159.1
Best (national)	5.7	10.7	14.6	13.7	11.2	11.5	234	3.1	60.7	84.4	89	37.9	76.1

**Key :**

Significantly better than National average (within Top 25 percentile)
No significant different from National average
Significantly Worse than National average (within Bottom 25 percentile)



Kettering General Hospital and Northampton General Hospital have been involved in a Commissioner led reconfiguration programme, The Healthier Together programme, a review of healthcare services across the South East Midlands over the past 18 months. This review is now being taken forward in a localised model under the banner of Healthier Northamptonshire. Both organisations have recognised the need for a Northamptonshire approach to services and have now entered discussions about partnerships, up to, and including a potential merger in order to improve the quality, safety and affordability of services provided to patients in our catchment area. Throughout 2013-14, we will work closely with our Commissioners and clinical colleagues in Northampton General Hospital to establish the best way forward for clinical services in our locality. The Healthier Northamptonshire programme is planned to be completed by December 2013, including a formal public consultation.

The programme recommendations are being driven by six clinical working groups tasked with developing clinical models across the whole patient pathways based on best practice information and latest evidence;

- Emergency care
- Cancer care
- Maternity care
- Planned care
- Long-term conditions
- Children's care

A joint Programme Management Office (PMO) has been established to progress this work and patients and the public will be involved in developing this project over the coming months. This partnership working with Northampton General Hospital will ensure we continue to protect services for the future and make the best use of the skills, knowledge and resources of both organisations.

Northampton General Hospital NHS Trust has still not secured authorisation as a Foundation Trust, although the past year has seen some reconfiguration of services between the two hospitals. Following publication of the Healthier Northamptonshire consultation document our Board of Directors will consider how best to respond, in partnership with Northamptonshire General Hospital in order to deliver our Commissioners' requirements.

The local health economy has been extremely challenged in its delivery of the 4 hour transit time target within A&E and the Northants Health Economy failed to deliver the 95% transit time target consistently throughout the year. The delivery of this key performance target has been an area of considerable focus for the Trust over this past year and going forward through our Emergency Care Transformation Programme.

It is recognised that increasingly commissioning bodies will seek to use the contract to drive up quality of service and issue financial penalties for non-delivery of targets. Whilst the Trust aspires to deliver excellent, safe, high quality services it recognises the potential exists for loss of income and thus it becomes a significant driver for continued organisational improvement.

It is anticipated that further threats and opportunities will arise as a result of Commissioners using competitive tendering processes as a means of securing services at reduced price. Locally, Corby Commissioning Group established an urgent care centre in 2012-13 via a tendering exercise and this model has been adopted by Nene CCG who proposes creating a similar unit in Wellingborough in winter of this year.



Last year Leicestershire Commissioners postponed a tendering process for the provision of outpatient based services which may provide a future opportunity for the Trust to secure a greater presence in the Market Harborough area which has long been a strategic goal of the organisation.

There is also potential for greater competition towards the end of the three year period covered by this plan with the new management arrangements for Hinchingbrooke Health Care NHS Trust in Cambridgeshire and their plans to increase market share and the financial challenge faced by Peterborough both of which are likely to result in encroachment.

It is clear that if the Trust is to flourish in an increasingly challenging NHS environment over the period of this Strategic Plan, we will need to focus on service transformation and redesign, innovation, service improvement and modernisation. This will require a focus on developing the right structures, capabilities and capacity supported by a rigorous performance management framework.

## **Section 2: Performance & Efficiency**

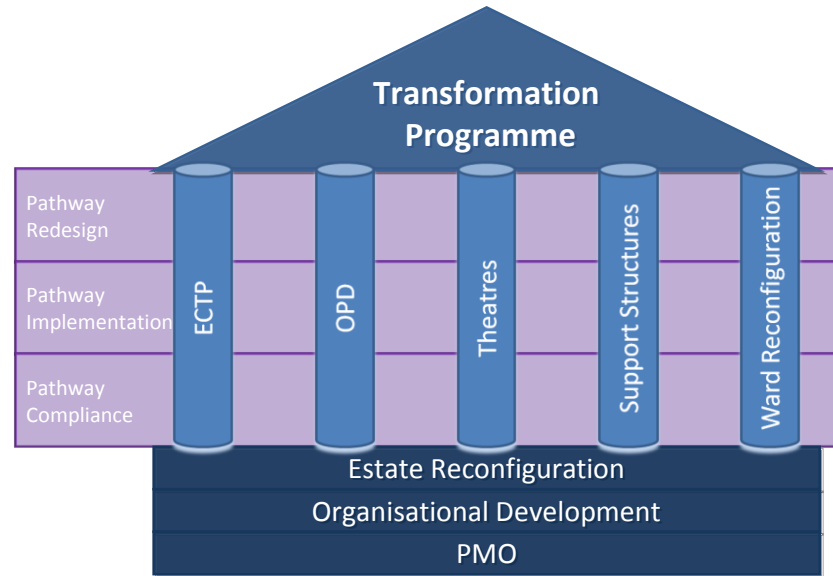
### **Trust Transformation Programme**

Our Transformation Programme captures within a single PMO process all of the current plans for internal reconfigurations, efficiencies and productivity. The programme provides a clear plan for change and improvement required to deliver our Quality Innovation, Productivity & Prevention (QIPP) expectations'

The Transformation Programme is looking at all of our major areas of business (emergency care, outpatients, theatres, support services, ward reconfiguration) and linking them to patient pathways in order to enhance the patient experience and services provided by the Trust. The key elements of the programme are outlined in Figure 2 below. The upright columns in the diagram represent the five key areas of business addressed by the programme - the Emergency Care Transformation Programme, outpatients, theatres, support structures (e.g. radiology, pharmacy, pathology, therapies, and back office services and administration review) and ward reconfiguration.



**Figure 2: Trust Transformation Programme**



These are the programmes that will help the Trust place its finances back on track, improve our emergency care performance and make sure we provide sustainable high quality care for our patients. The overall focus of this work, and any future programmes, (and hence the horizontal block on the diagram) will be the patient pathway. Ultimately, it is the patient for whom we are introducing these changes.

Pathway redesign will look at where we need to be in order to fully optimise our services, providing good quality, safe and efficient care. Pathway implementation and pathway compliance will deliver the improvements or changes to these pathways and to make sure they are sustainable.

The bottom horizontal blocks represent the work that will underpin the success of all five key programmes. Starting at the bottom, the PMO will plan, report and monitor the progress of the Transformation Programme. Key Trust staff with extensive experience within the organisation are joining this team. The PMO will play a continuing important role in co-ordinating the transformation work and making sure it fully supports the changes we want to bring to the Trust.

We recognise that to make change work we need to show a commitment to developing our existing staff within the organisation. This is where the organisational development platform comes in, the next horizontal block. We need to develop our staff through leadership, management and other training to ensure they have right tools and skills to support the changes we are introducing.



Finally, we will review the way we use our estate this year, on an on-going basis, and create a robust Development Control Plan. Once the Foundation Wing is in place we need to decide what to do with the areas vacated and how generally to best use all the available space and facilities within the Trust. It may be sensible to cluster some services together to make us more efficient and effective and to improve pathways for patients.

All the Trust's QIPP schemes link into the above five pillars but do not quite fit into the Monitor template (Appendix 2, page 34) as some are classed as revenue generation and others as QIPP schemes. The table in Appendix 2, page 34 details the top five QIPP schemes, excluding revenue generation.

For 2014-15 and 2015-16 the Trust has assumed a QIPP target of 4% of turnover for each year and is currently working up a number of schemes that will contribute to that target. These will include the impact on future years of the Trust's Transformational Programme plus a move to share back office functions such as Procurement, Estates, Finance and IT. The Trust will also be working closely with Commissioners and partners across the local health economy to drive out efficiencies and improvements of service in A&E through GP direct access schemes and pathway developments.

### **Section 3: Clinical & Quality Strategy**

Our clinical and quality strategy over the plan period will focus on *“maintaining an excellent reputation as a safe healthcare provider recognised by patients for delivering services of the highest possible quality is financially sustainable and is a place where people want to work and feel justifiably proud of.”*

The Board reviewed the conclusions of our Clinical Service Strategy, as part of the development of this Strategic Plan and in understanding the Trusts long term sustainability and confirmed there was nothing learnt from the baseline review that it undertook in the process that would significantly change our previously agreed direction of travel.

The Clinical Services Strategy work was developed at specialty level and evidence based service development plans were developed by:

- Review of current performance
- Confirm and challenge of specialty aspirations to ensure alignment with national and local intentions
- Forward scan of key regulatory/college requirements and emerging issues requiring service change
- Identification of best practice (both efficiency and outcomes)
- Gaining clinical team commitment to efficiency/quality opportunities
- Development by clinical teams of programmes to deliver clinical strategy and quality/efficiency opportunities



The Trust's Clinical Strategy recognises the need to;

- Develop the Trust's Quality Assurance Framework to deliver high quality patient care
- Progress the development of ambulatory care models which will reduce the number of acute beds needed across the hospital
- Establish the hospital as a centre of excellence for the provision of an agreed range of key services
- Seek a partner to secure the long term sustainability of our clinical services

The Trust's Quality Account details the development of our Quality Assurance Framework and identifies quality priorities that will be integral to the delivery of the Trust's vision of establishing a reputation for excellence. These quality priorities link into three key components of quality shown in table 4 below:

*Table 4: Trust Quality Priorities*

Patient safety	Patient experience	Clinical effectiveness
<ul style="list-style-type: none"> <li>• Falls</li> <li>• Venous Thromboembolism (VTE)</li> <li>• Pressure tissue damage</li> <li>• Mortality</li> </ul>	<ul style="list-style-type: none"> <li>• Paediatric patient Experience</li> <li>• Friends and family test (Net Promoter)</li> <li>• Discharge experience</li> </ul>	<ul style="list-style-type: none"> <li>• Stroke care</li> <li>• Urgent &amp; emergency care</li> <li>• Dementia care</li> </ul>

Progress against the Quality Account priorities will be monitored throughout the year as part of the Trust's internal governance processes. Based on the Clinical Services Strategy, the Trust reviewed the opportunities of productivity gains and disinvestment of current services upon the current estate foot print and the infrastructure costs to identify opportunities to remove excess capacity and rationalise the estate.

These opportunities were financially quantified and the impact upon the Trust bottom line understood. A positive financial impact would be achieved only from the disinvestment of Accident and Emergency, Chronic Pain (Pain Management) and Breast Screening (the latter 2 being minimal i.e. less than £100,000). The flow through impact upon linked services was not demonstrated by this piece of work.

## Clinical Workforce Review

The Trust, and as such its Clinical Services Strategy is striving for excellence in quality, safety and efficiency, therefore it is necessary to understand how the clinical workforce compares to college/association/society recommendations. Through the development of this plan and the detailed 2013-14 budget setting process nurse staffing levels have been reviewed against college recommendations and potential gaps in consultant workforce explored (see Table 5 below).



The Trust is mindful that the recommendations from colleges and associations/societies seek to drive outcomes perhaps at too challenging a pace for the NHS; however the Trust also recognises that productivity benchmarks such as Length of Stay are driven by clinical workforce inputs, as such enabling some best class productivity metrics may require a move to recommended staffing levels.

Figure 3: Relationship of services to A&E and Maternity

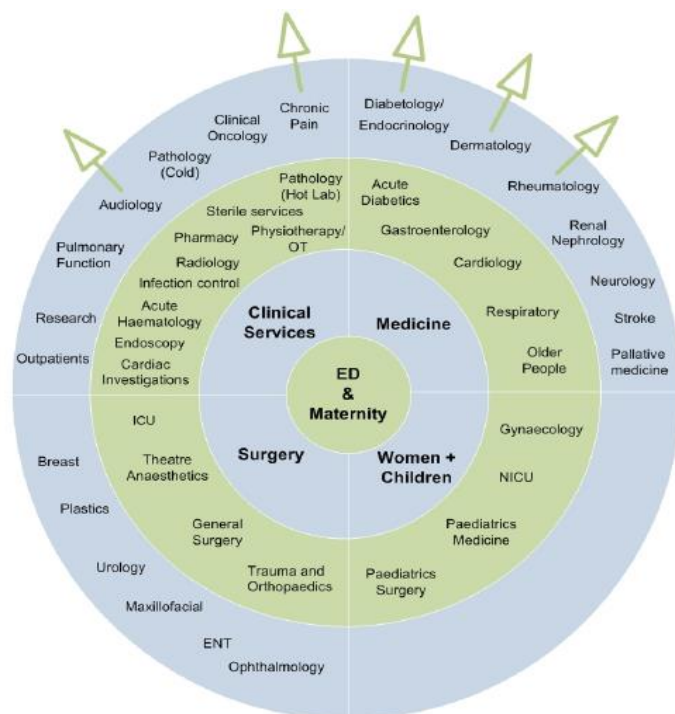


Table 5: Clinical workforce comparators to Royal College Guidance by clinical speciality

Specialty	Current WTE	Requirement based on recommendation	Gap
Anaesthetics	19.5 wte	20.8 wte	(1.3 wte)
Cardiology	7.0 wte	8.04 wte	(1.04 wte)
Care of the Elderly	3.0 wte	6.3 wte	(3.63 wte)
Dermatology	2.0 wte	2.6 wte	(0.6 wte)
ENT	3.0 wte	6.7 wte	(3.7 wte)
Gastroenterology	5.5 wte	8.17 wte	(2.67 wte)
General Surgery	7.0 wte	13.4 by 2018	(6.4 wte)
Haematology	4.0 wte	3.0 wte	1.0 wte
Microbiology	2.5 wte	2.57 wte	(0.07 wte)
Neurology	3.0 wte	4.18 wte	(1.18 wte)
Obstetrics and Gynaecology	7.0 wte		N/A
Ophthalmology	6.0 wte	6.7 wte	(0.7 wte)
Oral and Maxillofacial Surgery	2.0 wte	1.67 wte	0.33
Paediatrics	6.75 wte	10.0 wte	(2.25 wte)
Plastic Surgery	2.0 wte	3.35 wte by 2018	(1.35 wte)
Radiology	12.5 wte	26.8 wte	(14.3 wte)
Respiratory	4.0 wte	9.4 wte	(5.4 wte)
Rheumatology	2.0 wte	3.35 wte	(1.35 wte)
Trauma and Orthopaedics	8.0 wte	16.7 wte	(8.7 wte)
Urgent Care	5.0 wte	10.0 wte	(3.0 wte)
Urology	4.0 wte	4.19 wte	(0.19 wte)

Services that were felt were clinically appropriate to be delivered outside an acute hospital environment are:

- Audiology
- Diabetology/Endocrinology
- Dermatology
- Rheumatology
- Chronic Pain

## Quality Risk Management

The Trust Board reviews progress in the delivery of quality services against a number of quality metrics that comprise our Integrated Performance Report to the Board of Directors. The Integrated Performance Report covers a range of quality indicators relating to clinical performance, the provision of urgent and emergency care, performance targets, financial indicators, HR targets and efficiency measures.



Quality Indicators contained within the Integrated Performance Report cover the three elements of quality – Patient Safety, Patient Experience and Clinical Effectiveness. Delivery of these metrics is essential to the success of our clinical strategy and our strategic priorities as an organisation.

The Trust has in place a governance structure that facilitates continual review of the quality of service provision at each level of the organisation with escalation of issues for action as appropriate. The Quality Assurance Framework (QAF) is used by the Trust Board to monitor quality indicators across the whole organisation and within the four Clinical Management Teams (CMTs) to monitor performance at local level. There is a clear escalation process in place in order to ensure appropriate ward to Board reporting and quality assurance.

On a monthly basis each of the four CMTs hold individual Governance meetings, so they can drill down to the detail of performance against quality indicators included within the Quality Assurance Framework. The CMT dashboard reports are reviewed at Governance Committee which meets monthly and provides the performance challenge to each CMT. Governance Committee receives additional assurance in the form of formal reports relating to Trust performance against statutory obligations such as CQC compliance, safeguarding arrangements and relevant external enquiries, or reviews such as the Francis report.

Quarterly ‘thematic’ reviews and analysis are undertaken at CMT and Trust level in order to provide assurance regarding the embedding of learning across the organisation and ensures that assurance evidence can be properly triangulated from a range of data and information sources. These thematic reviews and associated reports are reviewed at the Quality Governance Committee which reports to the Governance Committee and also meets on a monthly basis.

Quality risk assessments and ongoing management of risks are reviewed at CMT level and escalated appropriately in accordance with the Trust’s Risk Management Strategy and the Trust’s Risk Register and Risk Assessment Policy. In addition to this quantitative information the Board of Directors, through the use of Patient Stories, Patient Experience Surveys and analysis of “live” qualitative data, such as complaints reports, monitors quality across the Trust.

## **Section 4: Leadership and Organisational Development**

### **Board development**

The Trust recognises that the delivery of this Strategic Plan will require further refocusing of our leadership and governance systems, together with embedding the work started on organisational and leadership development that will drive a culture of devolved accountability.

The Trust recognises that in addition to the need to have strong individuals leading the organisation, the Board also needs to act cohesively and effectively as an entity. The development of the Board to ensure that this is the case has already commenced, and further development days are planned over the coming year.



The main focus of these development days is twofold:

1. To develop the Board's strength as an effective senior leadership team, able to engage and empower the organisation to deliver our services to the highest standards.
2. To collectively discuss and understand specific issues/initiatives, and their impact on the Trust, and to debate/agree resolutions and future strategies.

We recognise the Board of Directors is still in transition with the upcoming appointment of our new Director of Finance and the forthcoming retirement of our Chairman and two Non-executive Directors in the autumn. The Board, in association with the Appointments and Remuneration Group of the Council of Governors recognises the urgent requirement to recruit a Non-executive Director with a strong clinical background who can focus on clinical safety issues.

Board development will continue to be our major focus as highlighted in the recent report on corporate governance prepared by Deloitte's. Future Board development days will focus on key issues identified by Deloitte's, including

- Quality and content of Board and Committee papers
- Receiving assurance on quality, safety and patient experience
- Holding our workforce to account for delivery of clinically safety high quality services and delivery of our Transformation Programme
- Ensuring accountability to the Council of Governors, members, patients and the public

The Board will also focus on developing a greater understanding of the workings of the Trust through review of the Board Assurance Framework, understanding the key risks identified in the corporate risk register and understanding quality issues through review of the Quality Outcomes Framework.

The successful Board walk-arounds will continue and be enhanced to enable the Board to understand the key issues involved in the delivery of this Strategic Plan and refocus corporate responsibilities to reflect Trust priorities.

### **Leadership development**

The Trust recognises that excellent leadership and management skills are the key to transforming the Trust and unlocking the potential of the workforce so that the Trust has the right business critical skills and knowledge to improve service and workforce productivity.

Our Leadership & Management Development Strategy is underpinned by our core values of *Care – Consideration – Excellence – Determination – Responsibility – Compassion* and is structured around our corporate objectives; Excellent Quality, Excellent Business, Excellent People.



This strategy is based upon the NHS Leadership Framework and will be rolled out Trust-wide during the period covered by this Strategic Plan. The programme has been developed to enable the Trust to attain excellence in leadership development and meet the European Foundation of Quality Management (EFQM) Excellence Model for leadership development within the next five years.

This strategy provides a single overarching framework for the leadership and management development of all line managers irrespective of discipline, role or function (see table 6 below). It encourages frontline clinicians to develop leadership skills together with non-clinical managers.

*Table 6: Trust Leadership & Management Development Outcomes*

LEADERSHIP/MANAGEMENT LEVELS			EXPECTED OUTCOMES
Level 5	Executive Leaders	Trust Board	Strategic thinking, excellent leadership & vision, external focus, employee engagement, workforce education & development, self-development, role models
Level 4	Strategic Leaders	Divisional Directors, Associate Medical Directors, Heads of Nursing, Clinical Directors, Associate Directors	Entrepreneurialism, transformation knowledge, financial awareness, operational excellence, commercial awareness, employee motivation & engagement, excellent people management, self-development, role models
Level 3	Operational Leaders	Service Managers, Ward Managers, Heads of Service, Lead Clinicians	Financial awareness, operational excellence, commercial awareness, employee motivation & engagement, excellent people management skills, self-development
Level 2	Team Leaders & Supervisors	Team Leaders, Supervisors	Financial awareness, operational excellence, employee motivation & engagement, excellent people management skills, self-development
Level 1	Informal Leaders	Aspiring Team Leaders & Supervisors	Motivation & engagement, self-development

The Trust does not underestimate the scale of organisational transformation encompassed within this Strategic Plan period and the need to ensure staff are fully engaged with this process if the improvements achieved over the past year in levels of staff engagement and involvement – which in turn impact directly upon service quality – are to be built upon.



## Section 5: Financial Strategy

### Trust's current financial position

The Trust achieved a level 2 financial risk rating (FRR) for 2012-13 and a deficit of £0.2million, excluding adjustments for impairments, restructuring costs and loss on disposal of assets (see table 7 below).

*Table 7: 2012-13 Summary Financial Performance*

£'m	2012-13		
	Plan	M12 Actual	Variance
Total Income	191.6	193.1	1.5
Operating Expenditure	(179.7)	(185.1)	(5.4)
EDITA	11.9	8.0	(3.9)
Non-operating Expenditure	(15.3)	(23.7)	(8.4)
Full deficit	(3.4)	(15.7)	(12.3)
Monitor FRR Net Surplus/(Deficit)	<b>2.5</b>	<b>(0.2)</b>	<b>(2.7)</b>
Cash	8.7	13.7	5.1

The non-operating expenses include an £11.9m impairment following an external valuation of the Foundation Wing and £2.6m of turnaround support. The March 2013 cash position of £13.7m is better than the planned position due to slippages on capital spend, receipt of transformational funding and improvements in debt reduction.

On the basis the Trust made a small I&E deficit and has a positive cash position, the Trust is a going concern and the Trust has taken steps to ensure that this remains the case for the next twelve months.

### The Trust's financial strategy and goals over the next three years

The Trust recognises the next three years will present a number of financial challenges for the Trust characterised by reduction in tariff, inflationary pressures, an increasing proportion of income "at risk" due to changes in commissioning, restricted capital programme supported by borrowing and the potential for increased cost through quality requirements of commissioning organisations, regulators and patients.



The overall financial aim for the Trust is to return to CSRR 3 by Quarter 4 2013-14. The key objectives are:

- To build up provisions against NHS Clinical Income to offset the risk to FRR from penalties.
- To build up cash balances by focusing capital expenditure, using alternative financing arrangements for capital and avoiding procurement contracts with advanced payment terms.
- To minimise debtors and ensure payment on account for disputed charges for key NHS Commissioners.
- Maximise income from Payment by Results (PBR) whilst ensuring full compliance with PBR Assurance Framework.
- To reduce fixed costs and maximise value from non-clinical resources.
- To diversify income sources and increase commercial revenue streams.
- To maintain an unqualified audit opinion.
- To make investments through capital purchases to support the strategic aims of the Trust. The key schemes are:
  - Estates maintenance schemes to ensure the Trust complies with Health & Safety regulations and has buildings that are fit for purpose.
  - Investment in IT infrastructure to upgrade and develop systems critical to ongoing business management and support new patient pathways.
  - Medical equipment replacement and investment such as a second MRI scanner to meet increased clinical activity, theatre power tools, foetal scanners.

#### **Risks to achieving the strategy and mitigations**

Identified Risk	Management of Risk
Achievement of the Trust CIP target	<p>The Trust has increased the robustness of its audit process regarding development, authorisation and monitoring of QIPP schemes.</p> <p>The Trust has a weekly Transformation Board meeting and each QIPP scheme must be documented and approved by this Board. The Medical Director and Director of Nursing &amp; Quality must approve each scheme from a quality and safety perspective.</p>
Changes in tariff and pathways	<p>The impact of tariff changes is mitigated by the Trust assuming a tariff reduction over the next three financial years.</p> <p>Pathway changes such as Unbundled Diagnostics, Maternity Pathway, moves to increasing the number of best practice tariffs are identified to operational and clinical managers in the Trust at the earliest opportunity.</p>



Identified Risk	Management of Risk
	<p>Where possible shadow data is collected and the impact of each change is assessed and the information used during contract negotiations.</p> <p>Any pathway change or aim to achieve best practice tariffs are championed by the CMT's and managed through the QIPP process so each scheme is documented with timelines and identified risks.</p>
Non Contracted Income	<p>The only reasons for a difference between contracted income and the financial plan are commissioning intentions or the impact of pathway changes.</p> <p>The Trust always includes in its financial plan commissioning intentions that have a deliverable milestone plan e.g. Corby Urgent Care. However the Trust does not include commissioning intentions that do not have a supporting plan.</p> <p>This provides no risk to the Trust as Payment by Results will always apply.</p>
Transforming Pathology Services for the East and Midlands. The procurement process is underway with proposal to commence in April 2014.	<p>The Trust has been accepted in the tender stage for this process and we are confident in our submission. There is potential for price gains/ reductions but the plan does not assume any significant change in service.</p> <p>A further mitigation is that we are investing in more efficient blood sciences equipment which has reduced our cost base substantially.</p>
Healthier Northamptonshire	<p>The current timescales for financial benefits from this venture are outside of the scope of this strategic planning period</p>



In order to reduce the potential impact on the financial strategy of the Trust from the risks stated above the following mitigations have been built into the Strategic Plan.

Identified Mitigation	Details
Contingency	Built into the Financial plan are the following amounts for contingency: <ul style="list-style-type: none"> <li>• £1m in 2013-14 budget</li> <li>• 1% total income 2014-15 budget</li> <li>• 1% total income in 2015-16 budget</li> </ul>
Inflationary mitigations	The budget each year includes an uplift in excess of current inflation rates on non-pay items.
Income provisions	Penalties are provided for at higher rates than previous years even when growth is not expected.
Capital/ cash mitigations	Each year the budget assumes full payment of the capital expenditure in year which historically has never occurred.