

Strategic Plan Document for 2013-14

Central Manchester University Hospitals NHS Foundation Trust

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1. Executive Summary

Central Manchester University Hospitals NHS Foundation Trust (CMFT) is the largest teaching hospital in the North West. It incorporates specialist dental, eye, women's and genetics and children's hospitals, a major acute hospital, a local general hospital and community services. We provide acute and community services to the local populations and a significant number of nationally commissioned specialised services to patients from the North West and beyond.

We have many strengths including state of the art facilities, a comprehensive service portfolio, a successful partnership with The University of Manchester and a research and innovation infrastructure and focus on translational research that sets us apart from other trusts.

The key challenges, likely to result in threats and opportunities to us, are the prevailing financial constraints, changes to the configuration of services across Greater Manchester resulting from the Healthier Together review, the drive to provide more care in the community and the reconfiguration and rationalisation of specialised services across Greater Manchester and nationally.

Our key strategic objectives are to consolidate and develop our position as:

- A leading provider of tertiary and specialist services across the NHS
- A prestigious internationally renowned centre for translational research
- Excellent local hospitals providing integrated care for our resident population

Our clinical strategy is based on:

- Development of our specialist and tertiary portfolio
- Development of out-of-hospital services that are integrated with primary, secondary, community and social care services so that patients can, wherever possible, be treated closer to home.

This is underpinned by our long-standing emphasis on:

- Patient safety and clinical quality
- Patient and staff experience
- Productivity and efficiency.

Our financial strategy is based on protecting and developing our specialist and tertiary services, whilst delivering all services in the most clinically effective ways to ensure the highest quality care as well as financial productivity.

The key actions to support the delivery of the financial plan and address our financial challenges are:

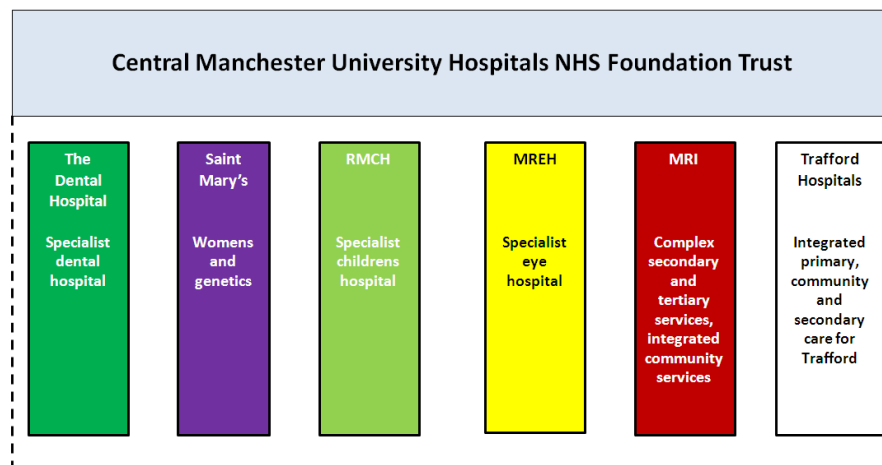
- Ensuring the Trust gets paid appropriately for the activity it undertakes
- Generating margin from new activity
- Productive delivery of existing activity - effective use of capacity through improved theatre utilisation, better patient flow to reduce length of stay and appropriate bed occupancy rates
- Ensuring value for money in respect of non-pay spend, avoiding inflationary cost increases and increasing product standardisation.

Our financial plans shows that through implementation of the above, the Trust will remain financially viable with a risk rating of 3 and a forecast surplus of c £7.5 million for each of the next three years.

2. Strategic Context and Direction

2.1 Strategic Position

Central Manchester University Hospitals NHS Foundation Trust (CMFT) is the largest teaching hospital in the North West. It incorporates specialist hospitals (The Dental Hospital, Saint Mary's, Royal Manchester Children's Hospital and Manchester Royal Eye Hospital), a major acute hospital (Manchester Royal Infirmary), a local general hospital (Trafford Hospital), community services and a number of poly-clinic type facilities in the community.



CMFT is located substantively within the Manchester local health economy; it is the provider of local acute and community services to the population of central Manchester.

CMFT is also one of a small number of trusts providing a significant number of nationally commissioned specialised services; 35% of our total income is related to specialised services.

Our local host commissioner is Central Manchester Clinical Commissioning Group (CM CCG); it is one of three CCGs covering Manchester. Specialised services are commissioned by the commissioning hub within Cheshire, Wirral and Warrington Area Team.

We sit within the Greater Manchester Area Team which is part of the North of England region and are under the Greater Manchester, Lancashire and South Cumbria Senate.

The local, Greater Manchester, North West and national health economies are of equal significance to us.

CMFT Strengths

We have many strengths relative to competitors of local and specialist services. They are:

Facilities – our new hospitals development which opened in 2010 provides state of the art facilities for the treatment of children and adults enabling us to provide seamless pathways of care from pre-birth to elderly care

Infrastructure – we have a comprehensive infrastructure with a full range of imaging modalities and other specialist equipment

Range of specialties – we provide an extensive range of services enabling us to care for very sick patients who have various co-morbidities such as cardiac and renal conditions.

Community services – we are the provider of local community services

Reputation – we have a reputation as a provider of high quality secondary and specialist services developed over many years

Geographic position – we are centrally located and therefore easily accessible via major transport routes and public transport from most areas of the North West

University links – we have long-standing relationship and extremely successful academic partnership with The University of Manchester

Research and innovation – we have a well-developed research and innovation infrastructure and a focus on translational research sets us apart from other trusts

Clinical expertise – we have wealth of specialist clinicians in both research and service delivery who are recognised leaders in their field.

2.2 Commissioner Intentions

The key changes to commissioning intentions, likely to present threats and opportunities for CMFT include:

Funding – both our local and specialist commissioners have received minimal levels of growth and there are concerns that the re-calculation of funding resulting from the changes to commissioner organisations may have resulted in funding being allocated to the wrong commissioner. A further potential strain on the Trust is the impact that the closure of services, resulting from reductions to Manchester City Council's budget, could ultimately have on individual's physical and mental health and thus on the demand for healthcare.

Healthier Together – this is a programme of work that is being led by Greater Manchester Area team and is part of a wider review of health and social care in Greater Manchester. The aims of the programme are to

- Improve health and well-being of people in Greater Manchester
- Improve equality of access to high quality care
- Improve people's experience of healthcare
- Make better use of healthcare resources

Out of hospital care – providing more care in the community to reduce demand on acute hospital services is a key aim for all of the Manchester Clinical Commissioning Groups and Manchester City Council. The shift into community services is also a key element of the joint Health and Wellbeing Strategy.

Reconfiguration of specialised cancer surgical services across Greater Manchester – Greater Manchester commissioners are seeking to reduce the number of trusts providing specialist cancer surgery and to concentrate these services in a smaller number of hospitals.

Rationalisation of national specialised services – there is a national drive to rationalise very specialised services on fewer sites to increase volumes and improve outcomes.

Commissioning arrangements for specialised services – there are new commissioning arrangements with specialised services transferring to NHS England and being delivered to a national specification.

Competition – the increased use of competitive tendering for services such as those provided under the Any Qualified Provider initiative.

2.3 CMFT Vision and Strategy

Our vision is:

'to become the leading integrated health, teaching, research and innovation campus in the NHS and to position the Trust on an international basis alongside the major biomedical research centres, as part of the thriving city region of Manchester – with its strong emphasis on economic regeneration, science and enterprise.'

It is under-pinned by the principles and values which we subscribe to as a Trust. These are:

- A requirement to view all we do from the perspective of our patients
- An effective clinician input to our decision making at all levels
- A devolved organisational structure aimed at creating as much headroom as possible for innovation
- A strong value based approach to management

In relation to the fourth principle, a value based approach to management, whereby everyone within the organisation is expected to act in a manner which:

- Is open and honest
- Places a premium on listening and encouraging feedback
- Is fair, and
- Treats all colleagues with dignity and respect.

Our key strategic objectives are to consolidate and develop our position in the market as:

- A leading provider of tertiary and specialist services across the NHS
- A prestigious internationally renowned centre for translational research
- Excellent local hospitals providing integrated care for our resident population

3. Clinical Strategy

The Trusts clinical strategy is based on two broad aims:

- Development of our specialist and tertiary portfolio
- Development of out-of-hospital services that are integrated with primary, secondary, community and social care services so that patients can, wherever possible, be treated closer to home.

This strategy was developed based on a Strategic Service Portfolio Review (SSPR) which was undertaken by each Division within the Trust alongside the development of Service Line Management.

The purpose of the SSPR was to understand better how each specialty sits within the health economy, what the internal aspirations for that speciality are and from this to be able to make decisions about the future direction; largely whether to invest, maintain or disinvest.

A tool-kit was provided for Divisions to employ. This included:

- Boston matrix – market share mapped against market growth
- Competitive Analysis (Porters five forces)
- SWOT

The outputs from this work along with service line management information, was then used to identify significant risks and opportunities and agree the broad future direction for each speciality.

This formed the basis for the development of more detailed three year plans.

Although this set the broad direction, the SSPR process is iterative and is updated as circumstances change and we remain responsive to new opportunities as they arise.

4. Quality

The Trust is firmly committed to ensuring the highest levels of patient safety and clinical quality and this is reflected in our three key themes that underpin all that we do and that are recognised by all our staff as their guiding principles:

- Patient safety and clinical quality
- Patient and staff experience
- Productivity and efficiency.

Patient Safety and Clinical Quality

The Trust has a comprehensive clinical effectiveness infrastructure which sits under the Medical Director. This includes a Director of Clinical Effectiveness and four Associate Medical Directors, each with a specific role: Medical Education, Performance and Appraisal, Clinical Effectiveness, and Clinical Leadership. The team's remit includes clinical effectiveness, Post Graduate and Undergraduate Medical Education, Library Services and Adult and Paediatric Safeguarding services across the hospital and community.

There are currently no outstanding quality concerns that have been identified by the CQC or any other party. Our approach is to pro-actively manage all of the inherent risks through our plans for ensuring patient safety and improving clinical quality. Any specific risks to safety and quality are managed through the standard Trust risk management process.

Our three year plan for 'achieving the highest standards for patient safety and clinical quality' is based on the following programmes of work:

- Mortality
- Pathways eg. sepsis
- Safe supervision
- Leadership
- High level investigations
- Medical education

This plan was developed through a series of 'away-days' led by the Medical Director and his team with clinical and management divisional and departmental clinical representation. Each area of the plan was discussed in full and responsibilities and actions for each programme of work were agreed.

Going forwards, a Clinical Effectiveness Networking Group is to be established comprising Corporate and Divisional leads to manage the delivery of the plan across the course of the year.

Patient Experience

The domain of Patient Experience is led by the Chief Nurse. Our approach is patient centred and patient focused; for example using patient feedback from views collected in real time and national and local survey responses through to learning from complaints as the basis of our service improvement work. In addition we believe that the health and wellbeing of our staff as well as their attitudes and behaviours impact directly on the patient experience. As a result we have embarked on an ambitious programme of developing a Trust behaviours framework to reflect the values and behaviours that patients and service users would wish to see.

The Trust Quality Campaign provides the overarching framework steered through the Quality Committee and Quality Forum. Quality improvement work in support of the patient experience is developed locally using local information and data as well as softer intelligence gathered through feedback from individual patients, patient networks as well as governors and Non-Executive Directors. Divisions are actively encouraged to develop local improvement programmes to achieve both small and large scale change. Such initiatives are demonstrated through '*Change one Thing*', *Healing environment* work which supports patients' with dementia, and other local

projects such as, *Night Time is Quiet Time* to reduce noise at night on the wards and extending the subsidised bus service across the city to the central hospitals into the evening to cover visiting times to make visiting easier for friends and relatives.

A three year plan for improving the patient experience has been developed, based on the following programmes of work:

- Professional leadership
- A programme of continuous improvement
- Safe staffing
- Developing a culture of compassionate leadership
- Cleanliness
- Nutrition
- Environment of care
- Developing the values and behaviours in partnership with staff patients and service users

Board Assurance

The following are the mechanisms by which the Board of Directors is assured in relation to clinical quality and patient experience:

- Leadership Walk Rounds – undertaken by the Board of Directors in all clinical wards and departments and includes talking to patients about their experience at the Trust
- Intelligent Board – key clinical quality and patient experience metrics are provided to the Board of Directors each month.
- Risk Management Process – all risks are identified and scored. Any scoring above 15 is brought to the attention of the Trust Risk Management Committee which is chaired by the Chief Executive. All of the executive directors are members and all non-executive members are invited to attend.
- Ward Accreditation – wards are scored based on ward data, observing practice and gathering views from staff and patients and awarded bronze, silver or gold
- National patient survey – this provides feedback in relation to patient experience and clinical quality. It is analysed in depth and the findings are reported to the Board and used as the basis for identifying areas where we need to improve and developing our work programmes.
- Care Quality Commission (CQC) – the Trust must be registered with the CQC who check all hospitals in England to ensure they are meeting national standards.

5. Clinical Workforce Strategy

The Trust's workforce strategy covers all elements of the Trust's service, and is intrinsically linked to the Trust's integrated business plan and financial model.

The Trust is committed to involving and empowering its employees to deliver these aims, recognising the values of their contribution and the importance of ensuring all employees are working towards the same shared objectives.

Key Workforce Pressures

The Trust recognises that mobilising the services of existing staff already employed throughout the region is possible. In this context, the Trust has had recent experience of large scale organisational change and modernisation exercises, most notably the transfer and reassignment of staff in the Children's Hospital, and the acquisition of Community Services and Trafford Hospitals. In achieving this, the Trust has developed skills and experiences invaluable in ensuring the seamless continuation of services during major change.

Specific Workforce challenges

In terms of specific workforce challenges, the Trust is generally well placed in being able to recruit and retain to most staff groups. However, nationally there are difficulties in recruiting to Health Visitor positions and this is reflected in our local health economy.

In order to address these pressures, the Trust has developed a creative recruitment and workforce strategy and is confident that the necessary growth to deliver first class services in this area can be achieved.

As we continue to review, develop and expand our services, we are assessing workforce requirements to ensure that we have the right skills and numbers of staff but also to ensure that we have the most appropriate working methods suitable for the specific clinical area. Examples of this are a review of our capacity linked to the development of 24/7 working models.

Additionally, the Trust is evaluating the 'Competency Based Workforce Planning' model as a way to incorporate Integrated Care Pathways (ICP) into organisational strategy. To do this appropriately, specific clinical pathways will be identified as opportunities for improvement in workforce leading to increased positive clinical outcomes.

The Francis Report

The 'Francis' recommendations form an integral part of the Trust's workforce strategy moving forwards and in the recruitment context, candidates' values, behaviors and attitudes towards the well-being of patients will be properly assessed. The sufficiency of numbers of staff will continue to be monitored, reported and reviewed by the Board.

Other plans for staffing development

The Trust has robust systems in place to ensure its recruitment strategy is delivered effectively. This strategy is underpinned by performance measures covering key dimensions including the time taken to fill vacancies, cost per hire, first time fill rate, and retention rates.

There are no other perceived barriers to recruitment preventing success in recruiting into the staff group areas which will be affected by the development of specialist and tertiary portfolios at the Trust.

Retention at the Trust has been consistently high over the last two years at 89.4 %, and the Trust has a first-time fill rate within all job types of 86% which compares extremely well to competitors in the private and public sector. The Trust's consistent monitoring of turnover and retention has

highlighted a higher turnover rate in Band 5 registered nursing compared to other staff groups. Interventions which are based on 'exit information' are to be introduced to combat this and to improve retention rates for this cohort.

In addition, the Trust has placed great focus on the importance of recruiting to posts promptly and reducing the time taken to fill vacancies. As a result, time to fill in 2012/13 has been reduced by 24.8% in comparison to 2011/12 and steps have been put in place to further reduce this in future.

Organisational Development

The Trust recognises that its senior managers and clinicians require highly developed leadership skills and competencies in order to lead their teams effectively to deliver the Trust's key strategic priorities and to embed a positive, value based culture across the organisation.

The Trust has an extensive leadership strategy and has developed a full suite of leadership programmes, some of which are accredited by The Institute of Leadership and Management, for leaders and clinicians to support them to continually develop their leadership skills.

6. Financial & Investment Strategy

The Trust's overall financial position remains strong, having achieved a surplus of £7.3m and a risk rating of 4 at the end of 2012/13. The Trust's key financial strategy for the next three years is to protect and develop the specialist and tertiary services, whilst delivering all services in the most clinically effective ways to ensure quality of care, excellent patient experience and financially productive. This will ensure the Trust maintains financially viable for the foreseeable future.

Following the acquisition of Trafford Healthcare NHS Trust (THT) on 1 April 2012, the completion of Public Consultation in late 2012 and subject to approval by the Secretary of State, major service reconfiguration will be undertaken to implement the new service model. The forecasts fully reflect the impact of these changes.

The Trust continues to invest in capital to support the delivery of services and over the next three years will complete the expansion of Adult Critical Care, develop the new Hybrid Theatre suite, complete the Citylabs project in partnership with Bruntwood plc and develop the new Altrincham Hospital.

The forecast changes to NHS clinical income from growth and investments over the next three years are as follows:

Income Changes - Clinical Income	2013/14 £'m	2014/15 £'m	2015/16 £'m
Activity growth (net of tariff changes)	30.3	14.7	13.9
Income reclassified as Clinical	3.2	0.0	0.0
Trafford service reconfiguration	-2.9	-2.9	0.0
Total changes to Clinical Income	30.6	11.9	13.9

The key planning assumptions used in the three year Financial Plan are consistent with the latest financial guidance from Monitor.

In 2013/14 in addition to the Trading Gap arising from the in-year inflationary pressures there are run rate pressures from 2012/13 and activity changes in 2013/14, giving rise to a total Trading Gap target of £43.7m (CIPs – both cost reduction and revenue generation).

7. Productivity and Efficiency

The Trust's plans for the next three years have been developing Trading Gap measures in line with the 4 key strategic themes:

- Margin on growth – growth primarily in specialist services delivered at marginal cost
- Service Line Management projects – including effective use of capacity and resources to deliver productivity gains, (improved theatre utilisation, better patient flow)
- Ensuring the Trust get paid appropriately for the activity it undertakes
- Cost reductions - Work co-ordinated by the Procurement Team to avoid inflationary cost increases, increase product standardisation and specific Divisional schemes such as product rationalisation, medicine and materials management.

The key action required to support the delivery of the financial plan and address the financial challenges is the delivery of the Trading Gap. To date measures totalling £38.0m have been identified and reflected in budgets.

Forecast Results

The resultant financial forecasts and associated risk ratings for the three years 2013/14 to 2015/16 are shown below:

Resulting Income and Expenditure Position	2013/14 Plan £'m	2014/15 Plan £'m	2015/16 Plan £'m
Income	895.0	889.2	901.5
Expenditure	(829.3)	(820.0)	(833.2)
EBITDA	65.7	69.2	68.2
EBITDA %	7.3%	7.8%	7.6%
Operating Surplus	4.5	7.5	7.6
Operating Surplus %	0.5%	0.8%	0.8%
Non-operating income (Donations and Grants)	4.7	1.0	0.0
Surplus	9.2	8.5	7.6
Surplus %	1.0%	1.0%	0.8%

Based on the financial plan the Trust would achieve a risk rating of 3 for each of the years under the current Compliance Framework.

Based on Monitor's proposed new Risk Assessment Framework the risk rating for the Trust would be level 3.

Key financial risks

There are a number of key risks associated with the delivery of the Financial Plan, which will be monitored through the Trust's Risk Management Committee:

Risk	Management
Income risk – the transition to the new commissioning arrangements may de-stabilise income streams	<p>Contract negotiations on-going and consistent with forecast.</p> <p>Detailed work completed to understand the impact of the Identification Rules across commissioners. Discussions continue to construct an economy wide risk share arrangement.</p>

Strategic Risk – Failure to deliver long term financial stability.	<p>Trading Gap targets set at least 12 months in advance.</p> <p>Managed through the well-established financial management framework.</p>
Strategic Risk - Implementation of service redesign of Trafford services does not deliver the forecast savings.	A Delivery Group has been established by the Executive Director of Patient Services & Chief Nurse to oversee the implementation of the existing plans and ensuring that robust HR and operational processes are in place.
Failure to identify and deliver 2013/14 Trading Gap Measures.	Managed through the well-established financial management framework. The financial plan contains identified contingencies.
Capital risk - The Trust is unable to invest in capital to support delivery or development of services	<p>Business cases are rigorously evaluated against Trust overall priorities as they progress through the Trust's approval process.</p> <p>The timing and delivery of projects will be reviewed through the Trust Management Board and Estate Strategy Board</p>