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**Strategic Plan Document for  
2013-14**

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**Colchester Hospital  
University 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	May 2013

**The attached Strategic Plan is intended to reflect the Trust's business plan over the next three years. Information included herein should accurately reflect the strategic and operational plans agreed by the Trust Board.**

In signing below, the Trust is confirming that:

- The Strategic Plan is an accurate reflection of the current shared vision and strategy of the Trust Board having had regard to the views of the Council of Governors;
- The Strategic Plan has been subject to at least the same level of Trust Board scrutiny as any of the Trust's other internal business and strategy plans;
- The Strategic Plan is consistent with the Trust's internal operational plans and provides a comprehensive overview of all key factors relevant to the delivery of these plans;
- All plans discussed and any numbers quoted in the Strategic Plan directly relate to the Trust's financial template submission.

Approved on behalf of the Board of Directors by:

Name (Chair)	
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Signature

Approved on behalf of the Board of Directors by:

Name (Chief Executive)	
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Signature

Approved on behalf of the Board of Directors by:

Name (Finance Director)	
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Signature

## Executive Summary

### Vision

#### The Trust's vision is:

*To be widely recognised as the Trust that our patients and staff would want to recommend to their friends and relatives.*

#### Priorities:

#### The priorities that will help achieve the vision are:

- ***inspiring our employees*** – developing a culture that engages our employees in the business, promotes clear values and behaviours, underpinned by leadership styles of openness and involvement; which recognises and rewards the contribution of individuals
- ***doing the core services well*** – maintaining and enhancing our reputation as a safe, capable and efficient hospital, delivering high quality standards
- ***strengthening our centres of excellence*** – supporting existing high-performing services and developing others to serve the local population and beyond
- ***shaping the future; ready to respond*** – identifying a small number of policy areas of importance to the Trust and to seek to influence these as appropriate; strengthen horizon-scanning capability and have a flexible and dynamic ability to respond to opportunities
- ***building a sustainable future*** – supporting our long-term future and ability to improve facilities and services by optimising our surplus/ contribution from clinical income; and building and growing our non-clinical income.

#### Summary Financial Plan

FY	2011/12 Actual	2012/13 Actual	2013/14 Plan	2014/15 Plan	2015/16 Plan
Operating Income	£244.1m	£257.5m	£254.5m	£256.2m	£256.0m
EBITDA / %	£23.2m (9.5%)	£21.5m (8.7%)	£16.3m (6.4%)	£17.3m (6.8%)	£17.6m (6.9%)
Surplus / %	£12.3m (5%)	£9.1m (3.5%)	£3.0m (1.2%)	£3.0m (1.2%)	£3.0m (1.2%)
Capex	£23.6m	£8.0m	£31.6m	£16.0m	£13.7m
Cash for liquidity purposes	£27.6m	£35.4m	£29.7m	£24.4m	£21.3m
CIPs	£14.5m	£4.4m	£9.6m	£8.3m	£7.9m
Revenue Generation	n/a	£2.2m	£3.1m	£1.6m	£0m

## Strategic Context and Direction

The Trust's strategic vision is that in 2016, Colchester Hospital University NHS FT will be a larger and successful health provider in an acute hospital and community setting. It will be renowned for systematically performing in the upper quartile against national performance standards. We will achieve this through:

- A cultural transformation started by *At Our Best* which will have permeated all levels of staff and will have changed the quality and the perception of care such that our referral patterns have expanded into the whole of Essex, Suffolk and parts of Cambridgeshire.
- Established Centres of Excellence which will have started to draw patients from a wider field, including London and will perform in the top decile nationally. We will optimise national and international partnerships to strengthen our Board.
- The Trust being at the vanguard of integrated care with projects providing demonstrable improvements in care across primary, secondary and community sectors.
- The local community and regulators having exceptionally high levels of confidence and trust in the care provided.
- The Trust having secured its future by the successful integration of vascular surgery, an expanded hyper-acute Stroke Unit, new Emergency Department and associated services.
- The hospital being seen as a magnet for talent and the high quality of care delivered by a skilled, responsive, caring and professional workforce. It will be renowned for training, development and leadership.

The Trust's key competitors along with assessed strengths and weaknesses are summarised below:

	Colchester Hospital University NHS FT	Mid Essex Hospital NHS Trust	Ipswich Hospitals NHS Trust	Anglian Community Enterprise	Ramsay Healthcare
Type of Organisation	Foundation Trust	NHS Trust	NHS Trust	Social Enterprise	Private Sector
<b>Strengths</b>					
Established, motivated workforce	✓		✓		✓
Strong links with patients group and other stakeholders		✓	✓		
Responsive to elective demand	✓				
Modern facilities (PFI)		✓	✓		
Cancer services and facilities	✓	✓			
Reputation					✓
<b>Weaknesses</b>					
Poor business performance		✓	✓	✓	
Recruitment and retention challenges	✓	✓	✓		
Mortality	✓				
Limited short term capacity					✓

### Forecast health, demographic, and demand changes

- It is projected that by 2033 the population will have risen by 33% in North East Essex from the 2010 base, with an increase of 17% by the end of this plan. The largest increase will be the 65–74 year olds, with Tendring the most affected with 25% of its population over 65 years old.
- Deprivation exists in pockets across north Essex, with the area most affected being Tendring which is the most deprived district in Essex and the most deprived small area in England.
- Life expectancy across north Essex is increasing on average in line with national trends.

- There still remain significant differences in life expectancy across the localities in north Essex, differences of 13 years in north east and west Essex and 9.3 years in mid Essex.
- The major causes of death are still circulatory disease and cancer.
- There are higher instances than average of road injury and death.
- Lower than average levels of physical activity for children remain a concern.
- 50% of adults in some areas at risk due to weight.
- High diabetes rates in some areas with Tendring being significantly worse than England averages.

### **Market overview**

- The Trust's share of the market for non-elective work is ~97%. Its inpatient share is ~83% and outpatients ~85%.
- Market analysis shows that a significant amount of NEE elective activity, predominantly orthopaedic work, (~£1-2m per annum) is currently going to competitors, particularly the local private sector provider. This is a growing market which CHUFT is losing market share despite growth in absolute terms. This competitiveness is mainly from private healthcare providers. A strategy to reduce waiting times and bespoke marketing strategy is being developed to address this for Trauma & Orthopaedics.
- There are opportunities to:
  - grow endoscopy via bowel cancer screening programme and increased demand from GP's;
  - provide seamless integrated care for long term conditions – diabetes, COPD, heart failure;
  - enter community healthcare market by providing an integrated service with a hub and spoke model;
  - grow orthopaedics, initially with an additional upper limb surgeon to reduce waiting times and then a substantive lower limb surgeon to repatriate work from competitors.
- The Trust is working with commissioners to develop work-streams and actions to mitigate significant growth in non-elective activity year on year.

### **Market Share**

The trust is targeting an increased in elective market share through, for example:

- Regaining market share that has been lost to local private sector providers through targeted GP engagement events
- Targeting GP practices on the Essex borders to encourage redirection of referrals.
- Becoming the orthopaedic centre for the region to rival private providers enabling work (private and choice) to be brought back from competitors.

### **Local Commissioning Strategy and intentions**

The Trust's principle commissioner is NHS North East Essex CCG, made up of 44 practices, with a registered population of around 325,000.

NHS NEE CCG has a number of strategic objectives which will underpin all commissioning directions and decisions within the organisation;

- Access to safe, high quality services that perform to or exceed national standards.
- Ensure that commissioning will deliver the greatest improvement in health and the best possible experience for all people throughout their care and treatment.
- Ensure services that are commissioned for our population are safe, personalised and deliver good clinical outcomes.
- Aspire to continual improvement in quality and embrace innovation to achieve this.
- Promote and uphold the standards, rights and values that patients and staff may expect from the NHS Constitution.

- Utilise the resources that are available to the maximum potential to ensure the health needs of the population are met.
- Maximise efficiency and value by making the most of partnership, collaboration and economies of scale opportunities.
- Ensure that our services respond to people as individuals, involving them in their individual care decision and planning of services.
- Improve the health of the local population, increase life expectancy and reduce health inequalities.
- To trial new ways of working through integrated commissioning with other health and social care organisations.

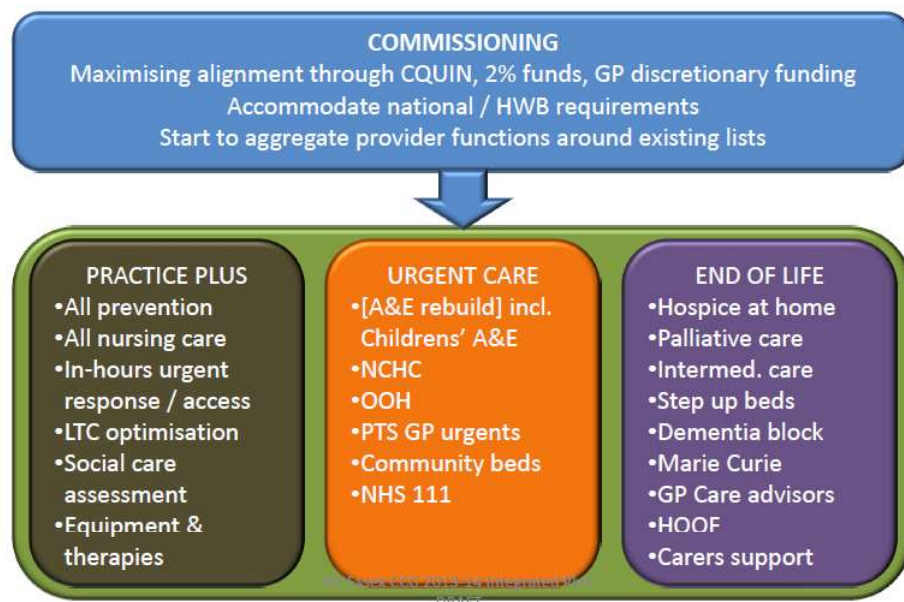
The CCG's five areas of local priority are:

- Unscheduled (urgent) care services
- Long term conditions management
- Care of the frail elderly
- Mental health and learning disabilities
- Children's services

Its commissioning approaches for the next two years and then within 5 years are summarised as :

	2013/14	2014/15	2017/18
<b>Provider integration</b>	Stimulate: collaboration & partnership	Extend the range of services in each contract	Fewer, more robust contracts
<b>Wider services, smaller populations</b>		Contracts for defined populations	Patients choose the best service for them
<b>Personalising services</b>		Geographies & sub- populations	Personal scale

The commissioning strategy aims to commit to commissioning 'bundles' of care, indicatively these are:



Other hospital-based secondary care services are expected to be commissioned in a similar format to as currently. The intention is for these bundles to be specified and worked up in 2013/14 for tendering in 2014/15.

Specialist commissioning – the Trust has been given the national identification rules, the valuation of the SCG has risen significantly. This is a direct transfer from the CCG contract to the SCG as

proscribed nationally. This has no overall impact on the Trust.

### **Collaboration, Integration and Patient Choice**

Plans to integrate services to provide better care and/or increase efficiency include;

- **Integrated Working with Care Homes** - to develop a multidisciplinary in-reach service into Nursing/Residential Homes
- **Integrated delivery of services for Elderly Care and Long Term Conditions**
- **In-reach COPD nurse** - currently provided by Anglian Community Enterprise and working across EAU initially and patients in outlying wards other than Layer Marney, also now working within A&E and looking specifically at lack of Early Supportive Discharge service within community team.
- **Vascular** – the Trust collaborates with Ipswich Hospital to manage an integrated vascular services hub.

### **Development of partnerships and collaborations with other providers**

The Trust has been in talks with local providers to seek opportunities for working together. The Trust is also working with our commissioners to identify opportunities for end-to-end diabetes services (primary, secondary and community). We are building relationships with a private sector provider to assist with this.

### **Shifting care delivery outside of hospitals and Reconfiguration plans**

The commissioning principles being applied include:

- Maximising alignment through CQUIN; use of 2% transformation funds; GP discretionary funding
- Accommodate national / Health and Wellbeing Board (HWB) requirements
- Start to aggregate provider functions around existing lists

Within this we have submitted bids to the CCG for transformational and out-of-hospital funds.

Service reconfigurations include:

- Development of new **dementia services** and reconfiguration of the service model at Clacton community Hospital
- Detailed planning for the transfer of relevant clinical services from Essex County Hospital to CGH, including transferring Radiotherapy Services to the new centre being constructed.

Clinical reconfigurations:

- 111 (change to NHS Direct, national delay and re-review of implications, as significantly higher than expected activity effect on ambulance and hospital services) and urgent care

On-site reconfigurations: -

- Emergency Department (A&E/EAU) – establishing a project team to commence detailed planning for the reconfiguration of the emergency department, including a substantial capital investment in a rebuilding.
- Pharmacy – co-location of all dispensing facilities and investment in automation.

### **QIPP & Demand Management**

The NEECCG has a strategic understanding and agreement to be open and transparent in relation to QIPP and CIP plans to ensure effective and safe delivery of health services across the North East Essex economy. QIPP planning is underway, and the CCG plans to work in partnership with the Trust in delivering QIPP as this will help both organisations achieve financial balance.

Once QIPP plans have been agreed, any resulting reductions in activity will be managed by way of contract variation by end of quarter one, clearly identifying the activity and financial impact of the QIPP plan. Any change in services within the contract will have the appropriate notice periods served.



Achievement against this will be monitored as part of NEECCG's QIPP programme. The CCG is working on its QIPP and reablement plans and will inform the Trust in due course.

The Trust is actively engaged with the CCG in working up the QIPP plan. This will be finalized with agreement from the Trust and the appropriate amendments will be made to planning. In common with other providers, the Trust has seen a significant increase in its non-elective activity. This has put pressures on the emergency care department and the trust plans to expand and redevelop its emergency care facilities during the course of this plan.

### **Diversifying income streams**

The trust will build on a number of existing or planned initiatives that will diversify our income streams. Examples include:

- **The Iceni Centre** - our joint venture with Anglia Ruskin University, the Centre allows us to train surgical teams in minimally invasive surgery and to develop new techniques and run training courses. It has welcomed a number of high profile people and visitors, from Cabinet ministers to delegates from across the world to explore commercial opportunities and promote advancement in healthcare. It has strong links with the medical devices industry and has been bidding for training contracts in laparoscopic surgery in other countries.
- **Academic Healthcare Science Network** - to work with partners in the AHSN as it progresses to share education, clinical research, informatics, training and healthcare delivery, where appropriate. This in turn, aiming to translate research into practice, and develop integrated health care systems. Our aspiration is that this will provide another a route for the Trust to acquire support with innovations and enable access to commercial opportunities.
- **Health Enterprise East** – working with HEE who provide expert innovation advice and services to take ideas from concept through to clinical practice/market and has enabled us to develop marketable medical devices.
- **Research and Development – Commercial** - we are liaising with commercial R&D and/or links with commercial companies regarding Innovation funding.
- **Centre of Excellence for Health Analytics** – establishing the UK's first business of its kind to specialise in delivering analytics training for healthcare analysts across the UK and international markets. The Centre will provide analysts, from healthcare and varying industries, with a number of core analytical skills. This will also extend to supporting clinical and operational teams in having a better understanding of how to use information to drive forward clinical and operational excellence. It is one of the trust's revenue generation schemes.



## Approach taken to quality

### Care Quality Commission

The Trust's most recent CQC report was March 2013. The Trust met 4 of the 6 standards with one moderate and one minor finding.

1. Standards of treating people with respect and involving them in their care	✗ Action needed
2. Standards of providing care, treatment and support that meets people's needs	✓ Met this standard
3. Standards of caring for people safety and protecting them from harm	✓ Met this standard
4. Standards of staffing	✓ Met this standard
5. Standards of quality and suitability of management	✗ Action needed

The report stated that "In general people were very satisfied with the care and treatment they had received and in most cases were very complimentary about the attention and attitude of staff towards them. Comments included staff were "excellent", "very friendly" and "very supportive". However, this was not uniform and we are making sure that patients always receive appropriate information and that their individual needs are met. The moderate finding on outcome 16 identified that the trust needed a better system for identifying and managing risks and in particular serious incidents (SIs). The Trust immediately instigated a review by our auditors and our Company Secretary. This led to a new process for SI actual reporting and review which was introduced on 15th March.

A complaints action plan is being drafted for rollout across the Trust.

### Other parties concerns

In February 2013, the Prime Minister announced that he had asked Professor Sir Bruce Keogh, NHS Medical Director for England, to review 14 hospital trusts, including our Trust, that are persistent outliers on mortality indicators. The Trust has been advised that the rapid review team's planned visit will be 4<sup>th</sup> June and the Trust has been planning for this accordingly.

We are already co-operating fully with the investigation and remain confident about the levels of patient care that we are delivering, based on our own analyses of a range of data available. This includes the latest scores from the NHS Friends and Family Test with our latest score of 82 putting us in the top 25% of all acute NHS trusts in the Midlands and East region. Evidence shows us that patients continue to choose to come to the Trust.

### Quality risks

Patient safety is the Trust's highest priority and this is reinforced constantly by the Board and by Clinical Leaders in the actions we take and the behaviours we display. The Strategy fundamentally requires a combination of leadership example and proven clinical interventions. Leadership, starting with the Board confirms in writing, a "pledge" to staff and to patients and the community, that patient safety is our highest priority, and that while targets and financial balance are still important, they must not be achieved at the expense of the safety of our patients. The safety report is the first item on the Board's agenda. All Directors participate in Safety Leadership walk-rounds to both challenge and support clinicians trying to keep their patients safe. The Board receives patient stories, where a relative or carer will describe the impact on their lives of a harm event.

Leadership at every level is charged with making patient safety the highest priority and performance management arrangements will be adjusted to reflect this. Our goals are ambitious: to reduce the harm caused to our patients by 50% and to reduce the Hospital Standardised Mortality Rate and the Summary Hospital Mortality Indicator so that our performance is in the top decile of Trusts.

The key projects underpinning the strategy are:

- Reducing harm from deterioration by appropriate and timely escalation
- Reducing harm in critical care by reducing and working to eliminate central line infections and ventilator associated pneumonia (VAP)

- Medication safety – reducing harm from high risk medicines
- Falls prevention
- Reduce Pressure ulcers
- Healthcare associated infections
- Reducing harm from Venous thromboembolism by performing a risk assessment
- Perioperative safety by implementing the World Health Organization (WHO) surgical safety check list in our theatres.

### **Governance arrangements**

The Quality and Patient Safety Committee oversees the delivery of this strategy and assures the Board on a regular basis. The Patient Safety Steering Group oversees the delivery of improvements in safety to reduce avoidable harm and avoidable death. It reports to the Quality and Safety Committee. The Patient Safety and Quality Committee receive reports presented by the Clinical Directors from each division on the safety metrics in the strategy.

At Divisional/Directorate level, performance meetings monitor the progress against the targets to support this strategy as this is where patient safety improvement is being met and where accountability for delivery is clear.

## Clinical and quality priorities and milestones over the next three years are:

Clinical quality priorities	Contribution to the overall vision	Key actions and delivery risk	Performance in 2012/13	3 year targets / measures '13/14, 14/15, 15/16
<p><b>Patient Safety – HSMR</b> Maintaining a Hospital Standard Mortality Rate (HSMR) below 100</p> <p>SHMI Continue monitoring of SHMI and set action plans to achieve score of 100</p>	Underpins 'Clinical Excellence' within Trust's vision	<p><b>Key actions:</b> Maintain the HSMR performance below 100</p> <p>Meet the overall and condition specific CQUIN targets for SMR. Weekly/monthly mortality review groups</p> <p><b>Joint Mortality Action Plan</b></p> <ul style="list-style-type: none"> <li>• Quality of Care in hospital</li> <li>• Identification of patients at End of Life (EoL)</li> <li>• Provision of palliative care in the community</li> </ul> <p>Reinforce consultant presence in EAU/ED Improve consultant presence on IP wards Improve patient flow, improve discharge and reduce LOS Daily board rounds 7/7 Work with primary care</p> <p><b>Delivery risk:</b> Commissioner's EoL strategy increases number of people dying in hospital</p>	<p>Year to date April to January 2013: 100.7, January 20013 93.1</p> <p>SHMI score 116.2</p> <p>Processes in place</p> <p>Need more information on individual performance (encourage team working vs. increased individual accountability)</p>	<p><b>2013/14:</b> <i>100 or less overall score</i></p> <p>Sir Bruce Keogh's <i>Rapid Response Review</i> planned end Q1</p> <p>Develop agreed plans following review Q2</p> <p>Implement plans Q3 onwards.</p> <p><b>2014/15/16:</b> Further targets/ measures to be developed in next Annual Plan Review (APR) to underpin progress</p>
<p><b>Patient Safety – Infection Control</b> Maintaining levels of incidence of Methicillin-resistant Staphylococcus aureus (MRSA) and Clostridium difficile (C. Diff) below the thresholds agreed with commissioners</p>	Underpins 'Clinical Excellence' within Trust's vision	<p><b>Key actions:</b> Maintain the reduction in the number of Hospital Acquired Infections through continued vigilance and compliance</p> <p>Implement MRSA screening on admission for all emergency patients.</p> <p>Reduce the incidence of Central venous catheter (CVC) related bloodstream infections</p> <p><b>Delivery risk:</b> Uncontrolled outbreak of MRSA or C Diff</p>	<p><b>MRSA:</b> 1 case against a ceiling of 1</p> <p><b>C Diff:</b> 29 cases against a threshold of 25</p>	<p><b>2013/14:</b> <i>MRSA: no more than 0 cases (post 48 hours)</i> <i>C Diff: no more than 18 cases</i></p> <p><b>2014/15:</b> Further targets/ measures to be developed in next APR to underpin progress</p>

Clinical quality priorities	Contribution to the overall vision	Key actions and delivery risk	Performance in 2012/13	3 year targets / measures '13/14, 14/15, 15/16
<b>Patient Experience</b>	Underpins 'Patient Satisfaction' and 'Clinical Excellence' within Trust's vision	<p><b>Key actions:</b></p> <p>Improvement on 2012 IP survey outcomes</p> <p>Develop local action plans in line with inpatient survey results that will be monitored through the four divisional performance meetings.</p> <p>Quarterly inpatient surveys to monitor improvements.</p> <p>Patient Experience Tracker – maintain target of 90%-95%</p> <p>Patient experience DVD for staff and on intranet.</p> <p>Customer care training &amp; development</p> <p>Delivering 'At our Best'</p> <p><b>Delivery risk:</b></p> <p>Failure of actions taken to impact on patient opinion of the organisation and services</p>	<p>Continued improvement. 79% of adult in patients described their care as "excellent" or "good" (78% 2011) Significantly better on 2 questions. Worse on 6 questions</p> <p>Issues will be addressed with Divisions as part of the inpatient survey action plan and monitored in line with patient experience outcomes.</p>	<p><b>2013/14 &amp; 2014/15:</b></p> <p>Patient experience target remains the same. This represents a stretch target.</p> <p>Further targets/ measures to be developed in next APR to underpin progress</p> <p>New summer campaign to be launched</p>
<b>Zero Tolerance to avoidable grade 2, 3 &amp; 4 Pressure Ulcers</b>	Deliver patient safety improvements	Maintain a target for 2013/14 of zero tolerance to hospital grade 2, 3 and 4 pressure ulcers	42% reduction in hospital acquired pressure ulcers against a planned reduction of 35%. 47 grade 3 pressure ulcers with none since February 2013 and 4 grade 4 with none since June 2012	<p><b>2013/14</b></p> <p>zero tolerance to hospital grade 2, 3 and 4 pressure ulcers</p> <p><b>2014/15</b></p> <p>Further targets/ measures to be developed in next APR to underpin progress</p>
<b>Falls Prevention</b>	Deliver patient safety improvements	In 2013/14 maintain reduction levels of 2011-2013 & agree CQUIN for falls screening	Reduction in falls totalled 11% (5% target) & serious harm falls by 7% (target 5%)	<p><b>2013/14</b></p> <p>Maintain reduction levels</p> <p><b>2014/15</b></p> <p>Further targets/ measures to be developed in next APR</p>

Clinical quality priorities	Contribution to the overall vision	Key actions and delivery risk	Performance in 2012/13	3 year targets / measures '13/14, 14/15, 15/16
<b>Ward Cardiac Arrests</b>	Deliver patient safety improvements	For 2013/14 all ward cardiac arrests are to be reported on Datix and reviewed at the SI Daily Panel Review Meeting for a decision to escalate via the SI process	Target of 20% reduction based on 2011/12 arrests. Performance Feb 2013 89 YTD vs. 56.	<b>2013/14</b> Achieve 20% target reduction. <b>2014/15</b> Further targets/ measures to be developed in next APR to underpin progress in 2012/13
<b>Safety Thermometer</b>	Deliver patient safety improvements	Safety Thermometer data collection will continue during 2013/14. We will agree an improvement target in relation to a ST CQUIN.	97.6% inpatients receiving harm free care (March 2013)	<b>2013/14</b> Focus on UTI <b>2014/15</b> Further targets/ measures to be developed in next APR to underpin progress in 2012/13
<b>Developing an integrated Stroke pathway</b>	Development and use of an integrated care pathway across CHUFT, ACE and ESD with clearly documented handover and transfer processes	Joint care plans put in place	Achieved	<b>2013/14</b> Further targets/ measures to be developed based on experience to date
<b>Complaints</b>	Deliver patient safety improvements	Presently there is a review of the complaints process to devise a process to capture the organisation learning. Action plan being developed for implementation	There has been an increase in the number of written complaints and a decline in the complaint response rate. The number of re-opened complaints has varied month by month.	<b>2013/14</b> Implement action plan <b>2014/15</b> Review progress following implementation
<b>Friend and Family Test</b>	Deliver patient safety improvements	The Friend and Family Test formed on the Commissioning for Quality and Innovation (CQUIN) contracts for 2012/13	Scores between 76 and 82 placing the Trust within the upper quartile regionally for all but one month.	<b>2014/15</b> Target to be developed
<b>Roll out of National Early Warning Scores (NEWS)</b>	Improve escalation of deteriorating patient	Trial NEWS in key wards. Risk that the score is too sensitive.	Roll out to all wards.	National scoring system in place on all wards.

## Clinical Strategy

The over-riding clinical strategy is founded upon the principle that excellent clinical outcomes are achieved through highly qualified and motivated staff who are focussed upon the patient. Therefore the “At our best” programme is an essential part of delivering this strategy.

Strategic focus is given to the following:

- **Planned Care**
  - Access is appropriate and timely as demonstrated through nationally agreed targets. The Trust aims to achieve upper quartile performance across these measures.
  - Length of stay. The trust aims to reduce the length of stay and increase the use of day case treatments wherever practical and safe.
  - Optimisation of theatre resources and bed occupancy.
  - Increasing use of minimally invasive surgery
- **Emergency Care**
  - Separation of emergency and elective patients
  - Provide 24/7 emergency services with full diagnostic service support
  - Increase Consultant cover across the service 24/7 and early review of patients by Consultants
- **Centres of excellence – to develop and maintain:**
  - Radiotherapy and Chemotherapy services
  - Vascular surgery
  - Stroke services
- **Childrens’ services**
  - Maintain Neonatal services at Level 2
  - Develop and maintain an integrated model of acute/emergency care
  - Ensure compliant surgical protocols
  - Work with Commissioners to increase specialist care provided on an outreach basis
- **Maternity Services**
  - Meet the National Choice guarantees for antenatal care
  - Deliver midwifery staffing levels at nationally promoted levels
  - Provide consultant obstetrician delivery suite presence

### Service Line Management Strategy

The Trust’s approach to service line management is to develop service lines to be run as independent business streams headed by service management and clinical management. In support of this, the Trust will continue to develop and embed its Patient Level Information and Costing System, which has been enhanced with the purchase of the Albatross benchmarking tool. The Trust has also invested in the Healthcare Evaluation Data (HED) benchmarking tool, both of which will support service line managers as they look to make the operational efficiencies included in the plan.

## **Clinical Workforce Strategy**

The Workforce Strategy is designed to ensure:

- We have the right staff – in numbers; types of roles; skills to do the job and deliver our patient services;
- Our workforce is flexible in the way it works and is able to respond to changes in the Trust and the rest of the NHS;
- We are patient focussed and that staff are valued and have high morale; and
- We properly manage our costs and make use of the public resources we have.

The aims or the Strategy are what we are going to measure ourself against; they are the success criteria for the Trust:

- The right staff delivering the right services at the right time in the right way
- Working differently - evolving and responding to change that has flexible skills and can be deployed flexibly
- An adaptable workforce, fit for the future
- A patient focussed and highly motivated workforce

The objectives of the Strategy are:

- For the Trust to be an employer of choice
- For the Trust to be a learning organisation
- For the Trust to have whole staff engagement
- For the Trust to have high quality leadership

Recruitment of sufficient numbers of nurses has proven difficult locally and a recruitment strategy has been agreed including seeking opportunities outside of the local population area.

The Trust is currently recruiting to replace two Executive Directors and these positions are being filled by their Deputies.



## Productivity & Efficiency

### CIP Design and Process

The Trust's annual planning process was delivered bottom up. Divisions, service lines and support functions were set broad planning parameters to fit with Trust Strategic Direction within which to build their plans.

Their resultant plans were overviewed by the Executive with each divisional team, comprising managers, clinicians and nurses. Challenges were posed to identify the opportunities for growth and productivity. To meet this challenge, divisions and support functions were tasked with identifying and developing income growth and cost improvement plans to achieve the required underlying financial performance of the Trust. Divisional clinical directors are integral to this process to ensure that clinical quality is not compromised.

The 2013/14 CIP value is £9.7m (3.9% of income) with a further £3.1m from growth/revenue generation schemes; an overall total of £12.7m (5.1%).

### CIP governance

The Trust has successfully delivered past CIPs but mainly through growth in revenue generation. Greater emphasis is being placed on recurrent savings delivered through and /driven by business processes, incentives and accountability. No reduction in capacity is planned therefore the CIP represents genuine productivity and efficiency programmes.

The Trust is refocusing its PMO arrangements to place more emphasis on support for delivering the cost and productivity improvements required. All CIP, revenue generation and developments have identified service and support leads and progress with each scheme is reviewed monthly through a detailed project assurance review process. Exception reports are provided to the monthly finance assurance meetings between the Director and Deputy Director of Finance and the divisions. The Finance and Assurance Committee receives a detailed monitoring report.

### CIP profile

The Trust has commissioned external assistance to work on various specific projects. The Birch Foundation will work with us to help develop our skills in project management; lean process; and change management in order that long standing efficiency improvements in certain areas can be driven through. Schemes include:

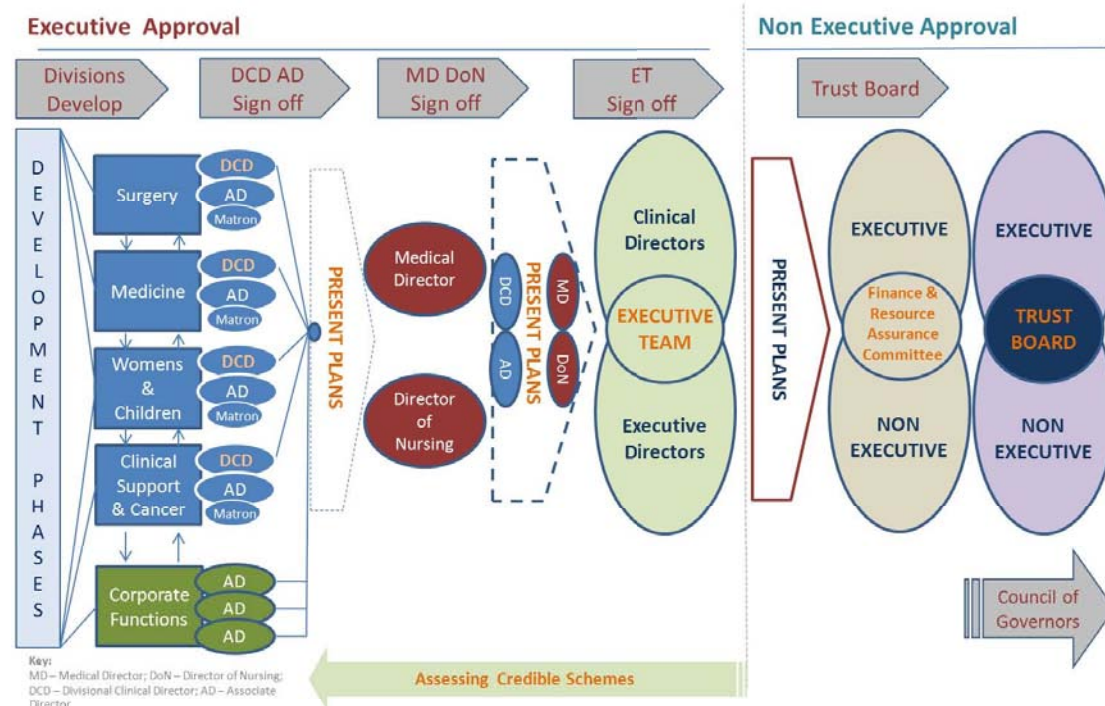
- **Theatre efficiency improvements.** The proposal is to target a 5% efficiency gain across all theatre suites by reviewing the whole process and not just the theatre element. This involves a culture change and evaluation of risk and clinical decision making. 25 work streams have been identified with specific actions and timescales attached. The project began Q4 2012/13 with most work streams beginning to deliver Q1 2013/14. The benefits will flow from additional activity seen.
- **Outpatient efficiency improvements.** Targeting a 2% reduction in DNAs (increasing income) by redesigning patient booking process to move to direct booking closer to appointment time. The project group has initiated work streams reviewing the patient environment and pathway mapping.
- **Out of hours staffing - To improve safety out of hours.** This requires undertaking a root and branch review of out of hours cover across all specialties in the Surgery Division; agreeing where training will and will not take place; agreeing shared staffing model for non-core hours across all specialties; and being creative around: roles and responsibilities across alternative staff groups
- **Transforming Pharmacy dispensing** – centralising all pharmacy facilities into current PSU footprint. Vacuum tube connection between PSU dispensary and “satellite” outpatient/A&E dispensary. Benefits include improved clinical pharmacy presence on wards and reducing the need for prescriptions to be sent to pharmacy
- **Endoscopy** – improve efficiency in order to absorb expected growth in activity.

### CIP Enablers

CIPs are identified during the business planning cycle through partnership of service Associate director, Divisional Clinical Director and matrons. CIP approval process is illustrated overleaf.

## Service & Cost Improvement Programme

Summary of Scheme Approval Process



## Quality Impact of CIPs

Cost improvements are integral to the business planning process which is developed through a bottom up approach from clinical divisions and corporate functions. Each division's business plan is led by its Clinical Divisional Director and the Associate Director. There are a series of iterations where business plans and CIPs are presented to the Executive Team for scrutiny and review. There are inter-divisional reviews of plans to ensure there are no unexpected negative impacts across divisions.

The Director of Nursing has overall responsibility for Quality. This comprises the patient experience and governance agenda in addition to the Board lead for Infection and the Hygiene code. The Medical Director is the Board lead for patient safety and:

- Leads the medical workforce in the Patient Safety Strategy.
- Includes key elements of safety in doctors' job planning and appraisal;
- States the Trust's expectations to deliver this strategy to the consultants and hold them to account through the clinical directors.
- Improve the safety of patients out of hours through Hospital at Night and Junior Doctors' rotas,
- Develop clinical leadership within the organisation to support doctors to fulfil the Trust's commitment to the patient safety strategy; this includes delivering the capacity for work stream leads to perform their task.

The Director of Nursing and Medical Director review the clinical and quality aspects of the business plans. Final business plans are then presented to the Board for further scrutiny. Post sign-off, the Trust monitors implementation and progress through a series of monthly assurance review and monthly performance and challenge meetings with divisions. The Finance and Assurance Committee also reviews progress and mitigation plans.

## Potential productivity and efficiency gains built into plans

The CIP and Revenue generation programmes include various efficiency projects aimed at reducing outpatient DNAs (including improving the environment and reminder call service); improving start on list time in theatres (we have engaged the Birch foundation to assist with this project; and improving medical staff time to spend more time on Gynae wards.

## Financial & Investment Strategy

### Financial Strategy

The trust's financial strategy is summarised as the:

- ✓ Ability to invest in patient care and facilities
- ✓ Capacity to cope with short term shocks
- ✓ Ability to survive structural changes in the financial flows of the health economy
- ✓ Strength to be able to deliver efficiency savings on a medium to long-term basis

In particular, to:

- Maintain a Financial risk rating of 3 or higher (*current Financial Ratings*)
- Provide an underlying Surplus of £3m
- Produce a plan that:
  - Counteracts the impact of 1.3% decline in tariff
  - Absorbs pay award cost increase of 1%
  - Absorbs non-pay cost increase of 4%
- And provide the capability of investing for the future

### Summary Financial Position

FY	2011/12 Actual	2012/13 Actual	2013/14 Plan	2014/15 Plan	2015/16 Plan
Operating Income	£244.1m	£257.5m	£254.5m	£256.2m	£256.0m
EBITDA / %	£23.2m (9.5%)	£21.5m (8.7%)	£16.3m (6.4%)	£17.3m (6.8%)	£17.6m (6.9%)
Surplus / %	£12.3m (5%)	£9.1m (3.5%)	£3.0m (1.2%)	£3.0m (1.2%)	£3.0m (1.2%)
Capex	£23.6m	£8.0m	£31.6m	£16.0m	£13.7m
Cash for liquidity purposes	£27.6m	£35.4m	£29.7m	£24.4m	£21.3m
CIPs	£14.5m	£4.4m	£9.6m	£8.3m	£7.9m
Revenue Generation	n/a	£2.2m	£3.1m	£1.6m	£0m

Financial performance excluding non-recurrent income and expenditure is as follows:

FY	2011/12 Actual	2012/13 Actual	2013/14 Plan	2014/15 Plan	2015/16 Plan
EBITDA / %	£17.0m (7.1%)	£15.1m (6.2%)	£16.3m (6.4%)	£17.3m (6.8%)	£17.6m (6.9%)
Surplus / %	£6.0m (2.5%)	£3.0m (1.2%)	£3.0m (1.2%)	£3.0m (1.2%)	£3.0m (1.2%)

### Financial priorities and Investments

The Trust's financial priorities are to:

- Invest in patient care and facilities through ensuring we have an appropriate level of well trained staff providing quality patient care in a clean and modern environment;
- Investing in staff development through training and *At our Best* standards;
- Targeting real cost savings through credible transformation schemes and not simply rely on windfall or non-recurrent savings;
- Using our accrued surpluses to enable us to invest in our future business growth and development, such as the new radiotherapy centre and redeveloping our emergency care department.

### Key Risks and Mitigations

Appendix H provides a list of key risks and opportunities.