



**Strategic Plan Document for 2013-14**

**Dorset County 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 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	Dr Jeffrey Ellwood (Chair)
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Signature



Approved on behalf of the Board of Directors by:

Name	Jean O'Callaghan (Chief Executive)
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Signature



Approved on behalf of the Board of Directors by:

Name	Libby Walters (Finance Director)
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Signature



## **EXECUTIVE OVERVIEW**

Dorset County Hospital NHS Foundation Trust (the Trust) has a vision to deliver compassionate and safe healthcare and will continue to focus on providing high quality services; improving the patient experience; learning from experiences; valuing its workforce; whilst working within a constrained financial environment.

Excellent progress has been made in improving the quality of services, as demonstrated through the quality account. This continues to be our overriding priority and it will be achieved in line with the NHS Outcomes Framework.

The Trust's strategy centres on consolidating the provision of core acute services whilst looking at opportunities to expand into new markets and provide elements of community services. We face potentially significant risks in how its core services are delivered, due to anticipated changes in doctors training, ensuring a critical mass of activity in smaller services and working within a changing commissioning environment.

The Trust is planning to deliver a £700,000 surplus for each of the next three financial years, ensure the Earnings before Interest Tax, Depreciation and Amortisation (EBITDA) remain at 6%, and achieve a financial risk rating of 3. This is based on limited growth in clinical income and the delivery of £6 million efficiency savings per annum. In order to ensure the quality of services are not compromised through the delivery of these savings a service improvement approach is being undertaken which will promote service change which is clinically-led. In identifying sources of alternative income, skills will be developed to ensure we are able to compete in an increasingly competitive market. We plan to continue making capital investment in equipment and the estate, and this cost will be met from internal funding sources, in line with our liquidity strategy.

The Governors' views have been taken into account when setting the Trust's strategy and preparing the Annual Plan. The Governors are supportive of the contents of the Annual Plan.

## **SECTION 1: STRATEGIC CONTEXT AND DIRECTION**

### **The Trust's Strategic Position within the Local Health Economy**

#### **Our Vision**

Dorset County Hospital NHS Foundation Trust set out a strategic direction for 2011-2015 based on a desire to provide the best possible care for patients. We will achieve this vision by working relentlessly to:

- deliver effective healthcare through professional, well-motivated and committed staff;
- achieve high quality and safe clinical outcomes;
- improve patient experience;
- provide value for money; and
- learn from our experiences.

In order to achieve the above we have set out our aims for this period, which are to:

- consolidate our role as acute service provider of choice;
- deliver high quality, safe services that meet our patients expectations;
- deliver on our commissioners and regulators' requirements; and
- develop our workforce and facilities to assist in maximising our productivity and efficiency.

The Trust has made good progress against its aims and will maintain a focus on ensuring high quality safe services can be provided amidst financial challenges and a changing NHS landscape. We will continue to respond to the national requirements for improving the safety and quality of services we provide by reviewing and strengthening our governance structures. The new NHS landscape will bring both opportunities and challenges to the way in which the Trust works and we will strive to work closely with commissioners to ensure there is a collaborative approach to delivering healthcare across Dorset. We are taking measures that will enable us to robustly respond to new opportunities through the "Any Qualified Provider" (AQP) route by ensuring the appropriate skills and capacity exist to work in an increasingly competitive market.

Maintaining a critical mass of activity, together with a sufficient range of services is essential in retaining the skills and expertise of our multi-professional workforce. With an increase in quality and safety standards this becomes more difficult in smaller organisations. Hence, we will continue to deliver our core services whilst reviewing models of care that include network and collaborative arrangements with other organisations. The core services we provide are as follows:

- An Emergency Department service for major and minor accidents, including trauma as a designated Trauma Unit.
- Emergency assessment and treatment service.
- Critical Care facilities including intensive care, high dependency care and coronary care.
- Acute elective surgery, including day surgery and medical treatments.
- Cancer services.
- Stroke Services.
- Maternity services including community midwifery, antenatal and postnatal care and a Neonatal Intensive Care Baby Unit.
- Diagnostic services.
- Renal services to all of Dorset and parts of Somerset.
- Therapy services including Physiotherapy, occupational Therapy and Dietetics.

There are significant financial challenges to respond to and we are doing so through driving out inefficiencies, identifying alternative income sources, collaboratively working with other providers and reviewing the delivery model of a number of our services.

## **Health Demographics**

The county of Dorset is 2,542 km<sup>2</sup> and, with a population of 414,000, is among the smallest populated counties in England. The rural and sparse population presents challenges in delivery of care close to home. The county has the largest elderly population of all the shire counties in England with 25% of the population at or over the retirement age, compared to an England and Wales average of 16.4%. The County correspondingly has one of the smallest proportions of school-age children (age 5 – 15 years) at 16.2% compared to an England and Wales average of 18.8%. Life Expectancy in Dorset is approximately two years greater than the national average, but birth rates are low at 9.1 births per 1,000 population compared to an England and Wales average of 13.1. The population of the county grew by 5.6% over the last decade and this growth is driven by net migration into Dorset. Although average house prices are among the highest in the UK outside London, Dorset also has areas of high deprivation.

The strategy of ensuring a continued provision of high quality core acute services, together with increasing collaboration to ensure we can influence the whole pathway of care, including community services, aims to meet the healthcare demands of the population we are serving.

## **Our Position in the Local Health Economy**

The Trust provides the majority of its services from Dorset County Hospital, situated in the county town of Dorchester. In addition, a range of minor procedures and diagnostic services are provided in the coastal town of Weymouth, nine miles south of Dorchester. Dorset County Hospital is approximately 20 miles from Poole Hospital and 25 miles from both Yeovil District Hospital and the Royal Bournemouth and Christchurch Hospitals. Musgrove Park Hospital, Royal Devon and Exeter Hospital and Salisbury Hospital are some 30 - 40 miles away.

Dorset Clinical Commissioning Group (CCG) commissions 95% of the Trust's activity in terms of spells and tariff. The market share across Dorset has not altered significantly over the last three years. Trauma and Orthopaedics and General Medicine account for the highest number of spells, volume and tariff, and have shown an increase over the same period.

## **Strengths and Weaknesses**

Our key strengths are as follows:

- High quality services are being delivered.
- Committed and dedicated staff.
- Stable provider within the local health economy committed to collaborative working.
- Excellent facilities in which to provide services.

Our key weaknesses are as follows:

- Small size of organisation requires innovative and collaborative approach to service delivery.
- Historic financial challenges.
- Inability to respond to an increasingly competitive market.
- The changing NHS landscape increasing the complexity of commissioning arrangements.

## **Threats and Opportunities from Changes in Local Commissioning Intentions**

Dorset CCG has, in its three year strategy, signalled its intention to move a significant proportion of care at or as close to the patient's home as possible. In anticipation of this a number of community based services have been put out to tender, with others to follow.

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

The Trust is focused on remaining the provider of choice for the population of West Dorset and has made progress in its aim to improve access by reducing waiting times for planned care during 2012/13. Having formed a Clinical Senate with GP colleagues in primary care, we are working closely with GP Leads to develop services and strengthen our reputation as a provider of choice.

As part of our aim to ensure sustainability of our core service umbrella, we have broadened our collaborative arrangements with neighbouring trusts.

In adherence with guidance from the Vascular Society on the provision of Vascular Services we have agreed to form a clinical network with neighbouring acute trusts in Bournemouth and Salisbury. The Trust would, in this arrangement act as a spoke site undertaking outpatient, day and some elements of major surgery, with the remainder being treated at the hub site in Bournemouth. Reconfiguration of services provided at the spoke site will be required together with an agreement on a local tariff structure to ensure patient pathways are endorsed by the Society; quality is maintained and funding implications finalised. It is anticipated the network will be functioning during 2013/14.

During 2012 the Trust commenced the development of a new service model in Ophthalmology. This includes the recruitment of additional consultant staff, the introduction of nurse practitioner roles, increasing productivity and value for money, and redesigning the out of hours service. In areas where critical mass is not evident, a collaborative approach is being taken with neighbouring trusts; for example, an agreement to appoint a shared post for the provision of Paediatric Ophthalmic Services has been made.

The Trust will also be looking in detail at options for the future provision of Pathology Services, in line with the Lord Carter review.

The Trust is serving a population with a larger proportion of over 75s than the national average. This is a rapidly expanding patient group, in which long term and multiple conditions are identified as being more prevalent than in others. The development of integrated care pathways is essential to meeting the needs of an aging population as this has the ability to reduce emergency admissions, occupied bed day, attendances to ED and mortality rates. The Trust is planning to work collaboratively with other providers across Dorset to ensure integrated care pathways are developed.

## **SECTION 2: APPROACH TO QUALITY**

## Quality Priorities 2013/14

The Trust's strategy is founded on a desire to provide the best possible care for patients and improve the experience that patients have at the hospital whilst making it a safer place in which to be treated. Keeping patients safe, delivering high quality healthcare and a positive experience for patients remains at the heart of everything we do at Dorset County Hospital. We are considering the implications of the Francis Report to ensure the approach to quality reflects and is aligned with national recommendations.

The Trust has continued to review how services can be improved, whilst also developing patient safety and quality indicators and associated scorecards, which include the three domains of patient safety, clinical effectiveness and patient experience.

In order to identify the priorities for 2013/14, feedback has been considered from staff, patients and incident reporting. Direct patient feedback, combined with detailed information derived from national and local patient surveys, provides a rich source of data which has helped identify trends and prioritise areas in which to improve the experience of our service users. In addition, the Governors undertake assurance visits which provide a valuable independent view on the services patients receive and an insight from an alternative perspective on any concerns staff may have. The Executive Directors also undertake regular patient safety leadership walk rounds.

As part of service planning activity, the priorities have been discussed with clinical teams and, through routine updates on our quality priorities, with our Governors, staff and local groups such as Dorset Health Scrutiny Committee, LINKs (now Healthwatch) and commissioners. The Trust's commissioners, local GPs and the newly formed CCGs and Specialist Commissioning Groups have helped determine the priorities through a range of discussions held over the past year.

The Trust has made good progress on last year's priorities. However, further improvements can be made and, to that end, some existing priorities will be carried forward, as well as additional areas of focus proposed for 2013/14. A number of these areas are required to achieve our CQUIN (Commissioning for Quality and Innovation) Programme, the Trust's corporate objectives, and to support the Care Quality Commission (CQC) regulations.

In our previous years' quality reports, we identified priorities across the domains of patient safety, clinical effectiveness, patient experience and staff experience. This year we have aligned our priorities to the five domains within the NHS Outcome Framework, as follows:

- Domain 1: Preventing people from dying prematurely
- Domain 2: Enhancing quality of life for people with long term conditions
- Domain 3: Helping people to recover from episodes of ill health or following injury
- Domain 4: Ensuring that people have a positive experience of care
- Domain 5: Treating and caring for people in a safe environment and protecting them from avoidable harm

The agreed priorities for 2013/14 are reflective of the areas where work is required to improve the service provided, and are as follows:

- Priority 1: End of Life Care
- Priority 2: Diabetes services – clinical management of hypoglycaemic attacks
- Priority 3: Total Health gains as assessed by patients (previously PROMS)
- Priority 4: Carers of patients with Dementia
- Priority 5: Friends and Family Test
- Priority 6: Management of deteriorating patients
- Priority 7: Pressure Ulcer prevention
- Priority 8: VTE – Hospital associated thrombosis

The Trust is required to register with the CQC and our current status is registered in full without conditions. The CQC has not taken enforcement action against the Trust during 2012/13. A routine unannounced inspection took place between 13 - 15 November 2012 and covered eight essential standards. CQC assessment against those standards was as follows:

Essential Standard	Outcome	
Consent to care and treatment	✓	Met this standard
Care and welfare of people who use services	✓	Met this standard
Safeguarding people who use services from abuse	✓	Met this standard
Management of medicines	x	Action needed
Safety and suitability of premises	✓	Met this standard
Supporting workers	✓	Met this standard
Assessing and monitoring quality of services	x	Action needed
Records	x	Action needed

The CQC found that Dorset County Hospital was meeting five of the eight essential standards inspected. Three essential standards were found to require action to ensure they were compliant, two standards required minor and one moderate action to improve the care and service to patients. An action plan, approved by the Board of Directors was developed to address the identified shortfalls. The plan includes solutions for the safe storage of medicines and in particular intravenous fluids; provision of an accurate health record; and ensuring the lessons learnt from incidents are analysed and widely shared to improve care and services.

The Medicines and Healthcare Products Regulatory Agency (MHRA) undertook a planned regulatory visit in February 2013. This review highlighted that there were no immediate safety critical failures in relation to the management of the blood transfusion laboratory; however a number of areas for improvement were highlighted in relation to the Quality Management System. The outcomes from the investigation report have been developed into a Quality Improvement Plan and the actions are currently being implemented.

## Quality Assurance

The Director of Nursing and Quality is executive lead for quality governance, supported as appropriate by the Medical Director and Director of Operations. The Board receives a Patient Safety and Quality Report each month, in which areas of good practice, issues of concern, and performance against quality metrics are reported. The Board also reviews specific examples of patient feedback, both positive and negative, at each meeting, with a view to learning from this and ensuring that appropriate action is taken to safeguard quality and improve the patient experience. A detailed Patient Experience report is presented to the Board each quarter. The Board has established a Quality Assurance Committee to scrutinise the detail of quality governance in the organisation and provide additional assurance to the Board in this regard. The Quality Assurance Committee meets bi-monthly and regularly receives reports on compliance against the Care Quality Commission's (CQC) Essential Standards, including details of the evidence supporting the stated level of compliance. The Committee is able to assure itself by scrutiny of the evidence in place that compliance is being maintained and, where gaps have been identified, that remedial action is being taken to attain or resume full compliance. The Committee also receives regular updates on the Trusts' CQC Quality and Risk Profile, so any movement in indicators can be tracked and assurance provided that deteriorations in performance are being managed appropriately. The Trust's Clinical Governance



Committee, which is chaired by the Medical Director, reports to the Quality Assurance Committee on an exceptions basis.

The Finance and Performance Committee meets monthly and includes the detailed monitoring of all national and local performance targets within its remit. Many of these indicators contain quality components, for example CQUINs, infection control targets, the Cancer National Standards, Emergency Department Indicators, the National Stroke Strategy indicators, and levels of cancelled operations amongst others. In addition, the quality aspects of each Cost Improvement Programme savings scheme identified are assessed by the Clinical Coordination Group to ensure patient safety and service quality are not compromised by the savings proposed.

The Board of Directors is focused on the quality of services and is assured that quality governance is subject to rigorous challenge through Non-Executive Director engagement and chairmanship of the key Board-level committees. The Board reviewed Monitor's Quality Governance Framework as part of a development session in 2012/13 and was satisfied that the quality governance processes were in line with those set out in the framework. The Board are continuously reviewing this process and identifying ways in which to strengthen it further.

### **Quality Risks**

The Trust has considered the risks associated with delivering healthcare targets and indicators in 2013/14 and has declared there is a risk to the delivery of the Clostridium Difficile target of 18. The Trust has significantly reduced the occurrence of Clostridium Difficile over recent years and delivered its target of 27 in 2012/13 with the actual number of cases being 22. The Trust remains focused on reducing the occurrence of infections but due to the current high performance, the ability to deliver a further reduction of 18% is a significant risk.

The change in the compliance framework to how 62 day cancer waits for first treatment (from urgent GP referral) are assessed means the Trust is at an increased risk of not delivering this target. This risk has been considered by the Board and based on historical performance this is not being declared as a formal risk to delivery.

## **SECTION 3: CLINICAL STRATEGY**

### **Clinical Strategy**

The clinical strategy has been developed to support the provision of the best possible care to all patients. The focus remains on improving the safety of services in line with the NHS Outcomes Framework. The overall clinical strategy is to continue to deliver and strengthen core services as outlined above, together with increasing the range of community services provided. For areas of relatively low activity the Trust will work with partner organisations in either a network arrangement or collaboration to ensure the continued provision of these services without compromising quality. In order to provide a larger element of the total pathway of care, opportunities to compete for additional community work will be pursued.

Year one of the plans will see changes to services as follows:

#### Increased Collaboration

- vascular services to be provided through a network arrangement with local providers;
- pathology services to be reviewed in line with recommendations from Lord Carter; and
- back office services to be shared with local providers (a number of posts are already shared with Yeovil District Hospital and we will continue to pursue further opportunities).

#### Growth

- upgrade of the endoscopy unit to ensure compliance with existing regulations;
- increased endoscopy work through provision at community sites as part of the any qualified provider contract;
- level 2 haematology patients to be repatriated back from Poole;
- provision of private patient services;
- an additional acute care physician to support seven-day provision of urgent care services; and
- speech and language services transferred from neighbouring provider.

#### Reduction

- loss of pain services to neighbouring provider.

Years two and three of our plans will see changes to the following services:

- physical expansion of the Emergency Department;
- development of cardiac catheter facilities;
- replacement of CT scanner.

To support the delivery of the clinical strategy a number of enabling strategies are being developed. The ICT Strategy sets out an approach to move towards a paper-free environment by 2018. An Estates Strategy is being developed to ensure the efficient use of the estate whilst enabling the delivery of the clinical strategy.

### **Service Line Management Strategy**

The Trust has delivered a successful turnaround process, which achieved the lifting of a breach of authorisation in November 2011, whilst continuing to deliver all regulatory and contractual obligations and improving the quality of services. This turnaround has largely been delivered through the application of strong and sustained central control. A four division structure was implemented early in 2011 and this is a good foundation on which to develop service line management (SLM).

The SLM strategy is to ensure strong performance at the hospital through devolving responsibilities to divisions by 2015. Each division will be able to make decisions through a process of earned autonomy.

This will enable decisions to be made closer to the patient and improve the quality of services we provide. A tiered approach is being taken to identify the level of autonomy that each division will be allocated and this will be based on a robust assessment of the division's ability to work as an autonomous function.

There are a number of key enablers for delivering the SLM strategy, which are summarised as follows:

- Staff Development - a leadership programme has been developed to increase the leadership capability and capacity within the organisation. The first cohort will complete this in 2013 and further are planned;
- Performance Framework - in order to ensure strong governance arrangements are in place a review of divisional governance structures will form part of the assessment process. The performance framework is being developed to ensure that it is in line with the service line management strategy; and
- Information Requirements - the successful implementation of SLM will rely on the production of timely, relevant information for each service line. This will include performance, quality, workforce and financial information.

The Trust has invested in a Patient Level Information Costing system and this allows detailed financial information to be provided highlighting the financial contribution of our services. This is currently being developed through working with clinicians to improve the accuracy and usability of this information.

The SLM strategy has been developed through a desire to increase the clinical leadership of our services. We have visited other organisations that have already undertaken such an approach in order to learn from areas of good practice. Dorset County Hospital is part of a group of six trusts participating in the McKinsey SLM Accelerator Programme which has been running for the last 12 months. This has enabled us to focus on the development of SLM as well as learning from other colleagues.

### **Clinical Workforce Strategy**

The Trust is continuing to seek opportunities to collaborate with other providers and expand our network arrangements, in particular with respect to maintaining the delivery of high quality services in areas where there is a low volume of activity. Such arrangements exist in a number of services and this is now being expanded to include paediatrics, vascular and ophthalmology. Key activities associated with our clinical workforce strategy are as follows:

#### Promote consultant-led seven day working

In response to the national work on improving patient outcomes through the increased presence of consultants, work is underway to review how we can develop 24/7 consultant delivered emergency services. Service models and implementation plans are being developed for the following:

- seven day ward rounds for general medical admissions;
- seven day acute cardiology service;
- extended consultant radiology service;
- extended chemotherapy service;
- telemedicine to support a move towards seven day working across a range of clinical specialties.

#### Implement Hospital at Night

Plans are being developed to prepare and implement a multi-professional and multi-disciplinary Hospital at Night model aimed at improving continuity and consistency of care together with patient safety.

#### Prepare for reduction in medical training posts

In anticipation of the withdrawal of junior doctor posts in a number of specialties, workforce models for consultant and middle grade roles are being assessed.

#### Continue with preparations for medical staff revalidation

The Trust is consolidating the work undertaken to ensure full readiness for all medical staff to participate in revalidation, including:

- provision of further training for appraisers;
- purchase of an on-line revalidation support system.

#### Increase clinical leadership capacity and capability

Building on the success of the current leadership programme, further opportunities for clinical leadership development that supports the effective implementation of service line management will be provided. In line with the Francis Report and to ensure the continuity of safe staffing levels on the wards; further improve the patient experience and improve the health and wellbeing of staff there is a focus on the following:

- expansion of the supernumerary time of ward leaders;
- on-going recruitment programme of trained nursing and healthcare assistant staff;
- strengthening of ward staffing complements;
- reducing agency staff use.

#### **Clinical Sustainability**

A number of sub-specialisms within Paediatric and Ophthalmology Services are likely to face future challenges with sustainability due to a lack of critical mass. Partnership arrangements with neighbouring trusts have been agreed to support service continuity locally, principally through shared appointments to key posts whilst retaining local service provision.

Over the next three years we are also likely to encounter challenges resulting from reductions in junior medical posts. A workforce strategy is being developed to ensure service continuity for those core to the hospital function with a range of solutions from moving to consultant based services to introducing new roles such as surgical practitioners, physician assistants, increasing the numbers of nurse endoscopy practitioners and extending the scope of practice of existing nurse specialist roles.

The Intensive Care Society has recommended that separate rotas are in place for intensive care and anaesthetics. Our current inability to comply with this is a risk and a solution is being worked on.

## **SECTION 4: PRODUCTIVITY AND EFFICIENCY**

### **Overview**

The financial challenges facing the NHS require a sustained focus on productivity and efficiency. In achieving further cost savings, we aim to maintain our focus on improving the quality of our services, whilst ensuring there is no detrimental impact on quality. A robust governance structure is being embedded together with the development of effective controls and processes. A service improvement approach is being taken to ensure costs are reduced by changing how we deliver services, as this will enable the continued delivery of safe services. There is strong clinical leadership and engagement in the clinical change programmes.

Areas where efficiency gains and increases in productivity are planned are as follows:

- **Length of stay:** Work is underway to increase the level of operating undertaken as a day case which will reduce length of stay. The appointment of a third acute care physician moves us towards a seven day service for urgent care and will reduce the length of stay for emergency patients. The participation in a Dorset-wide initiative to review and improve the provision of urgent care will ultimately lead to a reduction in admissions to the hospital and a reduced length of stay. The Trust continues to work with colleagues in the community and local authorities to ensure patients can be discharged in a timely manner. The intended outcome from these work streams is a reduction in in current bed capacity (anticipated to be 12 beds through the winter period).
- **Agency spend:** A high number of nursing vacancies together with a requirement to open additional capacity than planned through the winter has led to a high amount of nurse agency use. In 2012/13, £0.8 million was spent on agency nurses and we aim to reduce this over the next three years. Due to a high number of medical vacancies in some specialities locum use has also been high (£1.8million in 2012/13). A review of these service models is intended to reduce this spend over the next three years.
- **Theatre productivity:** Towards the end of 2012/13 a new theatre programme was implemented throughout the hospital. This has led to a significant improvement in theatre utilisation and productivity. The financial benefits will be realised in 2013/14, as this improvement has allowed increased demand to be accommodated within current capacity.
- **Emergency readmission rates:** The Trust currently loses £2.4 million of income per annum on readmissions. Work is underway to reduce this over the next three years.

There is a constant focus on identifying new opportunities to increase productivity which includes plans to:

- reduce our overhead costs further through collaborative working with other local providers;
- reduce the cost of goods and services we buy through strong procurement processes; and
- pursue opportunities for generating additional income.

### **CIP Governance**

The Trust successfully delivered all of the planned efficiency savings of £6 million in 2012/13. The Project Management Office (PMO) led the delivery of the Cost Improvement Programme (CIP) and ensured there were robust processes in place for each of the associated projects. In order to increase the clinical input into savings programmes the project managers previously based in the PMO are now embedded within the clinical divisions. This model is providing strong project management skills within clinical areas and supports the service line management strategy and move towards increased clinical leadership. In order to ensure clinical quality and safety is considered in all work streams, and any risks are identified and effectively monitored, all projects have a project manager, sponsor and mandate. Regular reviews of progress are co-ordinated through the finance function and risks are reported up to the Service Improvement Board and the Senior Management Team to ensure there is clinical input into the progress and outcomes of all projects. Key Performance Indicators for finance, quality and performance are used for each project and this is the mechanism by which all risks are managed and reported. The Board of

Directors will receive a monthly dashboard on the CIP schemes that provides assurance on finance, performance and quality.

The Service Improvement Board is led by the Director of Operations and brings together clinicians who are leading projects of significant change. These areas have been identified through the clinical teams and their delivery has strong clinical input. Such schemes include a review of ophthalmology services, bed capacity requirements and theatre productivity.

## **CIP Profile**

There are five main areas of focus for delivering CIP schemes, namely:

- Procurement - savings will be delivered through robust procurement processes and strong negotiations;
- Non-Clinical Process Improvements - efficiencies will be delivered through improving administrative processes including how we utilise the estate, reduce energy consumption and overhead costs;
- Workforce strategies - pay costs will be reduced through ensuring the application of terms of conditions on a consistent basis together with reducing the amount of temporary workforce utilised;
- Commercial opportunities - opportunities for generating additional income sources are being sought; and
- Clinical pathways - a number of clinical services are being reviewed and alternative delivery models identified. This is being undertaken through a service improvement process with strong clinical engagement.

## **CIP Design**

When developing the plans for 2013/14 to 2015/16 The Trust has built on its success in prior years, but fully recognises the difficulties that lie ahead, with respect to identifying and delivering significant savings, whilst maintaining high quality, safe and responsive services to the people of West Dorset.

At Trust level the efficiency challenge is being addressed through two principal approaches, namely:

- cost reduction through service review and change, workforce planning, procurement and organisational efficiency; and
- service growth to bring in a contribution to support the savings challenge.

During the course of last year the Trust undertook a number of 'global' and division -specific CIP planning days to review future plans and opportunities. These reviews were dedicated "time outs" involving all staffing groups to identify long term goals for CIP schemes, which enable sustainability of services.

Consistent with the Trust's strategic vision, each service area (clinical and support) has undertaken a comprehensive review, including analysis of all relevant benchmarking data, service line reporting results, and income and expenditure. These reviews highlighted either areas of concern or opportunities that can be further developed into CIP schemes. The internal business planning process has produced detailed plans relating to the achievement of each division's CIP requirements.

The Trust operates a bright ideas scheme to collate, evaluate and communicate to the organisation all the various efficiency and productivity ideas put forward by staff.

A consistent project development process ensures all CIP proposals are evaluated against common criteria, and are subject to the same clinical and strategic review. All CIP schemes are subject to quality assurance scrutiny to ensure:

- they are financially robust and deliverable;
- clinical quality is not compromised and remains at an adequate level; and
- there is evidence of staff engagement

## **CIP Process**

Each CIP initiative is taken through the same project development process that has been tried and tested through 2011/12 and 2012/13. This involves a series of 'decision gates', parallel clinical review, challenge and sign off.

All ideas for savings have an initial review before proceeding to the development of an opportunity document which details the potential benefits, timings, and overview of the project. This review details the level of associated risk and any dependencies and/or implementation costs. The Senior Management Team (SMT) approves all schemes before they progress to a clinical review and project implementation. The Service Improvement Board also reviews all opportunities and the interrelations to any other approved clinical project. The Board, which is independent from the financial planning process, may raise concerns or questions that are required to be reviewed in the implementation phase, and determine whether the proposed scheme will be required to present its plan in more detail. All clinical projects will identify a clinical lead at this stage.

## **CIP Management**

To ensure delivery of the CIP, the Trust has an established internal governance system to monitor and review delivery of all schemes and to ensure there is shared learning across the Trust. The Trust will manage the co-ordination of the three year CIP with timely, risk-based progress reporting into the SMT and the Board.

All CIP schemes must be sponsored by a budget holder. The sponsor holds the accountability for delivery of the project and signs an official Project Mandate, which includes a Sponsor Accountability statement.

The SMT undertakes a dual role of maintaining the overall governance process, and providing dedicated time and expertise where it is required to ensure delivery of the programme. During the planning phase, each CIP scheme is risk assessed and the benefits are weighted on this basis to enable the SMT to review the contingency and risk to delivery of the overall programme. This level of risk is reviewed during the project development process to ensure mitigating actions are planned. Schemes are RAG rated for quality, finance and patient experience.

The Trust plans to continue to use the reporting structure for forward delivery, as the balanced approach of the SMT ensures the continued clinical and quality review, as well as the embedded delivery of financial, performance and workforce benefits. The project dashboard is presented to SMT, so that it has regular oversight of any emergent schemes, progress and risks.

A reporting pack has been developed for all schemes, which is circulated to sponsors on a weekly. The report includes:

- the status of current divisional opportunities;
- current Trust wide opportunities;
- a list of scheme mandates and the current status of each one in draft and signed off;
- a document with detailed deliverables of key actions and finances from each mandate will identify if the project is on track;
- a list of any project concerns and risks from project level status; and
- monthly feedback reports from project managers.

## SECTION 5: FINANCIAL AND INVESTMENT STRATEGY

### Current Financial Position

In 2012/13 the Trust had a turnover of £152 million and delivered a surplus of £3.8 million. The target of a minimum 6% Earnings before Interest Tax, Depreciation and Amortisation (EBITDA) was delivered and a risk rating of 4 was achieved. A total of £5 million was spent on the capital programme with the majority of the investment being made in the replacement of medical equipment and clinical information systems, and on the planned programme of maintenance work. The increased level of surplus in the year will enable us to make further capital investment into our services.

### Financial Priorities

In 2013/14, the Trust is planning for a 6% EBITDA and a planned surplus of £700,000. In order to deliver this financial plan a CIP of £6 million will need to be delivered. The Trust will be required to deliver a high level of performance on an agreed set of quality metrics through CQUIN and £3.1 million of income is dependent upon achieving this.

Tariff inflation of -1.1% against inflationary costs of 2.9% has resulted in an efficiency requirement of 4% in 2013/14. It is anticipated that the need to generate this level of savings will continue through 2014/15 and 2015/16. In order to deliver this level of saving a service improvement approach is required that examines the configuration of all services currently provided. The Trust will also look at opportunities to generate other sources of income and work collaborative with other organisations to identify areas for increasing efficiency.

A financial planning framework has been developed to ensure that budgets for 2013/14 and outline financial plans for 2014/15 - 2015/16 are aligned to the forecast demand on services and the strategic priorities of the Trust. The identification of financial priorities has come through this process which commenced with clinical business plans for each service and which was finalised through a budget sign off process with the clinical and managerial leads for each division.

The planned income for 2013/14 is £150 million, which is a reduction of £2 million against 2012/13. This reduction is primarily due to non-recurrent income received for specific projects in 2012/13. Additional income is expected for growth in activity and the resolution of a historic gap in Non-PbR funding. The predicted increase in costs for 2013/14 relate to inflation, pay awards and increased capacity to deliver the forecast activity and quality requirements.

The follow areas have been highlighted as priorities:

- Investment in nursing to allow ward sisters to have an increasing supervisory role;
- An additional acute care physician to enhance the provision of urgent care on a 7 day basis;
- transfer of the pain service, thereby reducing staffing costs;
- ICT Strategy to ensure we can work towards a paper free environment; and
- activity and drugs growth.

### Financial Risks and Mitigations

The table below highlights the key financial risks and mitigations

Risk	Mitigation
Delivery of CIP whilst maintaining quality of services.	Robust CIP in place with strong governance arrangements for each project. Regular reporting and review by clinicians through to the Board will identify risks and mitigations early.
Incurring financial penalties within the Commissioning Contracts.	Current strong performance and robust reporting mechanisms to ensure risks are highlighted early.
Clostridium Difficile cases exceeding 18	This remains a significant financial risk due to the



	application of national penalties for non-delivery of the contract. This risk is recognised by the Trust and its Commissioners.
Failure to deliver CQUIN schemes.	Clinical leadership identified for each scheme and robust reporting mechanisms in place.
Increase in activity above contracted levels.	Terms of contract will trigger marginal rates of payment is activity increases significantly.
Increase in demand on services through the winter period.	Capacity has been planned to enable an increase through the winter.

