

GATESHEAD HEALTH NHS FOUNDATION TRUST

OPERATIONAL PLAN 2014/16

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GATESHEAD HEALTH NHS TRUST

Operational Plan 2014-2016

Executive Summary

This is the first two year Operational Plan prepared by the Trust in line with revised NHS England Guidance and planning priorities. The operational and financial commentary contained within this document informs on plans that form the first two years of our five year Strategic Plan, to be submitted to Monitor at the end of June 2014.

This plan sets out the challenges facing the Local Health Economy over the next two years, together with an assessment of the impact on the Trust and its services. This provides the context in which we then set our priorities and plans.

We describe the challenging health and social profile of the local population we serve, together with the changing demography and rapid growth in the numbers of very elderly people who present with increased dependency and co-morbidities, the pressure of which is already being felt in the health system across Gateshead and within our services.

We comment upon the national quality and safety agenda including recommendations of Francis, Berwick and Keogh for which we have clear actions and frameworks in place. We set out our quality goals, agreed with our governors and commissioners, and our improvement work streams looking to reduce variation, improve our efficiency and effectiveness, and create an even more positive patient experience. We also highlight our project approach toward meeting requirements for 24/7 working and striving for best in class.

Quality and excellence remains central to the Trust's vision and brand. The Trust has been ranked at Band 6 by the Care Quality Commission in both of its Hospital Intelligent Monitoring processes; our aim is to retain this position alongside ensuring clinical and financial sustainability moving forward. During 2013/14 the Trust performed strongly across quality outcomes and performance targets and does not envisage any material risk to these during 2014/15.

Our Operational Plan reflects a significant period for the Trust in terms of realisation of both service and capital plans. 2014 will see the opening of our £32m new-build Emergency Care Centre and also the £12m Centre of Excellence for South of Tyne Pathology services. In particular, the ECC plays an important strategic role in this Plan, as it provides the key to unlocking many of the barriers and obstacles experienced by patients requiring emergency treatment. The new Centre will provide a single point of access to emergency based services for our patients, which will ensure they receive the appropriate treatment from an appropriate professional as quickly as possible.

The Trust also takes over management of Gateshead's two Walk in Centres, at the Queen Elizabeth Hospital site and Blaydon, following the successful outcome of a local tendering process. The ECC and Walk in Centres are key to development of the integrated pathways for Urgent Care across the local area, which are being developed in close partnership with primary care and community health colleagues, together with other agencies who play an important role in the delivery of care. The new pathology laboratory provides the

opportunity to serve a wider population in South of Tyne, in terms of core diagnostic processing, and, into the longer term, offers the Trust a significant and diverse range of opportunities for income and growth. In addition, we envisage that our success in tendering for the Walk in Centres will provide a foundation for the Trust to seeking further possible opportunities to expand into more community based care, as we strive to prevent hospital admission, and secure earlier discharge, in response to developing a truly integrated health and social care service for the local population.

The overall tone and format of our plans are significantly different to those of previous years. Inevitably the economic downturn and national austerity measures continue to create a financial context of restraint and uncertainty. Government policy and planning requirement reflected in local commissioning intentions, signpost a clear shift towards investment from acute secondary care services towards primary-care led and integrated service models. The continued cap and marginal payment for funding of emergency admissions and re-admissions continues to present financial challenge in the current transitional period prior to the delivery of a local Integrated Urgent Care Pathway. The Better Care Fund (BCF), whilst a driver for integration and improving the patient experience, is not 'new money' and as such also carries with it a clear risk to existing care providers.

Against the background of a continued squeeze on tariff funding, and the push from commissioners for the 'transformation' of service delivery to an integrated, community based model, our financial plans for the next two years reflect a challenging environment. However, working with the full support of our lead commissioners on agreeing a contract for 2014/15 and some key principles for 2015/16, we have been able to develop a plan that is challenging but achievable. Our plans for the next two years maintain underlying I&E surplus at levels consistent with previous years plans. Across the two years, this will require recurrent CIPs of around £16m. In addition, the plans reflect a reduction in liquidity in 2014/15 as the construction of our Emergency Care Centre reaches completion. Achievement of CIPs, reducing our underlying rate of spend, opportunities for revenue growth, and the management of working capital are therefore going to be essential to delivering a successful financial outcome across the period of the Plan. The Trust has a history of sound financial stewardship to-date, which it has maintained alongside its reputation for quality and safety. However, our Plan reflects the greatest financial challenge since we were licensed as an NHS Foundation Trust.

Key headlines for 2014/15 and 2015/16 are shown in the table below:

	2014/15 Plan £m	2015/16 Plan £m
Total Income	208.569	206.503
Total Revenue Expenditure	216.404	204.037
Capital Expenditure	15.473	4.667
CIPs	6.906	9.346
EBITDA	6.835	11.103
Underlying I&E Surplus*	2.165	2.466
Liquidity Metric (days)	-3.3	-1.2
Continuity of Service risk rating	3	3

****surplus/ deficit less impairments and restructuring costs***

We recognise the challenge facing health and social care and the overall affordability challenge. Our priorities continue to emphasise ensuring value for money and working with commissioners to achieve the most effective use of scarce resources. Internally, our plans as described, include effective management of capacity and demand and performance and stringent on-going efficiency and productivity measures, together with a realistic assessment of potential for growth both in existing and in new markets, the latter, in specialties where the Trust holds specific expertise and a reputation, such as Pathology. Our new service line management structure and performance framework will support delivery of our goals in this area.

Our strategic aims and associated corporate priorities set out our response to these challenges throughout the period of this plan. These clearly reflect the direction in which national policy is steering healthcare provision. Importantly, our priorities are reflected in a local context as they are consistent with our commissioner requirements to ensure 'Right Time, Right Place' for patient assessment and care, and the collaboration required across the local system on the 'Integration' agenda necessary to deliver it. They reflect the NHS Outcomes Framework and take account of the NHS Risk Assessment Framework introduced in 2013.

This year and next, priorities have been devised specifically to achieve the transformational change necessary to re-shape how services are offered, including care closer to home, whilst addressing the very real challenges faced by the health and social care sector as part of the economic downturn and demographic step change in the increasingly elderly population.

We provide an extensive range of services, planned and unplanned, including both physical and mental health, much of which is already in a community setting and/or delivered in close cooperation with others in the health and social care system. We have successfully secured funding on the strength of innovative solutions toward reducing emergency admissions and re-admissions and we work closely with local agencies to improve patient flow, enabling effective patient discharge and reduced length of hospital stay in key areas. We will continue to explore opportunities, through the BCF and working with other agencies in the Local Health Economy to take this work forward and to contribute to the wider integration and health and well-being agenda.

Work has already begun with examples of dedicated, joint working between the Trust, our commissioners and primary care colleagues, and positive outcomes are already being seen for patients with long term conditions, such as adults with Diabetes. This approach is providing an exemplar model against which we will continue to take forward service transformation and improvement over the next two years, in collaboration with commissioners. Further plans include reviewing pathways for Frailty, COPD, Heart failure, MSK, Osteoporosis, Acute Stroke and TIA, as well as offering choice of location for those who require Palliative or End of Life Care.

Key to all of this is the work being undertaken to progress integrated information systems and shared records. We continue to work with primary care colleagues on the development of the Medical Inter-operability Gateway (MIG). We will continue to push forward on technology that improves patient care and increases timely access to diagnostics results. In

particular, our plans over the next two years will explore the extent to which telehealth and telemedicine can be used to support safe, effective care in patients' own homes, rather than via the traditional route of being brought to hospital.

Patients requiring hospital care are becoming increasingly dependent. In addition to supporting integrated care pathways, it is also our aim to secure sustainability of key hospital services that will face increasing demand from our local population. Patient-centred, coordinated care remains at the centre of our vision and values base and is one of our key strategic priorities. Our plans refer to the provision of high quality, compassionate and 'joined up care' together with holistic assessment and care planning and ensuring effective communication with GPs, patients and families. The examples we give range from the piloting of a care pathway that will coordinate assessment and care planning for younger adults with complex health and social care problems, to a Dementia Strategy that will support delivery of a 'dementia-friendly' hospital.

However, creating new opportunities on how and where care is ultimately offered and delivered is not without risk, or challenge. This has to be carefully managed and shared, if necessary local services are to be sustained as required and continue to be accessible and appropriately used. Judgements will be required to reach agreement and manage expectations on the level and quality of key services to be provided locally within the current economic climate. The Trust has a history of effective joint working with commissioners and local partners and is a valued provider within the locality and will be proactive in dialogue with commissioners, local health and social care partners, patients and the public.

Our corporate priorities going forward will be supported by robust plans for our Workforce and our Estate, as detailed in this Plan. New ways of working will demand a flexible, high quality workforce that can adapt to change and who can work effectively across boundaries, in different settings and as part of different teams. Delivery of the agenda for quality and safety demands knowledge and compassion. Effective leadership will provide clarity of direction to support staff during periods of turbulence and change. In addition, achieving comprehensive seven-day working and clinical sustainability will require a robust approach towards workforce planning, recruitment, retention and development.

The Trust is about to embark on a major period of rationalisation and re-configuration of its Estate, instigated by the completion of our major capital developments over this calendar year. This will provide opportunities for further relocation and improvements to accommodation for a wide range of key services to improve the environment for patients and staff and ensure optimum utilisation. A number of poorer, peripheral buildings will be demolished, which will release revenue savings and on-site car-parking will be improved as a consequence.

In summary, the primary challenge facing the Trust is to adopt service strategies that will enable us to continue to meet the needs of our patients, with high quality, cost-effective services. At the same time, we will need to work effectively with commissioners and key partners in health and social care to achieve the transformation that will be required to secure the most effective use of resources and secure the best health outcomes across the health and care economy as a whole. This will require significant re-modelling and

transformational work over time, which will change the shape of how we work to an outward-facing healthcare provider, working collaboratively across the local health economy to support primary and social care professionals keeping patients in the community by providing the specialist input, in the right place.

There will be times when this place is in an acute setting, but our shared strategic vision is that the dependency of the local population on hospital based services will lessen. Achieving this strategic theme will be challenging, as it will require us to re-model and transform services in line with the local strategic plan, while ensuring the long term viability (financial and clinical) of hospital-based care. The Trust's proven history of working positively with partner agencies across the health economy, experience of managing significant change and improvement, and the commitment and engagement of our workforce, provide confidence that the Trust will rise to the challenges it faces in accelerating this approach.

Commercial and In Confidence

1.0 Strategic Context and the Short Term Challenge

1.1 Gateshead Health NHS Foundation Trust serves a local resident population of approximately 200,000 and people in surrounding areas, who choose to access its services. We seek to be the provider of first choice to our local communities and also continue to develop our reputation for delivery of high quality specialist services, well beyond Gateshead boundaries. These include specialist screening services and Gynaecology-Oncology services, which are offered to wider populations including South of Tyne, Northumberland and Humberside, Cumbria and Lancashire.

1.2 Our Services

Our service portfolio is wide-ranging and includes:

- Medical and Surgical Assessment;
- Ambulatory Care;
- In-patient beds- offering care across a broad spectrum of clinical specialties from those usually associated with medicine and surgery within a DGH but also including Palliative care, Old age Psychiatry and Gynae-oncology;
- Emergency Department with integral Paediatric department;
- In November 2014 the Trust will open its new state of the art Emergency Care Centre (ECC) on the Queen Elizabeth Hospital site, to provide single point of access for urgent care. Integration of clinical services at the point of assessment offers an opportunity to streamline patient pathways – improving quality and delivering efficiencies. New patient pathways for adults and children arising out of the Gateshead Urgent Care Review are integral to this development;
- The Trust has recently been awarded the contract for walk-in and minor injuries facilities currently located on the Queen Elizabeth Hospital site and at Blaydon. These services will commence under Trust management in April 2014 and June 2014 respectively and are integral to the integrated urgent care pathway;
- Designated Major Trauma Unit;
- 13 SCBU cots;
- Extensive outpatient and day- case services;
- Rapid assessment and timely diagnostics;
- Surgical and theatre facilities including state of the art accommodation for elective surgical patients in single en-suite rooms;
- Care closer to home that includes:

- o our community teams (midwifery; older persons)
- o outreach teams (critical care; COPD; frailty);
- o community-based secondary care facilities in purpose-built accommodation;
- o consultants' sessions in the community and in peoples' homes
- Maternity services;
- Extensive specialist services incorporating bowel-screening hub, bowel-scope services, breast and aortic aneurysm;
- In June 2014 The Trust will open its new Centre of Excellence for Pathology, following a £12m new build on-site. The Laboratory provide some services to the whole of South of Tyne and Wear; and
- The Trust holds the contract for the management of 24 Intermediate Care, Assessment and Rehabilitation (ICAR) "step up and step down" beds, an innovative facility at the centre of a wider network, located in Sunderland, and following the award of a contract in 2011/12.

Whilst Trust services are still provided principally from Queen Elizabeth Hospital, increasingly we deliver services in offsite, secondary care outpatient facilities including QE Metro Riverside, Blaydon Primary Care Centre and Bensham Hospital. Clinics operate at other primary care settings across Gateshead as well as beyond the Gateshead boundary in Washington and South Tyneside. In line with national and local policy, the Trust is working closely with colleagues in primary care and commissioners to develop alternatives to hospital admission within the community. This includes rapid access outpatient clinics and working with staff across organisational boundaries to deliver changed patient pathways that will enable "Right Place; Right Time" assessment. This will ensure that patients enter hospital only when they need to, and when they do, that they receive timely, safe, high quality care. An early exemplar model is the Integrated Pathway for Adults with Diabetes. This approach is referred to in greater detail in the course of this plan.

1.2.1 Our Population

The population of Gateshead was estimated at 200,000 in 2012 and is projected to grow by 5% by 2032.

The profile of the local population includes a higher level of older people than the national average at 21% above state pensionable age compared with 19% nationally and 20% in the North East of England as a whole. The population aged 65 and over is projected to have increased by 13,000 people by 2032. Demographic projections show a stepped increase in the number of very elderly persons, over 85 years, the section of the population with the greatest care needs to 7,500 by 2030. Births

are likely to remain static at around 2,300 as will the population between 16 and 64 years. People from black and minority ethnic groups comprise 6% of the total population of Gateshead, compared to 17% across England as a whole. Gateshead is home to a rabbinical college and an established Jewish community. These residents have traditionally looked to Newcastle for some of their services and remain loyal to certain GP practices within the Borough. In recent years the Trust has developed strong relationships with this Community, with the aim of better understanding and meeting the needs of its residents.

Gateshead is currently in the 20% of Local Authorities with the highest levels of social and economic deprivation. Healthy life expectancy in Gateshead is lower than the average for both England and the North East. There are marked differences in life expectancy across local authority wards of 8.9 years for men and 9.4 years for women, often linked to lifestyle factors including smoking and alcohol consumption. On average people in Gateshead will experience the onset of activity-limiting illness or disability around 5.5 years sooner than the England average for men and 4.9 years for women i.e. before the official state pension age, unlike elsewhere in the country. There are approximately 450 preventable deaths every year in Gateshead from cardiovascular disease (28%), cancer (40%), liver disease (9%) and respiratory disease (7%) and one in five adults in Gateshead is diagnosed with depression. Obesity in adults is the highest in the country at 30.7% and early life issues are also a concern with above average levels of teenage pregnancy and lower than average levels of breast feeding.

Long-standing deprivation, the economic downturn and recent welfare reform have all had the potential to impact significantly upon Gateshead households and communities, on people's health and wellbeing and their work and family life.

(Demographic information is taken from the Gateshead Joint Strategic Needs Assessment and from the Gateshead Director of Public Health Report 2009-2013).

It is within these services and demographic context that we describe our Operational Plan.

1.3 The Short Term Challenge

The Trust service strategy is set within a period of rapid change within the local and national health care landscape, during an ongoing period of economic constraint in which there is no real financial growth for the NHS. The following paragraphs set

out our analysis of the challenges facing the Trust in the short term and the plans being developed to address these and how we will seek opportunities, working with others as appropriate, to sustain integrity of services for patients whilst assuring the longer term sustainability of the Trust.

- (i) The predicted stepped change in the national age profile is already being felt at a local level with an increasing pressure upon our services from patients presenting with increased dependency, co-morbidities, long term conditions, sensory disability and frailty. Whilst the population between 16-64 years is likely to remain fairly static, elderly patients are frequently cared for by relatives who themselves are elderly, frail or vulnerable. This increased dependency adds to local, long standing challenges presented by social deprivation and a poorer than average local public health profile, as previously described;
- (ii) Economic downturn: the national environment sets a financial context of uncertainty and change in which the Trust will need to respond effectively, working closely with its commissioners and key agencies in the local health economy, including the public, third and independent sectors. This will require significant change and will not be without risk and challenge. In addition, significant constraints and pressures within the local public sector and third sector as a whole, inevitably impact upon the capacity to meet need within current models of care, and impact upon management of effective flow of people through the health and care system. The pressures on secondary care emergency services that were experienced both locally and nationally during the previous year, have highlighted the interdependency of services across the whole urgent care system and the challenge of shared responsibility for understanding patient flow and managing demand and expectations within available resources.

Judgements will be required to reach agreement and manage expectations on the level and quality of key services to be provided locally within the current economic climate. This will involve proactive dialogue with commissioners, Local Health Economy (LHE) partners, patients and the public.

- (iii) Government policy, commissioning context and planning requirements reflected in local commissioning priorities signpost a clear shift towards investment from acute secondary care services towards primary-care led and integrated service models:

(a) Integration and the Better Care Fund (BCF)

Introduction of the Better Care Fund (BCF) and new policy approach following the NHS Call to Action will drive forward service Integration. The concept: “Right care; Right place; Right time” signposts the transfer of resources previously invested in acute settings to primary and community care, and latterly, through the BCF, to social/community care. The aim of creating service models that enable people’s needs to be identified, assessed and met, where possible, within local communities, to ensure that people enter hospital only when they need to, is clearly understood. However the current funding constraints within the health and social care system as a whole, and the methodology for creation of the Fund, present uncertainties for the providers of acute, secondary, emergency and planned care.

Timescales are challenging, with the introduction of the BCF in part in 2014/15 and in full in 2015/16. The Trust continues to be committed to integrated working and is engaged in planning with CCG and primary care colleagues in developing local exemplar models of integrated care, e.g. Integrated Pathway for Adults with Diabetes, that can be adapted for other specialities however the challenges envisaged in the short to medium term are as follows:

- o The required pace of change. The planning of new, innovative service models is complex and requires multi-agency and multi-professional involvement. This work is progressing but will take time to develop and roll out. There is also the issue of capacity within primary, social and community care, to deliver essential elements of new care pathways to ensure timely referral management and support effective hospital discharge, throughout the transitional period;
- o New funding models are required from commissioners that will underpin each provider’s contribution within an affordability envelope, whilst enabling the Trust to sustain the levels and quality of secondary care services that remain necessary to the local community;
- o Continuing to meet patients’ needs safely whilst in the planning and piloting stages of developing new service models of care;
- o Identifying new measureable outcomes, and the IM&T required to support them, including complex cross-agency information systems and technology.

(b) Funding for Emergency Care

The continued cap and marginal rate for funding of emergency admissions and re-admissions continues to present financial challenge. The Trust has been successful in bids to commissioners through demonstrating means of reducing emergency admissions/re-admissions. We will continue to explore opportunities, through the BCF and working with other agencies in the Local Health Economy (LHE).

(iv) Wide-ranging impact of Sir Bruce Keogh's Report on emergency and urgent care and associated diagnostic services, the drive for seven day working and implementation of Keogh's Ten Clinical Standards to reduce variation in outcomes for patients admitted to hospitals at the weekend. Implications include:

- o Wide-scale service review, planning and implementation of service change
- o Working with colleagues across the whole local health system to meet the clinical standards in a way that is clinically and financially sustainable.
- o Undertaking and resourcing the service change required to put into place seven day-working, involving a consultant physician in place 7 days a week for a minimum of 12 hours each day, with every medical ward having some consultant presence 7 days a week 365 days a year;
- o Capturing the information necessary to evidence appropriate use of the BCF to address the seven-day working challenge, and
- o Workforce implications-availability of clinical staff, recruitment, alignment of workforce planning for nursing, medical and other clinical staff (nationally and locally)

(v) To further build upon the comprehensive framework of measures to ensure Quality and patient safety as endorsed by Francis, Berwick and Keogh Including, continuing the drive for:

- o Patient and Carer involvement in decision-making;
- o Robust measurement of quality and the patient experience;
- o Continued focus on openness, transparency and learning;
- o Clarity of staff roles and responsibilities in relation to safety and improvement, and
- o A systematic approach to staff development, from ward to board, with regard to quality control, planning and improvement.

(vi) NHS providers are operating within a strengthened market economy with an ever-increasing likelihood of competition from other providers within

and out-with the NHS, each seeking to be the provider of choice for patients. Within the Northumberland Tyne and Wear area there are four other acute NHS Foundation Trusts:

- South Tyneside Foundation Trust, which incorporates provider community services;
- City Hospitals Sunderland Foundation Trust;
- Newcastle upon Tyne NHS Hospitals Foundation Trust,
- Northumbria Healthcare NHS Foundation Trust

Local competition is therefore concentrated, however the Trust's central position within the local conurbation is also beneficial in that it provides opportunities for crucial clinical networking, and other useful strategic alliances that benefit patients.

- (vii) Strengthening of competition nationally from the Independent Sector which is seeing increasing success in securing contracts for NHS work, particularly in the south of the country. The provider landscape is also beginning to change elsewhere in the country with well known, multi-national businesses gaining a foothold in some northerly areas;
- (viii) Nationally-led service reviews with potential implications for future development of key service areas, for example, Stroke, Maternity and IVF.
- (ix) Technological change provides both challenges and opportunities including the need to ensure a robust technological infrastructure both within the Trust and across the LHE, to implement service advancement and integration;
- (X) The challenge in managing capacity and demand across the Gateshead urgent care system as a whole, to meet fluctuations in flow and ensure appropriate use of services in both primary and secondary care. Opening of the new Emergency Care Centre and associated management of Walk-in Centres at Queen Elizabeth Hospital and Blaydon will greatly add value to the Gateshead urgent care system. However this does represent a significant change and will require careful management of patient flow, during the period of transition and delivery of new care pathways, in the face of peaks of demand, such as those experienced during winter months.

Our response to the challenges described above is set out in section 2.0

1.4 Commissioning Context

Commissioning reforms instituted in 2013 are beginning to embed and the Trust engages in regular dialogue with its lead commissioning Clinical Commissioning Group. The local commissioning alliance between Gateshead and Newcastle CCGs has now been formalised. The Trust has actively sought feedback from commissioners on the significance of the alliance and continues to receive clear messages about commitment to local DGH services for Gateshead.

The Local Health Economy (LHE) is developing plans in the light of new planning guidelines, Everyone Counts: Planning for Patients 2014/15 and establishment of the Better Care Fund. This will see a shift from the acute-centred, curative model of care delivery to a transformational preventative model. The transformational shift will see care provided for the whole person, 'not the person's parts' and promote continuity in care and working behaviours. It will have a long-term focus on continuity rather than activity-based outcomes.

This drive towards integration will clearly influence the commissioning context in 2014/15 and more significantly in 2015/16 and beyond.

Local planning infrastructure to deliver on this vision is developing and dialogue has begun with commissioners, the Local Authority and significant providers of care to Gateshead residents. This builds upon a tradition of joint working locally and positive relationships. The Trust has recently been invited to join the Gateshead Health and Well-being Board and Trust managers and clinicians also participate in commissioning-led service-level planning groups that will take forward service transformation at an operational /service level.

Dialogue has also commenced between the Trust and CCG Alliance Boards to consider draft submissions under the new Better Care Fund (BCF). In the light of the drive for shared care pathways, integration and implementation of the Better Care Fund, consolidation of this partnership dialogue with commissioners and partners in the LHE needs to be ensured, to effectively oversee the achievement of significant transformational change but also to identify potential consequences and any risks to sustainability of services to patients.

The Trust also contracts with clinical commissioning neighbours, whose residents choose to use our services, and also with NHS England directly, with regard to provision of specialist services such as Screening and Gynae-oncology.

1.4.1 Local Commissioning Priorities 2012-2017

Initial "plan on a page" commissioning intentions identify local challenges and priorities for 2014/17 as follows:

- (i) Commissioners' analysis of challenges faced includes:
- Poor quality of life
 - Excess incidence and deaths from cancer; CVD; chronic conditions
 - Excess hospital activity
 - Growing elderly population
 - Fragmented services
 - Clinical variation
 - Underlying financial deficit
- (ii) Overall priority commissioning themes with implications for Trust services
- Maximise ill-health prevention and reduce excess deaths;
 - Improve identification and outcomes for cancer;
 - Implement Long Term Conditions strategy:
 - encourage proactive health management;
 - Increase out of hospital provision shifting care to community settings;
 - Integrate Urgent Care services :
 - improve proportion of people with fragility fractures regaining mobility;
 - monitoring outcome measurement for elective procedures;
 - reduce emergency care admissions;
 - reduce emergency re-admissions within 30 days of discharge;
 - Review community services;
 - Integrate services in line with Better Care Fund;
 - Review mental health services (dementia strategy);
 - Develop a Primary Care Strategy;
 - Promote Quality and Safety and Avoiding Harm

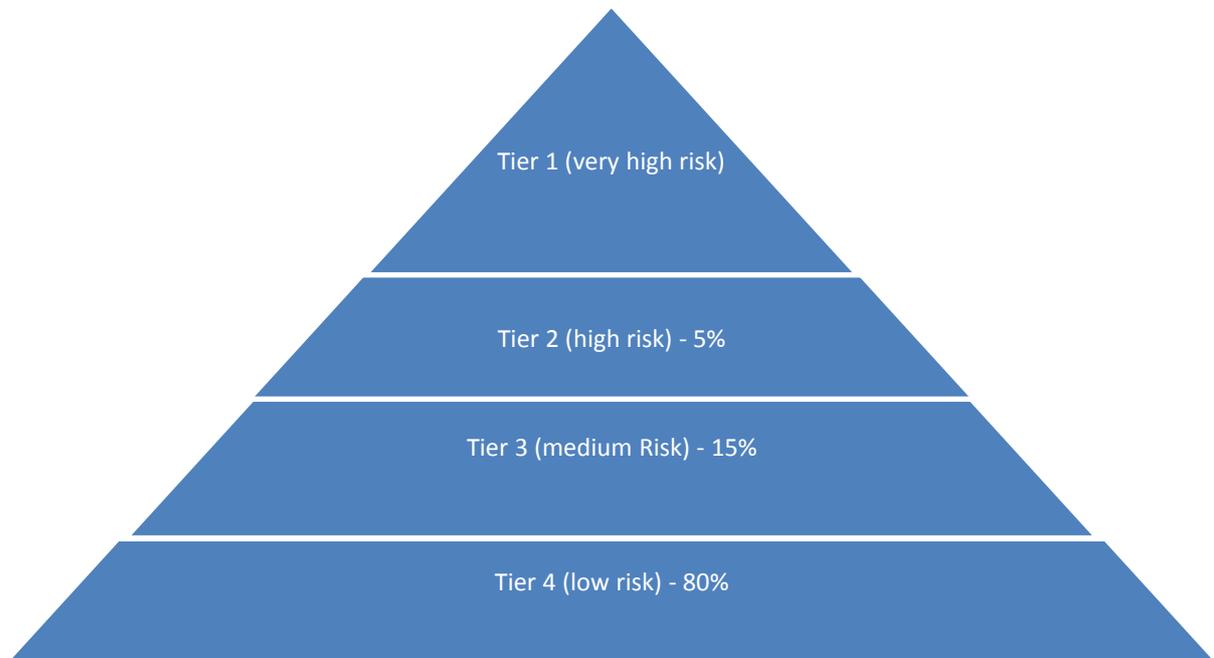
Local commissioning intentions, in line with national policy, are clear that income flow to acute providers will continue to be restricted, with ongoing penalties around re-admissions and emergency admissions, and tariff deflation.

(iii) Better Care Fund

Full implications of commissioning under the BCF for acute services, both in the short and longer term, whilst potentially significant, are still being worked through. Commissioners indicate that the BCF population will predominantly be elderly. Determining factors would be:

- o People who are at risk of admission to hospital and/or care home, thereby requiring particular health and care support (people at very high risk and high risk of admission);
- o People whose progression along the risk ladder can be halted or delayed through proactive preventative support (people at moderate risk of admission)

Using the established Combined Predictive Model risk-profiling tool that exists at an individual General Practice level (see graphic below), it has been agreed that the population for the BCF will include all people in tiers 1 and 2 (very high and high) and people aged 65 years and over within tiers 3 and 4 (Medium and low risk). Overall, this represents a BCF population equating to 19% or 38,000.



Combined Predictive Model – Gateshead population

The BCF population (identification) would include:

- o People who are already care home or nursing home residents;
- o People who already receiving end of life care;
- o People who are regular attenders and intensive users of hospital and other health services;
- o People who are currently seen by community matrons, district nurses, older people nurse specialists;
- o People with ‘critical’ or ‘substantial’ social care needs, and
- o People who are receiving intermediate care (including re-ablement) services.

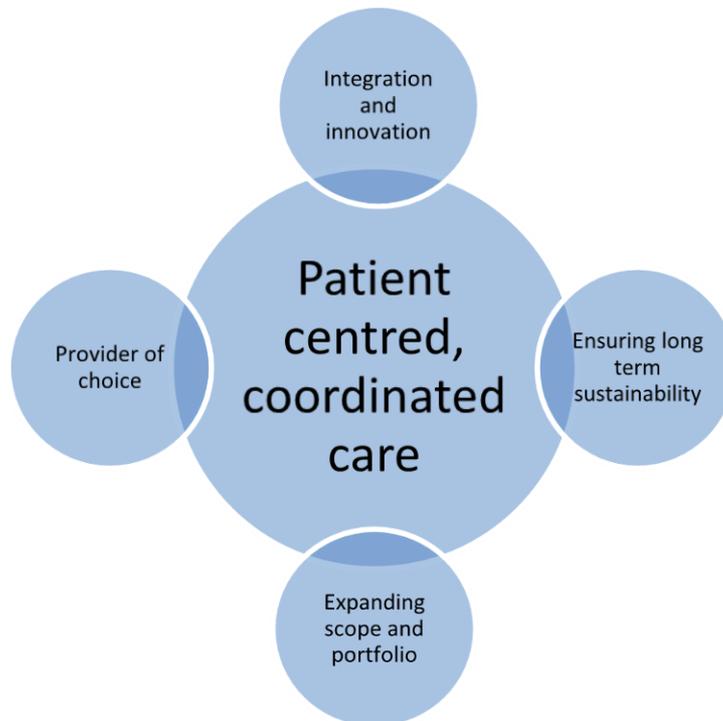
Much of the work planned around patients with long-term conditions is designed to help them to avoid being admitted, by improving the management of their condition in out of hospital settings, whilst also improving their health and wellbeing. Initial proposals under the BCF aim fundamentally to create capacity and capability within the health and social care system, predominately out of hospital, to meet the national outcomes and establish a future sustainable economy for the Gateshead population. All initiatives address the need to build a 'coordinated care model' believed to be the solution to many of the challenges faced in Gateshead. Commissioner initiatives included in their draft submission cover:

- o A Single Point Of Access (SPOA) for urgent health and social, intermediate care services;
- o Alignment of community nursing services and older people's nurse specialists and rapid intermediate care nurses; establishment of a GP 'frailty register' for case-management of 'at risk patients' (underpinned by a frailty strategy);
- o Establishment of an 'elderly care coordinator role' and the alignment of the hospital-based frailty team with community nursing teams.
- o Establish a dementia pathway across Gateshead - improving screening, identification of early diagnosis and support for patients and family/carers;
- o Expansion of Ambulatory Emergency Conditions (AEC) pathways;
- o Establish a 24/7, seamless palliative care service;
- o Establish an Urgent Domiciliary Support Service – aligned to health colleagues for supporting people into their homes during acute crisis;
- o Alignment of discharge support teams and the 'Coordination Officers' to facilitate discharge to alternative pathways of care;
- o Expansion of intermediate care services including an increase in 'step-up' Intermediate Care Beds; introduce 'roving GP' to aid decision making and mental health support - providing the ability to risk manage 'crisis' in care, out of hospital;
- o Expansion of the Gateshead Care Home Initiative into 'residential only care homes and explore 7-day services; and
- o Enhance a seamless falls service.

2.0 Our Plan: Strategic Themes, Priorities, Plans and Work In Progress

Within this context, the challenge facing the Trust is to adopt service strategies that will enable us to continue to meet the needs of our patients, with high quality, cost-effective services and, at the same time, to work effectively with commissioners and key providers in health and social care, to achieve the transformation that will be required to ensure the most effective use of resources into the future, and achieve the health outcomes described, across the health and care economy as a whole.

2.1 Strategic outcomes (aligned to commissioning and LHE priorities) – our strategic themes are encapsulated in the following diagram;



To achieve this will require significant re-modelling and transformational work which will change the shape of our organisation, from an acute-focused, inward-looking organisation to an outward-facing healthcare provider, working collaboratively across the local health economy to support primary and social care professionals keeping patients in the community by providing the specialist input, in the right place. There will be times when this place is in an acute setting, but our strategic aim is that the dependency of the local population on hospital based services will lessen. Achieving this strategic theme will be challenging, as it will require us to re-model and transform services in line with the local strategic plan, while ensuring the long term viability (financial and clinical) of hospital-based care. However the Trust has a history of working positively with partner agencies across the health economy, which should provide the foundations for accelerating this approach.

There are a number of priorities which emerge to deliver these strategic themes and which the Trust has adopted to focus the work required over the next two years of this Operational Plan. These priorities, in turn, translate into service line priorities that are set out in service business plans and summarised on the next page.

Mapping Strategic Themes to Corporate Priorities

Strategic Outcomes	Corporate Priority	Service level priority (operational plan)
<p>1) Integration and innovation for high quality care across the Local Health Economy (LHE).</p> <p>This includes:</p> <p>Supporting our CCG and partners in delivering the local ambitions described within their Commissioning Intentions. Aspiring to work in collaboration with all our local partners to deliver continuous improvements in healthcare within Gateshead in line with those strategies described in the NHS Outcomes Framework</p>	<ul style="list-style-type: none"> • In partnership develop new models for planning and delivering integrated healthcare across organisations and agencies. We seek to ensure care is delivered as close to home as possible; • Work with the CCG and LHE to deliver the Long Term Conditions Strategy- and deliver high quality out of hospital support & eliminate unnecessary hospital admissions; • Work within the LHE to model services on 5 locality structures, as per CCG plan; • Work across LHE to achieve the broader service vision as set out in Better Care Fund and collaborate with partners to ensure the effective use of the pooled fund to deliver the best outcomes for patients; • Develop a shared view of the future shape of health and social care services in order to deliver strategic objectives and understand capacity requirements across the system. <hr/> <ul style="list-style-type: none"> • Identify and explore clinical networks for the future in line with the direction of travel indicated in the Keogh Review, ensuring the best outcomes for local people and most efficient use of resources. 	<ul style="list-style-type: none"> • Using the integrated diabetes pathway as an exemplar model, seek to extend this to other long term conditions LTC. Will focus on <ul style="list-style-type: none"> (i) COPD (ii) Acute stroke & TIA (iii) Heart Failure (iv) Osteoporosis & MSK pathway (v) Frailty • Continue our progress with the structural and functional integration of urgent care services • Partnership relationships will be pivotal to the success of achieving strategic objectives - ensure the Trust is well represented at all strategic and clinical forums <hr/> <ul style="list-style-type: none"> • Sustain and develop (clinically –led) networks that are appropriate to ensuring long term service quality, retention of expertise and service sustainability and ensuring consistency with the Keogh requirement for 24/7 working

Strategic Outcomes	Corporate Priority	Service level priority (operational plan)
	<ul style="list-style-type: none"> Implement organizational development plans, best practice in change management and health and well-being strategies to equip, engage and support the workforce through service transformation. 	<ul style="list-style-type: none"> Ensure comprehensive appraisal and performance management across all services/staff; Continue workforce development to understand new ways of working; Promote ongoing staff engagement practices and ensure clinical engagement in all decisions impacting upon service redesign, delivery and evaluation Deploy best HR practice to underpin implications of service changes.
2) Ensuring sustainability clinical and financial)	<ul style="list-style-type: none"> Delivering integrated Urgent and Emergency Care services. 	<ul style="list-style-type: none"> Operational commissioning and service transfer into the new Emergency Care Centre; Delivering integrated Urgent Care pathways to realise the vision for urgent care services with people receiving the right care in the right place at the right time; Delivering integrated Walk in Centre services across the Borough with local partners.
	<ul style="list-style-type: none"> Planning for the delivery of the 10 Clinical Standards articulated in the Keogh report. 	<ul style="list-style-type: none"> Work collaboratively with Commissioners to agree a timeframe for delivery of these standards and in doing so reduce the variation in outcomes for patients.

Strategic Outcomes	Corporate Priority	Service level priority (operational plan)
	<ul style="list-style-type: none"> Actively seek to repatriate those Gateshead patients who access care elsewhere. 	<ul style="list-style-type: none"> Planned approach towards planning capacity and workforce needs; Provide ongoing analysis of market share; review availability of outpatient appointments against other local providers; Ensure sufficient capacity is in place match respond to demand.
	<ul style="list-style-type: none"> Delivering the Trust- wide Service Improvement and Efficiency Programme; Continue reviewing sustainability by service line and address issues; Manage and mitigate against risks associated with sustaining high quality workforce whilst identifying efficiencies (recruitment and retention; clinical networks; new roles and post; skill mix review; workforce development; job plans). 	<ul style="list-style-type: none"> Deliver efficiency and productivity targets by service in agreement with our CCG partners; Co-ordinated project approach to further development of costed plans and business plan milestones to achieve planned outcomes to timescale and address all workforce and resource implications.
	<ul style="list-style-type: none"> Review estate implications of care closer to home and CCG aspirations to reduce emergency admissions 	<ul style="list-style-type: none"> Implement Estates strategy particularly in relation to off-site clinic venues; Identify opportunities for rationalisation of the Estate.
3) Expanding the scope of our services	<ul style="list-style-type: none"> Ensure effective alignment with those services necessary to ensure seamless, integrated care across the LHE; Pursuing realistic revenue opportunities in existing markets. 	<ul style="list-style-type: none"> Exploring opportunities to improve alignment with services, within and out-with the Borough, as appropriate; Deliver on realistically-set growth targets in specified elective service lines, through delivery of accessible, high quality safe services, offering choice to patients locally.

Strategic Outcomes	Corporate Priority	Service level priority (operational plan)
	<ul style="list-style-type: none"> • Exploring new markets and business models • Focus of further development of clinical networks and strategic alliances in health and social services 	<ul style="list-style-type: none"> • Exploring commercial opportunities in areas of specific expertise and reputation; optimise benefits from key developments and capacity; • Ongoing clinically-led networking and collaboration, in the interest of securing better outcomes for patients.
<p>4) Delivering patient Centred and co-ordinated care ensuring better outcomes as described in the NHS Outcomes Framework</p>	<ul style="list-style-type: none"> • Improve coordination and communication within services to strive for holistic care management and planning. 	<ul style="list-style-type: none"> • Pilot service for younger adults with complex needs • Continue to implement Dementia strategy(<i>Dementia Friendly Hospital</i>); • Work with commissioners to improve choice of care for people receiving Palliative and End of life Care.
	<ul style="list-style-type: none"> • Deliver strategies that support joined up care and reflect best practice; • Aiming for best in class across services; • Implement new Quality and Risk Strategy incorporating Trust combined response to Francis, Berwick and Keogh; • Develop the way in which patients, family and carers participate in care management , service planning and design; • Deliver on Quality Goals in line with Trust Quality account • Sustain CQC band 6 Quality and risk rating; • Achieve compliance with all key performance targets in line with provider license including waits; • Deliver Plans for achievement and retention of best practice. tariffs 	<ul style="list-style-type: none"> • Ensure ongoing improvements in the quality of services • Implement combined action plan to sustain and meet Francis, Berwick and Keogh recommendations across all services • Friends & Family Test; improvements against the NHS Safety Thermometer. • Actively seek to listen to and learn from our patients • Deliver short term quality goals and CQUIN • Set and deliver milestones in business plans, ensuring implementation of all action plans to sustain performance against key targets and achievement of best practice

Strategic Outcomes	Corporate Priority	Service level priority (operational plan)
	<ul style="list-style-type: none"> • Implement new leadership strategy and roll out of service line management and sustain workforce development and customer care. • Implementation of the technology to improve patient care and communication across clinical /organisational interface 	<ul style="list-style-type: none"> • Leadership is consistent across all services reflecting the Trust priorities and patient focus. • Continue to play a key role in delivery of Gateshead Interoperability Gateway (MIG) to improve communication across secondary and primary care. • Ensure continuous improvement of GP handover communication
<p>5) Provider of Choice: we aspire to be the provider of choice across Gateshead and, where clinically appropriate, the surrounding areas</p>	<ul style="list-style-type: none"> • Seek at all times to maintain our CQC band 6 rating: delivering safe, effective services, based around patient need; • Build on infrastructure around marketing opportunities and public relationships, wherever appropriate highlight the quality and accessibility that the Trust can offer; • Deliver commercial development plans in areas of specific clinical expertise and reputation. 	<ul style="list-style-type: none"> • Delivery of quality and performance standards across all services, to sustain Trust brand for quality and excellence and accessible services; • Active implementation of marketing plans/strategies for 14/16 in line with business plans; • Achievement of standards and awards to accredit our services; • Deliver business plan milestones in specialist service lines
	<ul style="list-style-type: none"> • Implement Trust Workforce Plan, Estates and IM&T strategies. 	<ul style="list-style-type: none"> • Ensure comprehensive appraisal and performance management across all services/staff; • Implement staff ‘friends and family’ test and continue to act upon feedback from staff surveys; • Continue the focus of customer care and roll out of patients’ stories in staff training across the Trust; • Complete build and commissioning of Emergency

Strategic Outcomes	Corporate Priority	Service level priority (operational plan)
		<p>Care Centre and commissioning of new Pathology Centre of Excellence and rationalisation and re-configuration of the Estate to ensure that buildings and facilities are fit for purpose, ideally situated, safe, well-cared for and able to adapt to clinical needs;</p> <ul style="list-style-type: none"> • Continue to review off-site facilities in line with care closer to home and improving access to patients; • Progress collaborative work on integrated information systems and continue to push forward on technology that improves patient care and increases timely access to diagnostics results.

Our strategic themes and priorities reflect broader national policy and planning guidance including the NHS England seven “Ambitions” (Everyone counts: Planning for Patients 2014/15) and are consistent with the NHS Outcomes Framework. They are aligned with our Commissioners’ priorities and will ensure we meet the Terms of our NHS Provider Licence with Monitor and deliver our duties to our patients and the public under the NHS Constitution. Key themes are clearly carried through into Trust service individual business plans and delivery is monitored through the Trust robust leadership, governance and performance management infrastructure.

Focusing on key milestones to deliver on our corporate priorities throughout 2014-16 will enable the Trust to meet the challenges described in section 1.0 above. Key aspects of work in progress and our plans are further set out in the following paragraphs and sections of this document.

2.2.1 Economic Downturn and Funding Regime

Ensuring financial sustainability is a significant challenge for all acute service providers within the context described above. Our response is further described in section 5.0, our Financial Commentary. Headlines include:

- o Modelling through with commissioners the impact on commissioning intentions and Trust contracts under the BCF ;
- o Working collaboratively with commissioners and LHE agencies through the new planning infrastructure, including the local Health and Wellbeing Board to optimise use of local resources in meeting the aspirations for service integration, whilst ensuring the consequences for existing acute services are clearly considered;
- o Continuing to work with commissioners to explore new financial models that will underpin new integrated clinical pathways and manage transition whilst ensuring integrity of existing hospital services that remain necessary for patients;
- o Delivery of a challenging efficiency programme through ongoing service improvement and innovation and scrutiny of opportunities to increase productivity, supported by service line management, clear leadership and clinical engagement;
- o Seeking opportunities for the Trust to contribute to delivering services Differently;
- o Robust and realistic revenue plans for the period of the Plan ensuring:
 - Appropriate assessment of capacity and demand;
 - Robust marketing analysis;

- Attracting new work that will retain synergy with Trust expertise and values; and
- Marketing that builds upon our brand for quality and excellence and our reputation
- o Comprehensive recovery of appropriate income from PbR, through robust capture of activity information, sound development of outcome measures and delivery of standards for best practice tariffs;
- o Sound day to day financial stewardship, probity and governance;
- o Longer term plans to attract income based upon specific areas of Trust expertise and reputation.

Continually improving productivity is central to our internal financial strategy and to delivery of our obligations to commissioners, under contract. Key plans that contribute to our financial and efficiency plans are cited in our Financial Commentary (section 4.0). The current restructuring to introduce service-line management across the Trust is an important step towards ensuring sound clear leadership, clinical engagement and accountability around this agenda.

2.2.2 The Integration Agenda

The Trust is committed to the significant re-modelling and transformation required to deliver clinical pathways that offer Right Place, Right Time care built around the individual, whilst ensuring optimum use of scarce resources within the LHE. Collaboration and service integration has been a long standing strategic priority, and led to pioneering work between commissioners, GPs and our clinicians to provide an effective blue print for further roll-out of innovative patient pathways. This pioneering work includes:

- (i) Emergency Care new-build EEC; Walk-in-Centres and integral new care pathways to drive forward 'right place; right time care'.

The new Emergency Care Centre and newly awarded contracts for walk-in and minor injuries facilities on the Queen Elizabeth Hospital Site and at Blaydon Primary Care Centre are integral to the delivery of the Gateshead Integrated Pathway for Urgent Care which involves collaborative working across secondary, primary and community services. The New ECC will provide single point of entry and state of the art environment for all emergencies, triage, assessment and short stay, with GP input and dedicated diagnostic facilities. We will

actively work with primary care colleagues and commissioners to enhance public understanding of where best to access urgent care.

(ii) The Gateshead Integrated Pathway for Adults with Diabetes

This also an early exemplar model of what can be achieved through integrated working. A unified referral pathway and standardised documentation is being used by all practices to refer into this tiered service. It includes advice and guidance for GPs, a specialist nursing helpline, multi-disciplinary clinical assessment. Clear protocols are in place to identify when a patient can be managed within primary and/or secondary care and when care transfer is appropriate and/or possible. Education and support is central to the new model and an innovative education structure has been put in place, including a master class for GPs which has been extremely well received.

(iii) Osteoporosis

Our Osteoporosis Service has established strong links with Gateshead CCG and opportunities exist for developing a more community and primary care service to which the Trust will seek to make a significant contribution. Work is underway to develop pathway protocols allowing GPs to see more patients for osteoporosis screening supported by hospital consultants. A model is emerging, similar to diabetes care, where the complexity of patients' need guides where they are seen within an integrated model, offering interventions from primary care detection through to hospital-based care.

(iv) Plans going forward

Plans for other services during the period of this Plan include:

- o Care for the frail elderly;
- o Management of falls; and
- o Services for people with Long Term Conditions such as COPD, Musculoskeletal services, Heart Failure, Acute Stroke and TIA.

Technology and IM&T will play an important part in the LHE ability to improve services communication across agency boundaries. The Trust is part of a multi-disciplinary IM&T project to develop cross-agency electronic transfer of patient records through a Medical Inter-operability Gateway (MIG), funded through a successful bid against the Safer Hospitals Technology Fund. This work will see significant development in 2014/16

The Trust acknowledges that the pace of change required for true, patient-centred, service integration will need to accelerate and believes that as an organisation, it is well-placed to play a key part. We recognise the steps required to adapt, and plan to work with commissioners to expand our scope in community-focused models and to complement their vision for locality working in Gateshead.

2.2.3 Ensuring Person-centred, Coordinated Care

Our prioritisation to deliver this is consistent with Trust values, vision and brand. Its scope is wide-ranging, encompassing the development of new service models as previously described, built around meeting individual need, providing accessible and timely coordinated care that reduces duplication. It is about sustaining standards for effective communication, with appropriately managed ongoing referral, advice, support and information as required. Patient-centred coordinated care is also about sustaining high quality and safe care for all services. This work therefore encompasses our plans for quality and safety overall, enhancing the patient experience and public engagement. It relates closely to plans to improve the care environment and ensure a capable and effective workforce. For further reference see sections in this document on Quality, our Workforce and our Estate.

An evolving example of person-centred, coordinated care is a proposal to improve the coordination of 'complex' younger patients using services in Gateshead. These patients have problems which include physical, social, psychological, mental health and substance misuse and currently attend GP practices, Walk-in Centres and Accident and Emergency Departments frequently. They are often known to our Local Authority and Criminal Justice colleagues. Whilst small in number, patients can be intensive users of health, social care and associated services. Given the complex mix of their problems it is often difficult for them and others to identify who is their 'case coordinator/manager' with whom they can discuss their holistic health and social care needs. It is also difficult for other providers of their care to know who to turn to for knowledge and advice when they are asked to provide care for these patients. A successful bid has been developed and funded by the CCG. The resource has been released from readmission monies and plans include:

- Setting up a high level, multi-disciplinary core MDT team, to support identified case managers/coordinators in work with these patients
- Achieving better outcomes for these patient' health

- Reducing inappropriate use of health, social care and possibly criminal justice resources.

2.2.4 Expanding Our Scope

The Trust is embracing the changing landscape of health care provision and seeks to evolve into an outward-facing provider of services that appropriately meet the needs of local services, keeping patients in the community as described in section 1.0. Our intention is to build upon areas of existing reputation whilst actively demonstrating ability to work very differently, employing innovative ideas, effective practice, and to seek opportunities arising in the local health and care environment. We aim to demonstrate our ability to adapt with agility and add real value to the local LHE, and recognise that this will involve re-shaping how we manage and deliver services and how we work with others. Our service plans for integrated pathways described in this plan, and aspirations reflected in our dialogue with commissioners on new models of care and the contribution we can make to the ill-health prevention agenda, firmly bear this out. Other opportunities in expanding our scope include:

- Continuing to build upon our excellent reputation in specialist services and screening;
- Exploring opportunities to improve alignment with community services to ensure the seamless delivery of services throughout the patient pathway/across the care interface;
- New ventures and new markets for example, broad-ranging Pathology services

The Trust is positioned to influence patients, carers and families in terms of ill-health prevention, health promotion, and self-care management, rehabilitation and enhanced recovery support. Some of our existing contracts contribute directly to this agenda and opportunity for secondary level ill-health prevention is widespread. We are keen to support commissioners in achieving their ambitions in these areas.

2.2.5 Provider of Choice

Cognisant of the competitor landscape as described in section 1.0, the Trust has built its brand on providing excellent, safe and personalised care, placing our patients at the centre of everything that we do, whilst striving for efficiency, improvement and offering value for money through transformational change. This reflects the fundamental strengths of our

organisation, borne out by the awarding of band 6 status by the CQC in its first Intelligent Monitoring Report and highly favourable outcomes from CQC visits undertaken in 2013 which highly commended the Trust on feedback on our patient experience. It is also reflected in the Trust's loyal GP referral base and direct patient feedback. Alongside our flexibility for change and commitment to joint working, these are strong foundations on which to build and move forward in the current climate.

Our plans for the period of this plan, and beyond, involve retaining our position as provider of choice for our local population and for those in nearby communities who choose to opt for our services, based upon accessibility, quality and safety, and customer care. We recognise the limitations on growth within the local health economy, however our marketing analysis indicates some scope for increasing income within existing markets, through further promotion of our services to Gateshead residents.

2.2.6 Operational Plans and Capacity

As previously described, a significant priority for this year and the following year will be the opening of the Emergency Care Centre on the Queen Elizabeth Hospital site and ongoing development of integrated urgent care services. This will encompass the newly acquired WIC services and will involve working closely with the network of services who together contribute to the local urgent care system (GP colleagues and the Gateshead Out of Hours Service, North East Ambulance Service, the 111 Service, Local Authority and community nursing teams). Integration of clinical services at the point of assessment offers an exciting opportunity to streamline patient pathways, improving both quality and delivering efficiencies. Capacity will need to be carefully managed throughout the whole system, in relation to meeting demand, during the transitional period for new patient pathways and opening of the ECC.

Given national policy and local CCG proactive demand management, we do not anticipate growth within current secondary care models within medicine, although opportunities will be sought in some medical service lines, linked to the move toward care closer to home and service transformation. Services under review with regard to new models of care include those previously referenced in section 2.1 above i.e. long term conditions including Respiratory services, Osteoporosis, Services for the Frail Elderly and Services for younger adults with complex needs.

Palliative Care services have expanded within the community in partnership with Marie Curie and further opportunities are being sought for collaboration to improve choice of location of care for patients on the end of life pathway.

Our surgical strategy capitalises on our excellent facilities and expertise, underpinned by ensuring accessibility, quality, value for money and a positive patient experience. Plans include realistic assessment of potential growth targets for elective surgical procedures during the course of this planning period building upon the Trust brand for quality and accessibility and assessment of capacity going forward and current patient flows.

There are opportunities to enhance ways of working in Trust Older Persons' Mental Health, in line with Royal College guidelines, and to further embed multidisciplinary working. The Consultant-led service is highly valued by local GPs and it will be essential to ensure that in any modernising undertaken we do not lose the most valued elements of the service. The Trust plans to commission a review of the services in order to inform service development opportunities.

Commissioners across the North East are reviewing the MSK pathway and Gateshead CCG is indicating that a procurement will take place in the forthcoming year. This is a significant pathway for the Trust, presenting both great opportunity but also significant risk, given the complexity and volume of services/resources involved. It is therefore a high priority. Although local patient and GP satisfaction with our services is high, we are not complacent. The pending procurement offers an opportunity to revisit provision of the whole patient pathway in line with the Commissioner vision for Right Place; Right Time, patient-centred care and to optimise use of resources.

There are also clear opportunities for the Trust to position itself as a Specialist in the provider of certain services, venturing into new markets and attracting income, in areas where there is already a strong reputation. This includes Screening Services. Lifting of the private patient cap will also offer some opportunity for growth and income streams.

Active marketing of our services and ongoing building of relationships is central to the success of these plans, as is robust modelling of capacity and demand and the continued development of our business infrastructure. Ongoing and wide scale transformation of the Trust Estate, both on and off the Queen Elizabeth site will continue to ensure that the patient environment is fit for purpose and appealing.

Clear milestones are in place for all the enabling priorities referenced here, over the next year and 12 months thereafter.

The Trust will continue to actively seek opportunities to sustain and develop clinical networks to ensure clinical sustainability of services to its local population and to protect integrity of its income streams.

Effective management of capacity and demand is critical to delivery of our plans both in the short and longer term. Key considerations include:

- The move towards seven-day working;
- Increased dependency in growing elderly population and incidence of co-morbidities;
- Fluctuations in emergency demand;
- Impact of productivity plans;
- Underpinning revenue, growth or appropriate retraction plans;
- Alignment with clinical sustainability;
- Ensuring timely access to services, managing waits and meeting targets;
- Future impact of transformational change and new models of care on bed configuration;
- New ways of working and technological advances; and
- Meeting our contractual requirements

Capacity and demand modelling work is being undertaken across all services enhanced by the introduction of service line management. Local service plans take account of each of the above considerations. An initial assessment of potential volume changes in the next two years include:

- Reduction in emergency referrals; arising from review of urgent care pathway and active demand management;
- Decrease in some specialist nursing activity (Vascular and Urology) due to the impact of commissioning decisions and transfer of services to primary care;
- Some realistic growth potential in planned elective work;
- Reduction in secondary care, anaesthetics pre-assessment appointments due to the impact of commissioning plans and transfer of work to primary care;
- Increase in activity for blood testing associated with diagnosis of heart failure;
- Opportunities to increase in CT coronary angiography (pacing); and
- Continued increase in screening services.

3.0 Quality Plans

3.1 Our Quality Goals

Achieving continued improvement in the quality and safety of our services is a core strategic priority for the Trust from Board to ward, reflected in the assignment of band 6 by the CQC in its Intelligent Monitoring Report of October of 2013. The aims of our SafeCare Strategy 2014-17 include sets out how we will continue to deliver quality and safety improvement within the Trust over the next three years. This includes a broad framework of activities to deliver the following aims:

- Building and strengthening capacity and capability in leadership for quality and safety at all levels of the organisation;
- Building on the strong culture of safety and quality improvement;
- Further developing systems devoted to continual learning and improvements in patient care;
- Engage, empowering and hearing our patients and carers at all times;
- Promoting transparency in the health care we provide;
- Fostering the growth and development of our staff to reflect the values of the 6C's;
- Ensuring our governance systems continue support the ongoing registration and regulatory requirement of the CQC; and
- Ensuring that effective structures are in place to support SafeCare and Risk Management activity at all levels from the Board to frontline staff.

Our quality and safety goals as identified in our Quality Account for 2014/15 are developed using internal and external intelligence via quality monitoring, analysis of complaints and incidents, service SafeCare plans, regional and national benchmarking, reports and guidelines. They are the subject of consultation with internal stakeholders and key groups and are agreed with our Council of Governors and our Board.

We focus our attention on projects that will reduce harm and mortality, improve the patient experience and which will make the care that we give to our patients reliable and grounded in the foundations of evidence based care. These are expressed as follows under the three domains of clinical effectiveness, patient safety and patient experience:

- Clinical effectiveness:
 - Continue to focus on reducing avoidable hospital deaths through a rigorous infrastructure, led by the Chief Executive and Medical Director;

- Continue to improve the care of patients living with a diagnosis of Dementia and creating a Dementia-friendly hospital;
- Patient safety:
 - Continue to make improvements in medication safety;
 - Reduce inpatient falls that cause harm to patients;
 - Implement open and honest care driving improvements (section 3.2 below)
- Patient experience:
 - To continue to embed the “Fifteen Step Challenge” for patient and carer involvement (section 3.4 below).

Other ongoing initiatives include:

- Rescue the deteriorating patient;
- Reducing harm from pressure damage;
- Reducing harm from catheter associated urinary tract infections;
- Reducing harm from Venous Thromboembolism;
- Strengthen Safeguarding Arrangements;
- Infection Prevention and Control;

3.2 Being Open and Honest

Further building on our approach towards openness and transparency we will sign up to ‘Open and honest care: driving improvement’, an NHS national initiative that will enable us to become more transparent in publishing safety and improvement data. We will continue to work with our patients and staff to provide open and honest care, and, through implementing quality improvements, further reduce the harm that patients sometimes experience when they are in our care. We will publish a set of patient outcomes, patient experience and staff experience measures so that patients and the public can see how we are performing in these areas and, each month, we will collaborate with other care providers to share what we have learned and to use this information to identify where changes can be made to improve care.

3.3 Workforce and Quality

One of the key features of our SafeCare Strategy is ensuring that we have a workforce that is capable of delivering improvement. We will therefore continue to invest in building organisational capability and capacity for quality and safety improvement. We will provide a range of opportunities for staff at all levels to develop the skills and knowledge in applying improvement techniques, tools and

methodologies in their everyday work, as well as developing their capability to initiate, lead and sustain improvements in patient care.

3.4 Patient Experience

The Trust's Patient Experience Strategy was developed in 2011 and its implementation has been overseen by the Patient Experience and Dignity Steering group, a forum that includes Governor representation. A programme of work focusing on key priorities has been implemented to ensure that patients remain at the heart of all that we do. In 2014/15 we will refresh our patient experience strategy and integrate this with our Patient carer and public Involvement (PCPI) Strategy, taking a streamlined and collaborative approach. We welcome authentic patient partnership in managing their own care, and in the processes of designing and delivering care. This should include participation in decision-making, goal-setting, care design, quality improvement, and the measuring and monitoring of patient safety.

Over the next three years we will continue to build on the strong foundations of our patient experience improvement work:

- Continually review and develop our patient experience feedback framework to measure and improve what matters to patients using a range of tools and, where possible, aligning to the National Nursing Strategy's 6 C's:
 - Care
 - Compassion
 - Competence
 - Communication
 - Courage
 - Commitment
- Further develop systems to ensure learning and action from key themes;
- Involve our patients and carers in improvement initiatives such as the '15 Steps Challenge' visits to facilitate a view of the Trust through the patients' eyes;
- Continue to roll out the Friends and Family Test in line with national timescales and further develop our mechanisms to ensure that patients' comments are shared with clinical teams in real time and are used to drive key improvements;
- Continue to focus on ensuring privacy and dignity in patient care;
- Continue to ensure compliance with single sex accommodation;
- Take part in National Patient Surveys that enable us to compare our performance with other organisations nationally;

- Utilise patient stories at every level of the organisation, and continue to work with patients to identify what matters most to them when using our services (Always Events) and develop robust systems for measuring and monitoring.

3.5 Working with stakeholders

We believe that strong and open relationships with our stakeholders are the best way to improve services and provide high quality health care:

- We will work with our stakeholders such as commissioners, Health Watch, local authorities, patient associations and primary care colleagues to identify, develop and implement local initiatives that promote greater openness with patients and families when things go wrong, and provide the required support;
- Develop our systems for providing feedback to users and other stakeholders, such as members, Health Watch and commissioners, about how we have used service users' experiences to improve services.

3.6 CQUIN Scheme

Our CQUIN scheme for 2014/15 developed with our commissioners includes the following areas of focus:

- Friends and Family test – improving response rates and NET promoter scores and roll out to outpatients and day cases areas;
- Implementation of Staff Friends and Family;
- Dementia Care;
- Improving communication, specifically, handover letters to GPs for inpatients and out patients;
- End of Life Care;
- Falls; and
- Ambulatory Care.

3.7 Trust plans to deliver the Francis, Berwick and Keogh recommendations

Post Francis, Keogh and Berwick, safety and quality remain key components of both commissioning and provider agendas, and will drive forward priorities for compassionate, patient-centred care, alongside the need for significant changes in ways of working and delivering services. The Trust is building upon earlier plans to provide an integrated action plan that will address all key recommendations.

3.8 Governance, Managing Risks to Quality and Robustness of Quality Initiatives to deliver Trust plans.

The Trust has a robust governance infrastructure through which it identifies, manages and mitigates against risk and provides board assurance.

The leadership and accountability arrangements for the Chief Executive Officer, Board of Directors, Business Units and other service leads are clear and set out in the Trust's Risk Management Policy. Clear terms of reference are also in place for Board sub committees, including the Patient, Quality, Risk & Safety (PQRS) Committee which is the co-ordinating committee for risk. All Associate Directors, Service Line Managers and clinical leads have delegated responsibility for the management of risk and patient safety in their areas. Risk is integral to their day to day management responsibilities.

The Board is currently undertaking a review of its committee structure and plans to commission an external review of its governance arrangements in line with national requirements to instigate external reviews on a three yearly cycle.

The Trust Board agenda is strongly influenced by the Quality and Safety agenda and assures the Board that services are delivered in line with CQC requirements which are:

- Is it safe?
- Is it effective?
- Is it caring?
- Is it responsive to people's needs?
- Is it well-led?

The Trust engages in extensive benchmarking and peer review against key work streams and areas of potential risk, for example mortality.

Comprehensive risk management training is delivered for all new staff at Induction and at a specialist level on a training needs basis. Training is under continual review to ensure it is flexible and adaptive to the changing needs of the organisation. Accountability and responsibilities for all staff groups are outlined in all relevant policies, systems and procedures are in place to support staff in managing risk and carrying out their duties.

Good practice in risk management, both within the Trust and nationally, is shared across the organisation through Divisional SafeCare events, Trust-wide SafeCare events, SafeCare Alerts, SafeCare Good Practice Bulletins, reports to the PQRS Committee and the Board.

3.8.1 The Risk and Control Framework

Risks are proactively identified through the systematic process of risk identification and risk assessment which includes both internal and external sources of information. Extensive monitoring, undertaken to ensure compliance with what were previously the NHS Litigation Authority (NHSLA) requirements, will continue to be maintained as an integral part of the Trust internal quality and risk management Framework.

Internal and external reactive sources of risk identification used include the analysis of:

- Incident data;
- Complaints and claims;
- Reports or enquiries; and
- National alert systems.

A three year Internal Audit programme enables review and reporting upon control, governance and risk management processes. Action plans are in place for any reports which raise issues. The Trust Audit Committee performs a key role in reviewing and monitoring the systems of internal control, and receives regular reports on the work and findings of the internal and external auditors.

Comprehensive risk registers are in place throughout the Trust to record and score risks and to ensure that appropriate mitigating actions and monitoring are undertaken. Management and ownership of risk is clearly defined through structures identified in the Risk Management Policy, which identifies the Trust's attitude and appetite for risk and how risk is tolerated. This includes a clear escalation process, with regular review of risk registers by the Patient, Quality, Risk and Safety (PQRS) Committee and Trust Board. Executive Directors and Senior Managers assist in the identification and prioritisation of key organisational and corporate risks.

High scoring risks with potential to impact upon achievement of the corporate priorities and objectives are proactively identified within the Board Assurance Framework, and assurances are regularly provided on the controls in place. The Trust revisits its corporate priorities annually in line with the planning processes and reflects any associated risks and mitigating actions for the following 12 months and beyond. These are set out in the Board Assurance Framework (BAF).

The incident reporting system enables management of risks not identified pro-actively and of those that could, or have, resulted in harm. An open

reporting culture is promoted and supported throughout the organisation. The Trust undertakes the Manchester Patient Safety Framework (MaPSaF) self-assessment every three years. Sharing of organisational learning is a priority and achieved through a framework of events, staff meetings, alerts and Good Practice Bulletins.

The Trust meets monthly with the Gateshead Clinical Commissioning Group to:

- analyse serious incidents and internal and external reports;
- identify and discuss potential impact of efficiency plans on quality of Trust services;
- demonstrate how the Trust embraces partnership working.

The Trust carries out an annual self-assessment against Monitor's Quality Governance Framework as part of the Trust planning process. This is approved by the Board.

3.8.2 Information Governance

There are robust arrangements in place to provide assurance on the quality of performance information. The Trust Governance infrastructure includes oversight of the management of information risks. This includes collating all identified information and acting on risks pertaining to:

- Confidentiality and Data Protection;
- Records Management;
- Data Quality and Secondary Uses, and
- Systems Management and Development

Clear reporting lines are in place between the Health Informatics Assurance Committee, Business and Service Development Committee and the Information Strategy Group, to ensure communication of risks, their assessed impacts on the organisation and that mitigating actions are in place.

The Trust's Information Governance Toolkit submission is subject to internal audit annually, prior to its publication in March each year. This assesses evidence and provides assurance that processes are in place and work is undertaken to address the key areas.

The Trust continues to review its performance against the requirements of the IG Toolkit attaining Level 2 or 3 in version 11 IG Toolkit requirements in

2013/14, with an overall percentage score of 87% including those requirements regarding data quality. Annual improvement plans are in place to ensure that the Trust's performance continues to progress.

3.8.3 Clinical Audit

There are robust clinical governance processes in place that cover clinical audit, and compliance with national guidance, such as that published by NICE. The Trust has an extensive range of clinical governance policies and these are subject to rigorous review at appropriate intervals.

4.0 Performance Review against NHS Risk Assessment Framework

Areas of note for 2013/14

4.1 The Trust achieved overall compliance for 2013/14 in all access and outcome measures. Pressures were evident in Q1 and Q2 relating to cancer 2 week waits, and now continue through the 62 day cancer treatment target. Stringent and comprehensive management plans are in place to mitigate further risk; there are no continuing governance concerns in these areas to trigger systemic under performance.

4.2 Forward look to 2014/15

The Trust and does not envisage any material risk to the achievement of performance against outcome and access measures in 2014/15.

National C.Difficile Objective for 2014/15 indicates a case management objective for Gateshead of 24 cases which, based upon on historical performance and the stringent management approach previously described, is deemed achievable.

Clear and comprehensive management plans are in place for the continued delivery of all other waiting time and treatment standards, including capacity planning, performance management at service line and Board level, and inter-organisational working.

4.3 Longer term Issues and challenges

Sustaining compliance over time needs to be considered alongside affordability, within the LHE and also within the context of ongoing national productivity requirements. Sustaining performance on access targets (18 weeks RTT), and quality outcomes whilst delivering the required 20% productivity improvement

over the next 5 years, as required within strategic plans, will present a challenge in terms of capacity management. It will also be dependent upon sufficient local commissioning capacity and will be the subject of continued dialogue and monitoring with commissioners and the LHE throughout the period of the Plan.

4.4 Trends in Provider Level Operating Metrics

The following indicators were introduced into performance monitoring with the introduction of the NHS Risk Assessment Framework in October 2013. The relevant section monitors '*material negative trends*' in patient and staff related areas and covers:

- Patient Satisfaction;
- Executive Team Turnover;
- Staff Sickness;
- Sickness Absence Rate;
- Proportion of Staff Turnover;
- Proportion of Temporary Staff; and
- Aggressive Cost Reduction Targets >5%

The Trust is incorporating these into its Business units' Board to Board Performance Framework.

Other elements of the Risk Assessment Framework, incorporated into the Trust Governance declaration that will be submitted to Monitor in June of this year, are referenced below:

(i) CQC Concerns

There are no CQC concerns. The Trust has sustained Band 6 status, the top rating, for Quality and Safety, in the CQC second Intelligent Monitoring Report.

(ii) Third Party Reports

The Trust undergoes an extensive range of quality assurance visits and assessment on an annual basis across its wide range of services. In addition it commissions specific analyses and benchmarking such as that undertaken by the North East Quality Observatory. There is also an extensive programme of internal audit. For third party reports/visits and quality assurance undertaken in 2013/14 there are no areas of material concern and significant positive feedback and compliance registered. A database is maintained and all actions /recommendations monitored. 2013/14 reports are summarised in Appendix X

(iii) Financial Risks

These are identified in Section 5.0, Financial Commentary of this Plan.

5.0 Financial Commentary

5.1 Financial Strategy

This section begins with an overview of the aim of the financial strategy and how it will be delivered. It covers:

- Recent financial performance and the starting point for the plan;
- The key themes of strategy delivery;
- A commentary on the financial projections and supporting assumptions;
- Risks and mitigations;
- Financial sustainability.

The first year of the new NHS has been a challenging one in terms of financial and contract management. The Trust has managed a lack of clarity over the commissioning process at the start of the year and financial pressures experienced during the year.

During the immediate planning horizon of 2 years, the challenges are even more significant. The tariff deflator, continuing cost pressures and the efficiency requirement all generate financial risks. The Emergency Care Centre opens in November funded from a £22m loan and £10m from Trust surpluses and significantly from 2015/16, the introduction of the Better Care Fund, the impact of which is far from clear. These factors combine to present probably the most challenging financial position the Trust has faced.

To address these risks, the Trust's financial strategy supports its strategic themes of:

- Ensuring sustainability clinically and financially;
- Expanding our scope / business;
- Being the provider of first choice;
- Integration and innovation to deliver quality and sustainability across the whole local health economy;
- Providing patient centred coordinated care.

All strategies are underpinned by plans to ensure that the Trust is fit for purpose with regard to its environment/the Estate, workforce and business infrastructure.

The financial strategy is underpinned by a two year operational plan that includes the Trust’s developments and priorities in both capital and revenue whilst ensuring financial stability through cost reduction, revenue generation, liquidity and excellence in financial governance.

Within the plan quality and safety improvements are supported, key service lines developed and the commissioning agenda reflected.

The plan shows a minimum continuity of services risk rating of ‘3’ across the period. There are significant risks to this but also headroom and potential financial mitigation.

Particular features of the plan are increased capital spend in 2014/15 reflecting completion of the new Emergency Care Centre and a relatively low cost improvement plan in 2014/15, reflecting a level the Trust believes is realistically deliverable. These factors put pressure on working capital in the short term.

5.1.1 Recent Financial Performance

The Trust has a history of delivering strong financial performance. In 2013/14 the Trust is experiencing financial pressure. In particular temporary staff costs and clinical supplies budgets have overspent. Despite this pressure The Trust plans to deliver an underlying surplus and the expected continuity of services risk rating of 4. This will give the Trust a reasonable financial base at the start of the planning period.

The key performance indicators for 2013/14 are summarised in the table below.

	2013/14 Forecast Actual
EBITDA	8.495
Underlying I&E Surplus*	0.457m
Liquidity Metric	14.4
Continuity of Service risk rating	4

****surplus/ deficit less impairments and restructuring costs***

Over recent years, the Trust has identified delivery of cost improvements as an ongoing risk. This is also reflected in feedback from the Trust’s financial regulator, Monitor. Whilst the Trust has historically met its financial targets, cost

improvement plans have not been delivered, recurrently in full. This has contributed to the financial pressure experienced during 2013/14.

Cost improvement delivery	2011/12 Actual	2012/13 Actual	2013/14 Forecast
£m CIP delivered	7.699	7.037	4.925
Rev Gen delivered		1.485	1.764
% Recurrent Delivery	98.8	97.0	88.5
Carried Forward	89	1.696	2.331

5.1.2 Delivering the Strategy

The plan includes the financial aspects of the Trust's developments and priorities, capital and revenue, the key ones being:

- The new Emergency Care Centre, opening in November 2014;
- The new Pathology Centre providing pathology services across the South of Tyne from June 2014;
- Provision of the two Gateshead walk-in centres;
- Known commissioning intentions.

The Better Care Fund has been identified at around £17.2m for Gateshead. £4.1m of this fund comes from money currently funding acute services provided by the Trust and other acute providers.

We are working with the Gateshead CCG to manage this process. Some work has already been done around adopting a community-based model for diabetes services. We do not expect significant financial risk in 2014/15. Beyond this the position is more uncertain, but all parties are committed to joint working to ensure the sustainability and quality of services and patient safety.

Given the early stage of the process we have not made financial assumptions in the plan about the impact of the Better Care Fund. Our plan will be adjusted as certainty around proposals develops.

Key features of the plan are a reduction in liquidity in the first year due to the building of the Emergency Care Centre, a low CIP in year 1 reflecting a realistic assessment of what is achievable and the close management of working capital across the period. The key headlines for 2014/15 and 2015/16 are shown in the table below:

	2014/15 Plan £m	2015/16 Plan £m
Total Income	208.569	206.503
Total Revenue Expenditure	216.404	204.037
Capital Expenditure	15.473	4.667
CIPs	6.906	9.346
EBITDA	6.835	11.103
Underlying I&E Surplus*	2.165m	2.466m
Liquidity Metric	-3.3	-1.2
Continuity of Service risk rating	3	3

****surplus/ deficit less impairments and restructuring costs***

To deliver the priorities in the plan whilst maintaining financial stability, we have identified and continue to focus on the following themes:

- Revenue generation and cost improvement as part of an efficiency strategy;
- Managing liquidity;
- Excellence in financial governance.

5.1.3 Efficiency Strategy

Following the publication of the Monitor and Audit Commission document “Delivering sustainable cost improvement programmes”, in January 2012, the Trust reviewed its approach to the identification and implementation of its cost Improvement programme.

It was acknowledged that to deliver successfully, significant savings, there would need to be a shift from the traditional implementation of schemes that save money to more long term plans to transform clinical and non-clinical services that not only result in permanent cost savings, but also improve patient care, satisfaction and safety.

This led to the development of the Trust’s Strategic Transformation Improvement Programme (STIP) which was approved by the Trust Board in 2012 and sets out our three to five year Transformation Programme. The implementation of Service Line Management underpins several components of the STIP and work has been underway since then to introduce Service Line Management within the organisation.

The Trust has also adopted an Efficiency Strategy supported by a programme management office. In line with the principles of Service Line Management, accountability and responsibility for delivery of the Efficiency Improvement Programme sits with the identified leads and managers and not with the programme management office.

The efficiency strategy explains the Trust approach to:

- Planning the efficiency programme, with the strategy as a key document;
- Identifying revenue and cost improvements, through staff engagement, benchmarking and market analysis;
- Delivery, monitoring and reporting. It sets out the process to assess the robustness of schemes and their impact, risk assessment, and the process for monitoring and reporting progress (using the Wave monitoring tool). It includes escalation arrangements where schemes are behind plan;
- Annual programme evaluation; and
- The approach to staff training.

The risk assessment process uses the NPSA risk scoring matrix. All proposed schemes with financial and service risk scores of 15 and above are discussed at the Business and Efficiency Programme Board where the Director of Nursing and Medical Director are present. This enables the risk to service quality and safety to be considered and schemes/initiatives will not be approved to progress unless the 15 and above risk scores can be mitigated against and reduced.

The Director of Nursing and Medical Director also provide assurance to the CCG on the Trust's approved Efficiency Improvement Programme via a report which sets out risk assessment, service implications and mitigating actions.

The four themes of revenue generation, cost reduction, liquidity and excellence in financial governance are discussed below.

5.1.4 Revenue Generation

Commissioner budgets will continue to be pressured over the plan period and competition for the delivery of services remains a reality. However, we believe that investment will continue in high quality, efficient services.

Therefore we will continue to pursue revenue generation opportunities. We have included in the income plan two main areas of opportunity:

- Expanding market share on the borders of Gateshead for maternity services, orthopaedics and general surgery;
- Expanding the provision of pathology services through the newly built pathology centre. Services will be provided to Sunderland and South Tyneside in 2014/15.

The net income of these schemes amounts to £1.5m in 2014/15.

5.1.5 Cost reduction

We will also seek to provide our services in the most economical way possible. We have identified a range of cost improvement schemes spread over 5 themes.

Cost improvement theme	2014/15 Plan	2015/16 Plan
	£m	£m
Changing the way we do things	1.440	3.131
Technology	0.259	0.557
Workforce	3.198	2.792
Procurement	1.008	1.754
Technical and back office	1.001	1.112
Total	6.906	9.346
Percentage of operating expenses	3.4%	4.6%

Included within these themes are a number of specific schemes such as the transfer of Pathology services to Gateshead and the associated voluntary severance, this amounts to savings of £1.1m across the two year period. Bed reduction schemes and changes in workforce will also save the Trust £2m across the period and the opening of the Emergency Care Centre will save £360k in estates rationalisation.

Changing the way we do things can be classed as transformational. Much of the work under technology and workforce also requires transformational change particularly around the digitisation of medical records of £1.6m. In total around half the cost improvement plans can be considered transformational in nature. The remaining cost reduction schemes are more traditional and incremental in nature.

5.1.6 Liquidity

In the current environment, liquidity is a crucial risk to Trust performance. There is increasing pressure on the Trust's cash position due to increasing revenue costs and the Trust's capital development schemes. The approach to manage the liquidity position involves examining the effect of new debt structures on cash payments and profiles. This will include:

- Close scrutiny of the accounts payable and receivable over the period and a robust approach to debt recovery;
- Examining the potential for tax efficiency measures, and
- The potential for further borrowing to support capital development, including the contingency of a committed working capital facility.

Liquidity measures	2014/15 Plan	2015/16 Plan
Working capital	£-1.813	£-0.642
Cash	£5.207m	£4.017m
Liquidity metric (days)	-3.3	-1.2

5.1.6 Excellence in Financial Governance

The right financial environment and culture is essential to successful financial performance. Therefore we need to ensure that financial controls are appropriate and applied consistently, but also we need to ensure that awareness of financial performance and how each staff member can contribute is maximised. Key actions are to:

- Continue to develop service line reporting to support service line management;
- Complete the planned restructure of the finance department;
- Deliver a financial e-learning package for service managers and budget holders; and
- Continue scrutiny of procurement and the development of business cases.

5.2 Commentary on Financial Projections

Income

Planned Income increases by 3% in 2014/15. This is due to the following key assumptions and agreements:

- An agreed contract with Gateshead CCG reflecting both the tariff deflator of 1.5% and over performance;
- A level of activity consistent with commissioning plans;
- Specific adjustments for service changes such as the transfer of Walk-in Centres to the Trust of £1.7m;
- The transfer of pathology services of £2.3m
- Income from the rental of retail units in the new Emergency Care Centre of around £2m;
- Delivery of revenue generation schemes of £2.7m gross income.

	2013/14 Outturn	2014/15 Plan	2015/16 Plan
	£m	£m	£m
NHS Clinical Income	176.316	184.491	185.659
Non – NHS Clinical Income	1.059	1.256	1.288
Other Operating Income	24.594	18.776	19.510
Non-Operating Income	0.432	4.046	0.046
Total	202.401	208.569	206.503

Revenue costs

Expenditure projections are based on the following assumptions and agreements:

- Employee expenses have been uplifted to reflect the recently agreed pay deal;
- Non-pay inflation has been assessed for specific areas;
- Cost pressures identified and agreed through the budget setting process are included;
- The revenue impact of approved developments are reflected in projected costs, including the opening of the emergency care centre, transfer of walk-in centres and pathology services;
- Cost improvement plans identified as above (5.1.5).

	2013/14 Outturn	2014/15 Plan	2015/16 Plan
	£m	£m	£m
Operating Expenses			
Employee Benefits	133.285	134.794	132.417
Drugs	13.987	14.746	14.721
Clinical Supplies	19.088	21.474	21.710
Non Clinical Supplies	14.830	14.420	14.783
Other Operating Expenses	12.284	12.254	11.723
Sub total	193.474	197.688	195.354
Non-Operating Expenses			
Interest	0.466	0.850	0.817
Depreciation	4.200	4.748	4.748
Dividend	2.774	3.118	3.118
Impairments	15.947	10.000	0
Other	1.804	0	0
Total	218.665	216.404	204.037

5.3 Capital

The financial projections are based upon the capital plan that has been agreed by the Board. The programme is around £15.473m for 2014/15. The focus of the programme is to complete the major strategic developments on emergency care and pathology. In the second year the plan reduces as the major developments will be in place.

Capital schemes	2014/15 Plan	2015/16 Plan
	£m	£m
Buildings	8.315	0
Maintenance	0.750	0.750
IT	2.298	0.957
Other	4.110	2.960
Total	15.473	4.667

There are also a number of IT developments in the plan. They are principally focused around developing the Electronic Patient Record. They will support the digitisation of medical records and see existing systems replaced with systems more closely integrated with the Trust's EPR system.

Capital schemes	2014/15 Plan	2015/16 Plan
	£m	£m
E prescribing	0.757	0.050
Integrated paperless records across providers	0.250	0
Replace Theatres system	0.050	0.125
Replace maternity system	0.025	0.150

5.4 Financial Risk and Mitigation

The plan delivers continuity of services risk ratings as shown below:

	2014/15 Plan	2015/16 Plan
Debt service	2	3
Liquidity days	3	3
Combined	3	3
Approximate headroom to a '2'	£2m	£3m

In addition the Trust has contingency of £500k in 2014/15 for unforeseen service developments plus a pay contingency of £1.25m.

Immediate and significant financial risks which could affect the Trust's financial performance and ultimately achievement of service delivery are identified below.

Risks	Mitigations
Planned assumptions in inflation and cost pressures are inaccurate.	Headroom and contingency built into plan, robust budgetary control and forecasting, early identification of issues, short term cost control, vacancy control and better supplies management, accelerating implementation of cost improvement schemes, deferring developments, further borrowing and working capital facility.
Planned assumptions in activity substantially change	Headroom and contingency built into plan, robust budgetary control and forecasting, early identification of issues. Discussions with commissioners to manage consequences of fall in income. Short term cost control, vacancy control and better supplies management, accelerating implementation of cost improvement schemes, deferring developments, further borrowing and working capital facility.
Non-receipt of non-operating income because of failure to dispose of land interests or receive rental income for emergency care centre retail units	Disposal process for land underway. Contract signed for rental income. Headroom and contingency built into plan. Short term cost control, vacancy control and better supplies management, accelerating implementation of cost improvement schemes, deferring developments, further borrowing and working capital facility.
Reduction in funding – Better Care Fund	Headroom and contingency built into plan. Early risk assessment of impact, robust process to identify potential schemes to reduce impact of disinvestment, involvement in the development of the plan, identification of role for the Trust in delivery of new service models.
Non achievement of agreed CIPs	Headroom and contingency built into plan. Development of smart CIPs at the outset, ensuring they are achievable and the impact upon patient care carefully assessed, robust monitoring and reporting and corrective action if necessary. Short term costs control, vacancy control and better supplies management, accelerating implementation of schemes, deferring developments, further borrowing and working capital facility.

The Trust has modelled a downside scenario in its financial projections. The scenario represents the risks outlined above by modelling:

- a reduction in clinical income of approximately 0.5% (£0.9m) in 2014/15 with a further reduction of approximately 0.5% in 2015/16 (£1.8m)
- a failure rate in cost improvement delivery of around 20% in both years (£1.6m in 2014/15 and £3.4m in 2015/16)
- Non-receipt of £2.0m operating income in 2014/15 representing land disposal or rental income for retail units in the emergency care centre.

The Trust is able to cope with any of these individual scenarios without its continuity of services risk rating falling below a '3'. This would be achieved through headroom and contingency in the plan. However if all risks occurred simultaneously, the unmitigated risk rating would fall to a '2' from Q4 of 2014/15.

In our financial model we have mitigated this scenario through application of headroom and contingency within the plan, alternative cost improvement measures from Q3 of 2014/15 totalling £1m across 2014/15 and 2015/16 and further borrowing to support capital expenditure (£3m). This is the mitigation modelled in the financial projections. The Trust considers that this mitigation would be achievable. In practice mitigation would reflect the actual position faced by the Trust.

5.5 Financial sustainability summary

In terms of short term financial sustainability, the Trust has assurance that:

- The financial projections reflect what the Trust needs to do in terms of revenue and capital delivery;
- The projections are based on reasonable assumptions (inflation, tariff deflation, commissioning intentions, and realistic revenue and cost improvement targets);
- The financial plan delivers sufficient cash and appropriate risk ratings with head room;
- There are clearly significant risks but downside modelling shows that available measures mitigate these in the short term;

We have assurance that the continuity of services risk rating remains a 3 for much of the plan period but there remain a significant number of financial risks to the plan. The financial plan therefore represents a significant challenge. The main areas of work critical to delivery of financial sustainability are:

- o Working with our partners to establish an approach to the Better Care Fund that delivers the aims of the fund without de-stabilising the Trust;
- o Opening the Emergency Care Centre and taking responsibility for two walk-in centres, maintaining quality and controlling costs; and
- o Delivering sufficient cost improvement, particularly the larger transformational schemes.

6.0 Workforce-Challenges and Plans

6.1 Keogh's 10 clinical standards (including 7 day working)

As referred to in section 1.0 the recently published "10 Clinical Standards" present certain challenges with regard to 'supply' of the workforce and funding. As the key focus of the standards is to provide appropriate services over the seven days of the week, the Trust will need to build and develop a workforce with sufficient flexibility to respond to the major changes in work patterns, practices and skill mix. New ways of working will be adopted to support delivery of the standard, however it is envisaged that some additional senior medical staff posts will be required to sustain quality of care throughout the week. This will have financial implications, some of which will be an appropriate call on the Better Care Fund. A project management approach is being adopted to ensure delivery of this work and address the challenges faced over the 12 months,

6.2 Emergency Care Pathways

Alongside achievement of 'Seven Day Working', development of the new Emergency Care Centre and Walk in Centres as part of the Integrated Urgent Care Pathway is a significant key workforce issue facing the Trust in 2014/15. The challenge will be to ensure that staffing levels are appropriate to deliver agreed new pathways of care in terms of skill mix, numbers and competence. As part of the development of the Integrated Urgent Care Service, existing staff from the Walk in Centres in Gateshead and Blaydon will transfer into the Trust and become part of the wider Emergency Care team.

Developing the new Emergency Care Service requires comprehensive clinical engagement and this will be secured through stakeholder events and project groups to ensure the involvement of all appropriate individuals. A workforce model and plan is being developed and agreed across the service, to include assurance that tasks are carried out at the right level, by appropriately skilled and competent professionals, in some cases developing new roles and ways of working. This will

include undertaking a gap analysis against current staffing/skill mix and will identify the impact of increased use of technology on workforce requirements.

The development of partnership working with key agencies is an essential element of the workforce planning process to ensure that the service is fit for purpose to ensure best care is for patients.

6.3 Workforce Planning

Workforce planning is a fundamental element to managing the business, ensuring that each area has the correct number of staff with appropriate skills and experience to provide the best quality of care to patients. There are a number of challenges linked to workforce planning including:

- Shortages of key staff in the labour market;
- Fluctuations in activity, e.g. winter planning;
- Funding; and
- Identifying the correct business strategy

There are a number of key national initiatives which will affect the workforce plan. These include Seven Day Working, Nurse Revalidation, national work streams e.g. reducing readmissions. In addition, locally a number of initiatives will influence the Trust's need for staffing resources. These include:

- Reducing emergency care admissions;
- The impact of nurse led clinics;
- An increase in general surgery;
- Movement of clinical work back to the community e.g. anaesthetic pre-assessment; and
- Developing new roles to deliver a changing service

Workforce planning is led by the Clinical Business Units, via the business planning process, identifying key service developments and areas for growth, as well as related resource implications. In addition the Trust develops an integrated Winter Plan to manage the increase in capacity over the winter months.

The Trust is addressing the emerging need to market our services and develop clinical networks to improve the service provided to patients.

Seven day working will provide the biggest challenge, and as Job Plans and staffing levels are reviewed and the need for additional staff identified, the Trust must

consider different ways of working, levelling activity across the wider week to minimise impact on resources.

This will require a change in culture for the organisation which in turn will support the development of new roles and working practices, and highlight the need for the Trust to review recruitment opportunities and practices to ensure it continues to attract the highest calibre and quality of staff from an increasingly difficult labour market.

6.4 Staff Engagement

One of the most important factors in ensuring the Trust can respond to the challenges of the future is an engaged and committed workforce. Inevitably the pressures under which staff are working generally are increased at a time when staff need to embrace significant change. Understanding how staff feel, and what would help support them in their work is fundamental to staff engagement. The Trust is committed to working with staff and staff side colleagues in partnership, to respond positively to today's changing service environment and will actively support the national "Friends & Family (Staff) Test", adding this feedback received from the Staff Survey results. Supporting Action Plans will ensure that areas for improvement are addressed in a timely manner and progress monitored.

The ongoing Health & Wellbeing Agenda continues to be developed, and a newly introduced Attendance Management Team will assist managers in supporting staff back into the workplace at the earliest opportunity.

Partnership working with Staff Representative colleagues is an ongoing relationship. Consultation and where appropriate negotiation will continue through the Joint Consultative Committee and Local Negotiating Committee (Medical Staff), and working groups are convened as appropriate to ensure communication about key issues e.g. TUPE matters, takes place.

7.0 Capital Plans and our Estate

The Estates strategy supports the strategic priorities of the Trust in areas critical to our success and will enable the Trust to seize opportunities as they arise. Above all, the Strategy aims to deliver buildings and facilities that are fit for purpose, ideally situated, safe, well-cared for and able to adapt to clinical needs.

Our approach for the next two years is described in the following paragraphs. The Trust is about to embark on a major period of rationalisation and re-configuration of

its Estate, instigated by the completion of major capital developments that will complete this year i.e. the new Emergency Care Centre and Pathology Laboratory. This will result in re-location and improvement of accommodation for other key services including Paediatrics and Gynaecology, Cardiac Diagnostics and re-location of the existing Ambulatory Care clinic to enable proximity to the new Emergency Care accommodation. A number of poorer, peripheral buildings will be demolished, which will release revenue savings. On-site car-parking will be improved.

Care closer to home remains a key priority in line with national policy and commissioning intentions. The Trust currently provides services across the local community in patients' homes, GPs' premises, primary care centres and its own secondary care offsite outpatient facilities. We remain committed to offering services in accessible locations where it makes sense clinically and financially.

Plans also include further investment in buildings and infrastructure including buildings and engineering maintenance, equipment replacement, and IT infrastructure. The latter includes significant development enabled by a successful bid to the Safer Hospitals Technology Fund. This involves work streams on:

- Introduction of systems to enable paperless integrated care (Medical Interoperability Gateway-MIG);
- Electronic prescribing and medicines optimisation systems;
- I-bleep and monitoring of vital signs technology, which continue to improve care of the acutely ill patient and contribute towards the overall quality and safety priorities.

Trust plans include comprehensive and pro-active sustainability measures that are approved on an annual basis by the Board. Particular success has been achieved in reduction of energy consumption. In 2013, the Trust achieved a reduction of 10% for carbon dioxide emissions, two years ahead of the national target of 2015, one of only a few NHS trusts in the country to do so.

The Trust is also exploring a range of opportunities to enhance management of property and facilities which should further contribute towards optimum use of resources and achieving value for money within the period of the Plan.

THIRD PART REPORTS (reference section 4.0 of the Plan)

The NHS Risk Assessment Framework introduced in October 2013, includes reference to use of Third part reports. The following list sets out visits, quality assurance assessments, accreditations and inspections undertaken from April 2013 to-date:

Safe & Effective Occupational Health Services (SEQOHS)
MHRA Statutory Good Clinical Practice (GCP) Inspection
Human Fertilisation and Embryology Authority Licence Inspection
Point of Care Department QEH being assessed by Clinical Pathology Accreditation (CPA)PA UK Ltd
Northern Deanery Revalidation Event
Northern School of Anaesthesia and ICM School Visit (Anaesthesia).
Postgraduate Medical Education Deanery QM Visit
Paediatric School Visit
The Royal College of Surgeons Vice President Visit
CQC visit to Cragside Court -Older persons Mental Health, on-site facilities
(Outcome: compliant)
Forensic Services for Financial Services & Payroll
The effectiveness of the present structure and performance of the Finance Department
British orthopaedics Association (BOA) Benchmarking Visit
CCG Visit - Urgent Care Pathway (Outcome: compliant)
CQC Visit- Trust-wide (Outcome: compliant)
Environmental Health Inspection
Investors in People health and well-being good practice award (awarded Gold)
Trauma Unit Peer Review
CT Health and Safety Executive (HSE) Inspection
Quality Assurance assessment of antenatal and new-born screening programme
CQC Mental health Act 1983 monitoring visit to Ward 23, Queen Elizabeth Hospital
(Outcome: compliant)