



Operational Plan Document for 2014-16

**Luton & Dunstable University Hospital
NHS Foundation Trust**

Operational Plan Guidance – Annual Plan Review 2014-15

The cover sheet and following pages constitute operational plan submission which forms part of Monitor's 2014/15 Annual Plan Review

The operational plan commentary must cover the two year period for 2014/15 and 2015/16. Guidance and detailed requirements on the completion of this section of the template are outlined in section 4 of the APR guidance.

Annual plan review 2014/15 guidance is available [here](#).

Timescales for the two-stage APR process are set out below. These timescales are aligned to those of NHS England and the NHS Trust Development Authority which will enable strategic and operational plans to be aligned within each unit of planning before they are submitted.

Monitor expects that a good two year operational plan commentary should cover (but not necessarily be limited to) the following areas, in separate sections:

1. Executive summary
2. Operational plan
 - a. The short term challenge
 - b. Quality plans
 - c. Operational requirements and capacity
 - d. Productivity, efficiency and CIPs
 - e. Financial plan
3. Appendices (including commercial or other confidential matters)

As a guide, we expect plans to be a maximum of thirty pages in length. Please note that this guidance is not prescriptive and foundation trusts should make their own judgement about the content of each section.

The expected delivery timetable is as follows:

Expected that contracts signed by this date	28 February 2014
Submission of operational plans to Monitor	4 April 2014
Monitor review of operational plans	April- May 2014
Operational plan feedback date	May 2014
Submission of strategic plans to Monitor (Years one and two of the five year financial plan will be fixed per the final plan submitted on 4 April 2014)	30 June 2014
Monitor review of strategic plans	July-September 2014
Strategic plan feedback date	October 2014

1.1 Operational Plan for y/e 31 March 2015 and 2016

This document completed by (and Monitor queries to be directed to):

Name	Pauline Philip
Job Title	Chief Executive
e-mail address	pauline.philip@ldh.nhs.uk
Tel. no. for contact	01582 497001
Date	4 April 2014

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

In signing below, the Trust is confirming that:

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

Approved on behalf of the Board of Directors by:

Name (Chair)	Spencer Colvin
-----------------	----------------

Signature



Approved on behalf of the Board of Directors by:

Name <i>(Chief Executive)</i>	Pauline Philip
---	----------------

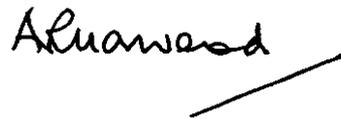
Signature

Handwritten signature of Pauline Philip in cursive script.

Approved on behalf of the Board of Directors by:

Name <i>(Finance Director)</i>	Andrew Harwood
--	----------------

Signature

Handwritten signature of Andrew Harwood in cursive script, with a diagonal line underneath.

1.2 Executive Summary

1. EXECUTIVE SUMMARY

1.1 Introduction

'The next two years is a critical time for the future of Luton & Dunstable University Hospital NHS Foundation Trust as it transforms from a DGH to become a Hyper Acute Emergency hospital, a Women's & Children's Hospital and an Elective Centre supported by an academic unit and working with external partners and stakeholders to ensure the success of integrated care'.

This new strategic vision is the outcome of extensive work undertaken during the last three years, including:

- the development of a clinical services strategy
- participation in the Healthier Together project
- a thorough review of emerging national policy, including the Keogh Report into Emergency Care, the Academy of Royal Colleges report 'Seven Day Consultant Present Care' and the Better Care fund initiative
- joint working with local commissioners and other stakeholders
- an ongoing dialogue with our members and governors
- a recognition that rising health care demand, rising costs and flat real funding means the NHS could face an estimated £30bn shortfall by 2021.

The vision is based on an understanding that patients will choose to receive acute hospital care from organisations that deliver:

- the best clinical outcomes
- have a reputation for providing safe care
- provide high quality care
- can provide care and diagnostics at the time of need.

The vision is supported by an intention to re-develop the hospital buildings either on the existing site (Option 1) or on a new site that would maintain easy access for the present catchment population (Option 2).

The vision will be set out in detail with the underpinning business model in our 5 year Strategic Plan, however, this two year operational plan supports some critical early implementation.

1.2 Overview

Luton & Dunstable University Hospital NHS Foundation Trust is presently a medium sized general hospital with 640 inpatient beds. The Trust employs nearly 4000 staff and provides a comprehensive range of general medical and surgical emergency and acute services.

The Trust predominately serves two main CCGs: Luton (48%) and Bedfordshire (25%) however an increasing number of services are also provided for Herts Valley and East and North Hertfordshire CCGs as well as a proportion for the services commissioned directly by the Commissioning Board (15%). The

Trust has established good relationships with the new CCG organisations and has acted as the health economy memory as new individuals have taken on the senior roles within the new organisations. All the Trust's commissioners have expressed their support of the Trust and its strategic direction.

In recent years the Trust has also developed good relationships with other key stakeholders such as local authorities and other statutory and non statutory bodies. The Trust maintains an ongoing dialogue with other providers on strategic and operational issues.

The Trust has a catchment population of approximately 320,000 people.

1.3 Strategic Context

The strategic configuration of services in the South East Midlands has been under scrutiny for some time as part of the recent Healthier Together (HT) programme. The Trust actively participated in the programme and its clinical Workstreams. The remit of the programme was to meet the health challenges of the 21st century and improve health services in the South East Midlands (SEM) to deliver improved patient outcomes in a safe, sustainable and affordable way. Led by GPs and hospital clinicians, the programme was a collaboration of twelve NHS partners across Bedfordshire, Luton, Milton Keynes and Northamptonshire.

Regrettably, the Healthier Together programme finished in March 2013 after Bedford hospital decided to conduct an exercise to identify a potential partner to engage in a merger process. L & D submitted a proposal, however, it appears that Bedford Hospital wanted to explore a merger with Milton Keynes FT. More recently, Bedfordshire & Milton Keynes CCGs, the TDA and Monitor have commissioned a review to generate options for delivering sustainable, high quality (hospital and out of hospital) services for the people of Bedfordshire and Milton Keynes. The CCGs intend to take the proposals forward for public consultation later this year. The Trust remains in an ongoing dialogue with Bedfordshire CCG with regards to service opportunities that the review may highlight for Luton & Dunstable University Hospital.

During 2012/2013 L&D also participated in discussions with other local providers, exploring service collaborations. In particular talks took place with West Hertfordshire Hospital NHS Trust (WHHT), however, the conclusion reached was that any future relationships could only be explored once WHHT had secured FT status.

There are however, ongoing discussions taking place with UCH to explore the possibility of future collaborations on a range of services including cancer and neurology.

More recently, the Trust worked with Circle and successfully bid for the Bedfordshire CCG MSK tender. The Trust is now engaged in the process of developing the clinical model and agreeing contractual arrangements to allow the service change to commence in 2014/15. The service is based around the development of a community hub which the Trust will support through provision of clinical staff and diagnostics.

1.4 Strategic Direction

As discussed in the introduction, the Trust agreed a new strategic plan during 2013/14 which will be detailed in the Monitor 5 year strategic plan.

1.5 Corporate Objectives (2014-2019) *

The Trusts new strategic direction is underpinned by seven corporate objectives:

1. **Deliver Excellent Clinical Outcomes**
 - Year on year reduction in HSMR in all diagnostic categories
2. **Improve Patient Safety**
 - Year on year reduction in clinical error resulting in harm
 - Year on year reduction in HAI
3. **Improve Patient Experience**
 - Year on year improvement in patient experience demonstrated through hospital and national patient survey, leading to upper quartile performance
4. **Deliver National Quality & Performance Targets**
 - Deliver sustained performance with all CQC outcome measures
 - Deliver nationally mandated waiting times & other indicators
5. **Implement our New Strategic Plan**
 - Deliver new service models:
 - Emergency Hospital (collaborating on integrated care and including hospital at home care)
 - Women's & Children's Hospital
 - Elective Centre
 - Academic Unit
 - Implementation of preferred option for the re-development of the site
6. **Develop all staff to maximise their potential**
 - Deliver excellence in teaching and research as a University hospital
 - Ensure a culture where all staff understand and promote the vision and values of the organisation
 - Recruit and retain a highly motivated and competent workforce
7. **Optimise our Financial Plan**
 - Deliver our financial plan 2014-2016 with particular focus on the implementation of re-engineering programmes

* Detailed project plans with timelines for implementation are available for all corporate objectives and short term challenges.

1.6 Present Performance

During 2013/14 L&D continued to consistently deliver against national quality and performance targets, achieving a Monitor governance rating of green throughout the year. During the year the hospital gained national recognition for the management of Emergency Care. Significant progress continues to be made in delivering quality priorities focussing on clinical outcome, patient safety and patient experience. Of particular note is the transformation in clinical outcomes for patients suffering from fractured neck of femur.

The Trust has now achieved 15 successive years of financial surplus and currently has a Financial Risk Rating with Monitor of 4. Our present performance is set against financial difficulties within the Luton

health economy. Luton CCG (our main commissioner) has identified a deficit representing nearly 3% of their NHS allocation. This deficit, in part, has been caused by acknowledged underfunding. The impact of CCG allocation realignment will, in time, increase the CCG allocation by 7% in real terms.

Notwithstanding the ultimate benefit of 'fair shares' funding the CCG will seek downward pressure on providers as it seeks to redress the short term funding challenge and to contribute to the Better Care Fund.

1.7 Highlights from Last Year's Performance

- We constantly delivered all national quality and performance targets in all four quarters.
- We delivered a financial surplus for 15th successive year.
- We made real progress in implementing 2013/14 Quality Priorities and in particular, we significantly reduced our HSMR for fractured neck of femur.
- We completed our new Strategic Plan working with commissioners and other stakeholders.
- We completed the outline business case for Option 1 for the site re-development.
- We continued to develop strong relationships with CCGs and other stakeholders.

1.8 Finance

The Board have determined that the FT shall at all times maintain a minimum financial risk rating of 4¹.

Trading Performance

In deriving the 2014/15 the FT has set individual profit / loss targets for Divisions and has utilised these empowered leaders to determine a budget for 2014/15.

	2011/12	2012/13	2013/14	2014/15	2015/16
	£m	£m	£m	£m	£m
INCOME					
Total income from activities	220.6	230.7	245.0	251.2	253.0
Total Expenditure on activities	-209.4	-220.2	-233.4	-237.8	-238.6
EBITDA	11.2	10.5	11.6	13.4	14.4
Other expenditure (ITDA)	-8.7	-9.6	-10.7	-12.4	-13.4
Retained annual surplus	2.5	0.9	0.9	1.0	1.0

Cash Position

The table below provides a summary of the Trust's projected cash-flow for 2012/13 and beyond. The FT anticipates maintaining a liquidity risk rating of 4.

Cash Movement (£m)	2012/13	2013/14	2014/15	2015/16
Opening Cash	47.6	37.7	21.8	9.3
Closing Cash	37.7	21.8	9.3	12.3

¹ Based on the Risk Assessment Framework.

Financial Risk Rating

The Trust's financial plan for 2013/14 to 2015/16 produces the following performance against Monitor's financial risk rating methodology as shown in the table below:

Financial Risk Rating (Based on 2013/14 Financial Risk Rating)

Metric	2012/13	2013/14	2013/14	2014/15	2015/16
	Actual	Plan	Actual	Plan	Plan
Capital Service Cover	n/a	4	4	4	4
Liquidity	n/a	4	4	4	4
Continuity of Service Risk Rating	n/a	4	4	4	4

* Figures shown are the Monitor Score with 4 being the top score and 1 being the lowest score

1.9 Conclusion

This operational plan focuses on two key issues, transformation and risk management.

The Board of Directors and the Council of Governors are acutely aware that rising demand, increasing costs and flat real terms funding means the present models of service delivery within the NHS are no longer fit for purpose.

The short term challenges set out in Section 2 focus on how we will begin to transform service delivery both within the Trust and with partners across the health economy in line with our new strategic plan. The challenges also address how we will manage risk and ensure that performance is maintained. Our Quality Plan sets out our ambition to continue improving clinical outcome, patient safety & patient experience, a number of the priorities are linked to short term challenges and re-engineering programmes. Section 2.4 of the plan addresses productivity and efficiency and the recognition by the Board of Directors that we will not be able to achieve the transformation underpinning our strategic plan unless we optimise efficiency gain.

Finally, the plan sets out our financial strategy and highlights the substantially delayed progress with Luton CCG in agreeing the 2014/2015 contract whilst recognising that there is now an agreed plan to conclude discussions by the end of May 2014.

1.3 Operational Plan

2. OPERATIONAL PLAN

2.1 The Short Term Challenge

Our Strategic Plan sets out our intention to transform L&D into:

- A Hyper Acute Emergency hospital
- A Women's & Children's hospital
- An Elective Centre

To achieve this ambition during the period 2014-2016 the organisation must radically change how care is delivered, whilst maintaining performance against national quality and service targets and managing risk within the health economy.

The following deliverables are therefore key:

2.1.1 Implementing 7 Day Consultant Care

In line with the recommendations set out in the Academy of Medical Royal Colleges report 'Seven Day Consultant Present Care Implementation considerations', during 2014-16 L&D will make additional consultant appointments as well as re-organising the job plans of existing consultants. This will be enhanced by the implementation of a medical productivity programme. Our objective will be to enable all hospital inpatients to be reviewed by an on-site consultant at least every 24 hours, seven days per week, unless it has been determined that this would not affect patients' care pathways.

This transformation has already begun. In the last two years consultant cover has been significantly extended. Emergency Medicine, Obstetrics, Paediatrics and a number of medical and surgical specialties, as well as Diagnostics, already provide seven day consultant care.

Importantly, the Trust recognises that seven day consultant care must be supported by the whole hospital delivering a seven day service. Each Clinical Division is presently developing a blueprint for the implementation of 7 day services in line with the NHS Improving Quality Standards set out in 'Open 7 Days a Week' within their 2014/2015 business plans. The further development of consultant care is set out as a key quality priority in Section 2.2.2.

2.1.2 Developing Hyper Acute Models of Care

Across all clinical specialties clinical pathways are being developed to support hyper acute inpatient care linked to seamless outpatient care.

2.1.3 Developing Emergency Care

L&D plans to meet the vision set out in 'Transforming Urgent & Emergency Care Services in England'. To deliver this objective, the following strategies are being deployed:

- In order to ensure designation as a 'Major Emergency Centre', the present emergency department provides consultant care 17 hours a day and standby consultant care in the remaining hours. This will

be further enhanced by the recruitment of an additional two consultants to bring the total number to 10. In addition, the medical support required to ensure that children attending our emergency department have access to specialist paediatric care at all times will be closely monitored and extended if necessary.

- The further development of stroke services to ensure the standard required to be a Hyper Acute Stroke Unit is met. This will be achieved by the recruitment of an additional 2 consultants and further nursing and therapy staff. Importantly, the bed base will also be reviewed to support the service and to provide stroke rehabilitation for the Trust's catchment area and other catchment areas if alternative provision is not available.
- The opening of the new Cath Lab in 2012 provided the foundation for the Trust to develop its cardiac services. The next stage will be the introduction of percutaneous coronary intervention (PCI) services and the timetable for this is being agreed with commissioners.
- The hospital presently has relationships with two major trauma centres: St Mary's Hospital (Imperial College Healthcare NHS Trust) and Addenbrooke's (Cambridge University Hospitals NHS Foundation Trust). However, due to the hospital's location and distance from both units, the Emergency Department continues to care for a number of trauma patients. L&D presently fulfil the criteria for being a trauma centre, however, as part of the ongoing development of the department, trauma services will be further enhanced.
- The Trust intends to commence discussions with commissioners and other stakeholders with the intention of re-establishing vascular surgery.

2.1.4 Provide Diagnostics at the Time of Need

The transformation of L&D will only be possible if the provision of diagnostics can be radically transformed. Having immediate access to diagnostics is imperative for the Hyper Acute and Women's & Children's hospital. Timely diagnostics are fundamentally important for the provision of elective care, ensuring patients choose the hospital. Finally, without proper access to diagnostics, integrated care will fail. It is therefore our intention that by the end of 2014-2016 both Imaging and Pathology will provide comprehensive acute diagnostic services across modalities to support both inpatient and outpatient pathways 7 days a week. This will meet the emerging needs and development of the acute emergency hospital and support both hyper-acute stroke and trauma services. New services will be established to deliver both CT coronary angiography and interventional radiology, supporting the development of vascular surgery at the Trust. Decreasing diagnostic waits is also a key quality priority and further detail is set out in 2.2.3.

2.1.5 Implementing Integrated Care

The delivery of the new strategic plan is dependent on a robust model of integrated care being provided to meet the need of our population. For this reason L&D has taken the unusual step of taking the leadership role to work with all stakeholders to develop a demonstration project, implementing integrated care for the South Bedfordshire catchment area. That work is detailed as a key clinical outcome priority for 2014/15 in section 2.2.1. The delivery of this project and its roll-out across the Luton catchment area will be key to ensuring that both health economies are able to meet future financial challenges and the implementation of the Better Care Fund. This work is linked to a key clinical outcome priority set out in 2.2.1 and further information is available in Appendix 2.

2.1.6 Delivery of Re-engineering Programmes

In 2013/2014 the FT launched an approach to QIPP through the design and establishment of a number of re-engineering programmes, seeking to make fundamental changes to how care is delivered and managed. The delivery of the re-engineering programmes is vital to the ongoing viability of the organisation and to the affordability of the redevelopment of the hospital. These work programmes are discussed in section 2.4 and 3.7.

2.1.7 Redeveloping the Hospital

The 2013/14 Annual Plan set as an objective, the completion of an outline business case for the phased development of L&D. The outline business case is now complete. The Board has however decided that a second option should be explored before proceeding to FBC. The option would involve a (single phase) development on a new site. It is therefore the intention of the Trust to complete a pre-consultation business case (Strategic Outline Case) by mid-summer for this second option. If the Board decides to include this option then an Outline Business Case will be completed in the summer of 2015 detailing both options this will facilitate Board and Governor decisions on the preferred option. The FBC would be submitted 9 months later. If, however, the Board decide not to proceed with the second option, then the FBC for the first option will be submitted to Monitor in 2015.

2.1.8 Sustaining Performance against National Quality and Performance Targets

As in 2013/14 the Board of Directors recognises the importance of sustaining the level of delivery against national quality and performance targets delivered by the Trust in recent years. During the last year, the organisation has demonstrated the ability to maintain operational performance whilst also focussing on strategic planning and change. This will be particularly important in coming years.

2.1.9 Managing Risk

Risk continues to be managed at all levels of the Trust and is co-ordinated through an integrated governance framework consisting of performance and assurance processes. The Executive Board and the Clinical Operational Board lead the review of risk through the Divisional, Information Governance and Equality and Diversity sub Boards. The Board of Directors lead the review of board level strategic risk seeking assurance from the Audit and Risk, Clinical Outcome, Safety and Quality; and Finance, Investment and Performance Committees.

The Risk Management Strategy continues to provide an integrated framework for the identification and management of risks of all kinds, whether clinical, organisational or financial and whether the impact is internal or external. This is supported by a Board Assurance Framework, which is used to record corporate objectives, risks to their achievement, key risk controls, sources of assurance and gaps in assurance to ensure effective risk management.

There is a Risk Review process under the leadership of the Executive Directors, who meet weekly and approve any new risks that have been identified through the Divisions, Corporate Services or Committees and reported through the central risk register database (Datix). This group agree whether the risk is a Strategic Board Level Risk that has implication to the achievement of the Trust Objectives, review the assessment score (risk appetite) and also allocate the risk to the relevant Sub-Committee for assurance and operational board for performance monitoring. The Risk Review Group also monitors the risks being closed by the Divisions to ensure the Executive Team is aware of risk amendments.

The assessment and subsequent management of risk is informed by its quantification using a risk grading matrix, which is set by the Board of Directors. Consequence and likelihood tables are outlined in the Risk Management Framework across a range of domains; the consequence tables grade each risk by reference to its expected impact. This, combined with the likelihood score, defines a measure of overall risk. The Trust risk tolerance is set by considering all risks through the Risk Review Group and identifying those risks that have implications to the achievement of the Trust Objectives. Any of these Board Level Risks that are rated as a high risk are reported to the Board of Directors monthly. Actions and timescale for resolution are agreed and monitored. Through this process, the Board are informed of any risks that would require acceptance as being within the Trust's risk tolerance.

The organisations major risks are detailed on the Trust Risk Register and Assurance Framework. Through the annual planning, the risks are formulated into five elements and the risks linked to those and their mitigating action are documented below. The Risk Register is reviewed by the Board of Directors, Audit and Risk Committee, Clinical Outcome, Safety and Quality Committee, FIP, and Executive Board, it contains in year and future risks.

L&D Top 5 Risks 2014 – 2016 (Summary)

Risk Type	Risk description	Impact	Likelihood	Mitigating actions	Monitoring Framework
Clinical Operational	<ol style="list-style-type: none"> 1. Increased emergency pressures 2. Delivering 7 day consultant care 3. Implementation of integrated care 4. The need for robust and whole system working 	High	High	<ul style="list-style-type: none"> • Board approved action plans with Trust partners where appropriate • Re-engineering programme managed by an Executive Director 	<ol style="list-style-type: none"> 1. Weekly Senior Team and Executive meetings 2. Monthly Clinical Outcomes, Safety & Quality Committee
Finance	Delivering the financial challenge in 2014/15 including Commissioner plans, agency spend, CQUIN and Re-engineering programmes	High	High	<p>Monthly review of key income & expenditure metrics</p> <p>Monthly performance review meeting with Divisions led by Executive Directors</p> <p>Monthly Re-engineering Boards</p> <p>Downside modelling undertaken quarterly. Planned surplus and cash reserves to buffer downside risk.</p>	<p>Monthly reports of cumulative financial performance</p> <p>Monthly Finance, Investment & Performance committee review</p> <p>Executive oversight group to monitor re-engineering milestones</p>
Present Hospital Campus	Trust site may not be consistent for optimum patient care	High	High	New Strategic Plan and hospital Re-development strategy prepared for 2014/15	Board review of SOC in Summer 2014
Legislation/ Target/ Regulation/ Patient Safety	Maintaining compliance against CQC outcomes, national and contractual targets and legalisation	High	Moderate	Board approved action plans in place	Regular monitoring / Assurance from Board Sub-Committees
Business Continuity	The Trust needs to be able to function in the event of a major or catastrophic event	High	Low	Ensure that the Emergency and Business Continuity plans are frequently reviewed, communicated and understood by key staff	<p>Ongoing review and testing of Business Continuity plan relevant adaptation of plans</p> <p>Oversight by Board Sub group</p>

During the coming year the Trust will continue to embed a culture of external review and engagement of independent expertise to facilitate greater objectivity and learning;

- During the year in addition to using the services of internal and external audit, a number of specific reviews were commissioned including a review of the Board (by the Institute of Directors). This practice will continue in 2014/15.
- A number of consultants and turnaround experts were engaged to address concerns in relation to delivering our CIP plan and to transform outpatient performance. Where appropriate, this practice will continue.
- The value of benchmarking and learning from others has been greatly enhanced through membership of UCL Partners and the McKinsey Hospital Institute. This endeavour has been complemented by external reviews into facilities management and imaging services.

2.1.10 Governance Arrangements

During 2012/13 an assessment of the Trust's governance arrangements was undertaken through the Institute of Directors.

The effective functioning of the governance arrangements of the board is key to the success of the organisation. Board evaluation is extremely valuable in contributing to board effectiveness which has been recognised through various governance codes over the years particularly Monitor's Code of Governance that suggests an external Board Evaluation every three years. Periodic and rigorous board evaluation process represents best-practice and should be considered as part of any governance review.

The evaluation examined the following areas:

- Roles and responsibilities. The extent to which the board and its committees are successful in fulfilling their key roles and responsibilities.
- Structures and procedures. The extent to which the board and its committees adhere to best practice in their structure and procedures.
- Appropriate Board behaviours. The extent to which the culture of the Board, committees and individual directors is supportive of the effective functioning of the Board.

The review found that the Board and Governance structures were robust and there was a good spread of knowledge across the Board members. The feedback did include the following recommendations that were supported by the Board:

- development of a succession planning framework;
- further involvement of stakeholders in the development of our future strategy;
- development of a communication programme for staff about the annual plan;
- involvement of the Divisional Directors in the Board Seminars;
- development of a director responsibility outline as a corporate member of the Board; and
- complete a review of risk appetite.

These recommendations are being taken forward by the Board.

As previously reported, in recent years the Trust also implemented a Divisional Management Structure which is now fully embedded and facilitated by service line management. The Divisional Structure is

supported by performance review, ongoing governance expertise and independent review from PricewaterhouseCoopers [PwC] (or internal audit).

During 2014/15 the Trust will recruit a new Chairman and three Non-Executive Directors. A recruitment process is presently taking place with the support of an experienced external organisation. The Board of Directors and Governing Body are confident that these appointments will not create a risk to the stability of the organisation.

2.2 Quality Plan

Improving clinical outcomes, safety and experience for our patients while delivering value for money is key to the Trust's overarching quality strategy. To meet the short term challenges that we face, we have developed a number of ambitious trust-wide quality priorities. These are based on local as well as national priorities including the need to ensure ongoing CQC compliance and to implement the recommendations from our own internal review of the Francis, Berwick and Keogh reports.

An additional focus on transforming our workforce to deliver our new ways of working and quality priorities will be performance managed across clinical divisions to ensure improvements. The Trust is cognisant that this transformation of services will be challenging and the overall plan and key risks for achieving these quality priorities will be monitored by the Trust Board's Quality Committee.

2.2.1 Key Clinical Outcome Priorities 2014/15

- **Continue to monitor overall hospital mortality and investigate any condition or procedure where there are unexpected deaths**

The Trust HSMR for the calendar year 2013 was 96.0 compared to 97.2 for 2012. In March 2013 the data from the National Hip Fracture Database report did confirm the Trust as an outlier in terms of the mortality rate for fractured neck of femur. However through a continued commitment and focus on reducing the mortality rate amongst this group of patients, this has now significantly reduced to a current HSMR of 91.

The Mortality Board monitors the overall HSMR & SHMI. Currently there are no diagnoses where the HSMR is outside of the expected range.

Acute kidney injury (AKI) is however, a major factor in increasing patients' length of stay and can contribute to significantly increased mortality. It is associated with many conditions and is prevalent in emergency admissions. AKI can also be viewed as an index condition for assessing the quality of the totality of care for all people with acute illness. Earlier recognition of illness severity and earlier senior clinical involvement in the care of unwell patients is therefore key to improving the safety, effectiveness and experience of care for patients admitted to hospital as an emergency. This will be a priority for 2014/15 and has been agreed as a CQUIN scheme.

This objective will be delivered by:

- An electronic alert system to detect changes in serum creatinine that may be indicative of AKI thus enabling early identification of patients and implementation of prompt management plans.
- Development of an educational programme for all trainee doctors based on the prevention of AKI so that they are able to recognise and respond appropriately to the diagnosis of AKI.
- Introducing a formal clinical management care bundle for patients with AKI to reduce the severity and length of stay.

Key success criteria:

- Improved management of the patient with AKI as evidenced through audit.
- Reduction in the number of patients who require renal support.

- **Implement a new model of integrated care for older people**

The current service configuration within Central Bedfordshire and Luton for the management of older people often results in the frail and elderly population being admitted to hospital when they could be cared for in the community. Key stakeholders within the Central Bedfordshire health economy (L&D, Central Beds Council, CCG, Primary Care, SEPT and the voluntary sector) have recognised this issue for some time but to date accountability to drive and lead the required change has not occurred. Poor patient experience and the ever increasing need to reduce bed pressure has led the Trust to recognise that driving the right care in the right setting is a vital requirement to delivering operational sustainability. The Trust has therefore taken the lead working with stakeholders within the Central Bedfordshire health economy to progress a new integrated model of care for the elderly population. The Better Care Fund (BCF) which has been identified as a key enabler for change, encouraging CCGs and local authorities to work together to improve seven day access to services for patients will enable this work to commence. (Further information about the integration project is detailed in Appendix 2.)

This objective will be delivered by:

- Co-ordinating care around the individual through the creation of co-located joined-up health and social care teams.
- Providing more proactive rather than reactive care, reducing the amount of 'crisis' admissions into hospital.
- Delivering patient care in the most appropriate setting and as a result fewer people are treated in the hospital.
- Helping patients maintain and maximise their independence.
- Improving the support and training provided to carers.
- Improving how patients access their care by implementing a single point of contact for patients and professionals.
- Reducing organisational fragmentation by focusing on care pathways rather than organisational boundaries.

Key success criteria:

- Improved patient care and experience.
- Improved accessibility and responsiveness of services.
- Reduction in overall levels of unplanned admissions and hospital attendances of older people.
- Reduction in delayed transfers of care. Once the patient is medically stable they are discharged to the appropriate care setting.
- Improvement in planned hospital admissions, admissions are both planned and managed between the community MDT team and hospital geriatrician.
- Reduction in the number of re-admissions to hospital within 30 days as the right packages of care are available within the community setting.
- Reduction in hospital LOS – patients follow a planned admission pathway into the hospital for treatment and once medically stable, follow a planned discharge pathway to the appropriate community setting.

2.2.2 Key Patient Safety Priorities 2014/15

- **Ensure that we have the appropriate level of clinical expertise available to deliver consistent inpatient care irrespective of the day of the week**

Considerable evidence has emerged in recent years linking poorer outcomes for patients admitted to hospital as an emergency at the weekend. This variation is seen in mortality rates, patient experience, length of hospital stay and re-admission rates.

This evidence has led to the need for greater consultant presence at weekends with the aim of improving patient outcomes and also providing greater support and training for junior doctors.

Ensuring patients receive consistent, high quality care across seven days of the week will be a key priority for the Trust.

These objectives will be delivered by:

- Development of a plan to meet the key clinical standards for 24/7 working, with agreed targets as part of the CQUIN scheme for 2014/15.
- Review of all inpatients by an on-site consultant at least once every 24 hours, seven days a week, unless it has been determined that this would not affect the patients' care pathway.
- All emergency admissions will be seen and have a thorough clinical assessment by a suitable consultant within 14 hours of arrival at hospital.
- Consultant interventions and investigations and completed reporting will be provided seven days a week if the results will change the outcome or status of the patient's care pathway before the next 'normal' working day. This will include interventions which will enable immediate discharge or a shortened length of hospital stay.

Key success criteria:

- Rapid and appropriate decision making through timely investigations .
- Improved safety, fewer errors.
- Improved outcomes through improved diagnosis and appropriate treatment.
- Improved patient experience due to appropriate and skilled clinicians and availability of information.
- Improved supervision and training of junior doctors.
- Timely discharge planning.

- **Roll out the Perfect Day across the hospital**

This innovative model involves a completely new workforce design with the main aim of getting the nurse back to the bedside. It supports the reduction of unnecessary bureaucratic documentation and tasks that a registered nurse does not need to undertake thus significantly increasing the amount of nursing time spent with the patient. To enable this, the support staff element of the workforce has also required a radical review.

An Implementation Board has been set up to manage the roll out of the model across the organisation. A key task of the Board will be to ensure affordability. The model is currently being embedded in practice on four wards. A number of workstreams have been set up to look at the support roles to define the standards and identify the education and training requirements for each role.

This objective will be delivered by:

- The implementation of the generic support worker role (Bands 1-3) to further enhance the new way of working.
- Establishing a programme of work to roll out the Perfect Day Model across the hospital.

Key success criteria:

- Improved patient experience scores.
- Reduced complaints.
- Improved nursing metrics.
- Improved staff experience.

- **Ongoing development of Safety Thermometer, improving performance year on year**

The NHS Safety Thermometer provides nurses with a point of care survey tool to check fundamental levels of care, identify where things go wrong and take prompt action. It is used by frontline healthcare workers to measure and track the proportion of patients in their care with pressure ulcers, urinary tract infections, VTE and falls and is one of the national CQUIN schemes in 2014/15.

Continued use of the safety thermometer for 2014/15 will provide ongoing measurement of harm from pressure ulcers, falls, urinary infection in patients with catheters and treatment for VTE. The Trust has consistently delivered 95% harm free care against these four harms.

The safety thermometer objectives for 2014/15 are to:

- ***Use the prevalence data from the Safety Thermometer as an improvement tool to continue to reduce the amount of harm patients experience***

The data set from the Safety Thermometer tool will be collected, collated and reported on providing the Trust with a snapshot (prevalence) of the four key 'harms' described above, occurring on a particular day in the Trust. These data in conjunction with additional incidence data will then be used to drive improvements in practice and will be reviewed bi-monthly as part of the nursing quality assurance framework. Overall performance and assurance will be reviewed by the Clinical Outcome, Safety and Quality committee and reported to the Board.

- ***Deliver a 15% reduction in the prevalence of hospital acquired, avoidable grade 2 and 3 pressure ulcers***

The Trust has made significant progress in reducing the numbers of hospital acquired pressure ulcers. To continue upon this improvement, we have established a 'Stop the Pressure and Wound Forum' focussed on improving the education and support to all levels of staff with an interest in pressure ulcer and wound care. The effectiveness of this approach will be measured by the number of reported incidents of avoidable hospital acquired pressure ulcers.

- ***Deliver a further 5% reduction in the proportion of patients with harm from a fall***

Whilst some falls are avoidable, reducing falls in an ageing and more frail population with complex health needs, is very challenging. The Trust has been successful in reducing the overall number of falls and those falls that result in severe harm. To further improve this, a greater focus on risk assessment and delivering on all elements of the 'falls care bundle' will be required.

- ***Deliver a 5% reduction in the proportion of patients with a urinary catheter***

Work is underway to reduce the use of urinary catheters across the Trust. To date the National Safety Thermometer data identifies the Trust as an outlier compared to the national average for the number of patients with a urinary catheter (national average 15 % and L&D is 18%). A quality improvement plan that includes key interventions continues to be implemented.

- ***Maintain 95% (minimum) patients to have had a VTE risk assessment on admission***

Undertake Root Cause Analysis (RCA) on all cases of hospital associated thrombosis where known.

Hospital acquired Venous Thromboembolism (VTE) is an important patient safety issue resulting in significant mortality, morbidity and healthcare resource expenditure. VTE manifests as either deep vein thrombosis (DVT) or pulmonary embolism (PE), and can be difficult to diagnose. All relevant patients will be risk assessed, prescribed and administered the appropriate preventative treatment. A root cause analysis (RCA) will be undertaken on all hospital associated thrombosis. Lessons learnt will be shared in practice.

Key success criteria:

- Improved clinical outcome.
- 15% reduction in the prevalence of hospital acquired avoidable grade 2 and 3 pressure ulcers.
- 5% reduction in the proportion of patients with harm from a fall.
- 3% reduction in the proportion of patients with a urinary catheter.
- 95% (minimum) patients to have had a VTE risk assessment on admission.

- **Improve the management of the deteriorating patient**

The recognition of acute illness is often delayed and its subsequent management may be inappropriate. This is because clinicians' may fail to monitor, document or act on physiological abnormalities in a timely way, commonly described as "Failure to Rescue". This leads to further deterioration in clinical condition and avoidable deaths. 'Wardware', the electronic observation system, has been introduced to assist with addressing these issues. Wardware has assisted with providing the organisation with details on a ward by ward and day to day basis of the performance of observations.

Analysis of the cardiac arrests is undertaken by the Resuscitation team and this has highlighted some areas for improvement regarding nursing and medical response to abnormal observations. Work is being undertaken to assist with categorising this, and the reasons for failures to respond in a timely manner and to identify the actions that are required to address the issues raised. This will include the following key objectives:

Key Objectives for 2014/15 will be:

- Implementation of a robust process to ensure the effective coordination and management of the 'deteriorating patient pathway'.
- Development of a measurement system for categorising the effectiveness of the management of the deteriorating patient pathway to create a baseline.
- Improved visibility of patients' observations through the purchase of additional hardware will enable the immediate recognition of a deteriorating patient.

Key success criteria:

- Improvement of 50% on the baseline for the following measures:

Timely and appropriate observations

Appropriate and timely escalation when a patient is deteriorating

Timely medical response as a result of escalation of concerns

Effective action to prevent further deterioration

Reduction in number of cardiac arrests

- **Reduce Avoidable Harm caused by prescribing and administration processes by implementing an electronic Prescribing and Medicines Administration (ePMA) system:**

Work is already underway to build and test an Electronic Prescribing and Medicines Administration system which will make the Drug Chart electronic, with all the attendant safety and process benefits. In 14/15 we will complete an initial deployment to an Elderly Medicine ward for 3 months, and move to the roll-out of this system across all areas, which will take 9-12 months.

This objective will be delivered by:

- Implementing, integrating and configuring the already procured ePMA system.
- Training and changing the process for both prescription and administration.

- Delivering sufficient hardware in the right place for staff to access the ePMA system seamlessly within the bedside processes for prescribing and administering.
- Careful benefits realisation revisiting base lined areas of safety focus.
- Delivery of a locally agreed medicines management CQUIN.

Key success criteria:

- Implementation of the ePMA system across all inpatient areas, excluding maternity.
- Reduction in the types of interventions and a move to targeted specialist support from pharmacy.
- 50% reduction in number of transcribing errors.
- 50% reduction in missed doses.
- 20% reduction in the time to deliver the end to end TTA process.
- Ability to derive accurate patient level drug costs.
- 50% improvement with adherence to IV to oral switching and duration.
- Reliable capturing of allergy alerts on admission.

2.2.3 Key Patient Experience Priorities 2014/15

- **Revolutionise the outpatient experience for our patients**

The Outpatient Transformation programme will continue to build on service developments throughout 2014/15. The move to an outpatient operating model where care can occur without the need for a paper record has taken many years to navigate but will deliver in the June 2014. This will enable a fundamental redesign of supporting processes around outpatients. The last year has seen the introduction of an outpatient based phlebotomy service and further improvements to consulting rooms. An outpatient appointment confirmation system using interactive technology has been introduced aimed at reducing Outpatient non-attendance rates and allowing patients to cancel appointments where necessary. This service has been rolled out across the Trust and combined with the successful substantial reduction in short notice clinic cancellations and the publishing of the 10-day look forward appointment availability, will drive improved efficiency and availability of appointments and provide patients with greater access and choice.

During the latter part of 2013/14 members of the Outpatient team participated in a McKinsey patient experience project. The CARE commitment has been developed with Outpatient staff to exemplify and promote the values of delivering good outpatient customer care. Further work is ongoing with training and development and in enhancing administrative check in processes to enable clinic reception staff more time to dedicate to delivering a better service and improving the patient experience. This latter innovation will become a major focus of development in 2014.

The objectives for 2014/15 will be delivered by:

- Commencement of a remote check in service to reduce queuing times and to help drive a reduction in delays in clinics.
- Introduction of outpatient room booking software to improve clinic scheduling and ultimately to create more capacity and reduce waiting times.
- Introduce a new contact centre, to move towards a single point of contact for patients and GPs.
- Introduction of improved appointment booking systems and processes.
- Consulting with Outpatient nursing and administrative staff to introduce substantive evening and weekend clinics as commissioned by the clinical Divisions.
- Electronic transfer of all Outpatient correspondence to GPs.

Key success criteria:

- Improved feedback via Friends and Family test and participation in a locally commissioned Healthwatch Luton survey being conducted in Outpatients.
- Improvement in the National Outpatient Experience Survey.

- Achieve 2% consistent reduction in Do Not Attend (DNA) appointment rates.
- Achieve 90% rebooking of recyclable patient initiated cancelled appointments.
- Achieve a further reduction of 50% in the number of patients experiencing hospital initiated clinic cancellations.
- Continue to improve Outpatient environment and facilities.
- Increased patient choice in scheduling of new and follow up appointments, with 90% of patients requiring follow up leaving with their appointment having been booked.
- Reduced delays in clinics with 90% of patients seen within 30 minutes of their scheduled appointment time.
- Achieve faster Outpatient call centre response times – 95% calls responded to in less than 30 seconds.

- **Decrease diagnostic wait times**

Fundamental to delivering safe, efficient and effective patient care pathways, reducing length of stay and improving patient experience, is improving the access time to diagnostic services within the Trust. The Imaging department has the challenge of meeting increased demand year on year as new and improved diagnostic services are introduced. In 2014 the imperative will be to expand services to meet 24/7 Keogh recommendations and reduce waiting times in line with Trust and Departmental strategic objectives. The foundations for delivering expanded service delivery have already been laid with the introduction of a radiographer shift system in the summer of 2013, enabling Imaging services to be expanded more affordably to meet patient and service needs.

The objectives for 2014/15 will be delivered by:

- Expanding access across specific Imaging modalities to facilitate increased evening and weekend opening times.
- Substantively expanding MRI scanning capacity from 8am to 8pm Monday to Friday, and 8am to 6pm Saturday and Sunday.
- Replacement of the existing CT scanners with higher specification equipment and improving the CT scanning environment and patient waiting area.
- Conducting modality reviews to examine means of facilitating improved scanning times and patient pathways.
- Promoting improved recruitment and retention of staff with increased training, development and career progression opportunities.
- Expanding consultant radiologist availability 7 days a week, rationalising the on call rota and delivering speedier and more affordable in-house reporting.
- Introducing new service developments such as CT Coronary Angiography to enable patients to have their specialist cardiac care delivered rapidly and locally.
- Agreeing revised key performance indicators with Divisions to meet service need.

Key success criteria:

- Reduce waiting times for routine scans in CT, MRI and Ultrasound from current 6 weeks targets to 2 weeks by Q4 2014.
- To ensure all 2 'week wait' patients are appointed to agreed Key Performance Indicators (KPIs).
- Reduce waiting times to other modalities to be consistently under 6 weeks.
- To ensure all routine scans are reported to agreed KPIs.
- Meeting emergency Imaging and reporting requirements as per trauma network accreditation standards.

- **Improve the experience and care of patients at the end of life and the experience for their families**

End of life care was a priority for the whole health economy in 2013/14. The most sensitive and difficult decisions that clinicians have to make are around the starting and stopping of potentially life

prolonging treatment. However, such decision making is important and engaging patients where they are able, puts them back at the centre of their care. Once these decisions are made, it is crucial that our patients receive optimum end of life care. This year, the focus will be on implementing a new care plan and providing training for doctors and nurses.

This objective will be achieved by:

- Development of an 'End of Life' care plan.
- Training on care planning for the end of life with nurses and doctors across the Trust.

Key success criteria:

- Delivery of the locally agreed 'end of life' CQUIN scheme for 2014/15.
- Evidence of symptom control.
- Evidence of conversations with the families and or patient regarding their care and preferences.
- Evidence of support for families.
- Presence of a DNAR and personal resuscitation plan in the patient records.
- Francis Report.

2.3 Operational Requirements and Capacity

In recent years the Trust has demonstrated the impact that good process design and implementation can achieve. This can be seen in the sustained delivery of national targets despite increasing demand. During 2014/16 the Trust recognises the importance of maintaining this focus at a time of strategic change and in a period of unprecedented financial challenge. In particular, the Trust will ensure that it:

- will work with partner organisations to deliver winter and surge planning, seeking to find more effective ways to flex capacity and staffing to meet demand
- continue to develop the integrated discharge team and discharge pathways, especially working more closely with GPs
- continue to refine internal bed flows and processes
- further develop ambulatory options for care

2.3.1 Workforce

Our vision is to be a recognised centre of excellence with high quality staff providing high quality services. Delivering this objective requires the Trust to maintain its ability to recruit high quality staff. The drive for ever more productive working, coupled with tightening resources all contribute to a challenging employment relations environment. Being able to engage effectively with staff at an individual and collective level to help improve performance has never been more important to the success of the Trust.

There are some key contextual issues which underpin the Trust's approach:

- The development of a workforce strategy to support the 5 year strategic plan.
- The requirement for consistency of care and service over a seven day/24 hour period rather than the more conventional working patterns is an essential prerequisite for the delivery of safe care.
- The continued shortage of junior and middle-grade doctors will operate as a key driver for a consultant delivered service.
- Reviewing the way in which we currently deliver services and where necessary, to make changes that allow the Trust to function to a maximum level of efficiency and one which enables the development of opportunities that result in improvements.
- The Trust's status in respect of teaching and research will continue to be a key enabler to recruit staff of the right calibre.

Key Workforce Pressures

The key workforce pressures and the Trust's response are as follows:

- **Nursing** – the Trust has been relatively successful over the last 12-months in its ability to recruit nursing staff. However, it is recognised that in order to ensure that vacancies are kept to a minimum that the Trust needs to focus on overseas recruitment. Although a number of overseas recruitment initiatives have already taken place, going forward the Trust will develop a clear recruitment strategy that is mindful of the challenges of the current employment market.

The development of the 'Perfect Day' initiative is intended partly as a longer term solution, focussing nursing resource to the tasks which require qualified nurses and removing all other tasks to staff groups which present fewer recruitment issues. This will allow easing of pressure as the plan is rolled out but will also make the nursing roles that remain more attractive and aid retention rates.

- **Consultants** – the Trust is pleased with its ongoing ability to recruit high quality consultant staff, helped by the Trust's position of strength with respect to ongoing strategic viability compared to some neighbouring Trusts. As the trust seeks to ensure sufficient critical mass in each of its service areas it will look to make the most of its status as a university hospital and centre of excellence for some key specialties.
- **Midwives** – the Trust has bolstered its numbers in recent years. This has been through a number of recruitment initiatives including recruitment in Scotland and Ireland. As in many Trusts, this will remain a difficult staff group for recruitment with additional pressure arising from the age profile of the existing workforce.
- **Generic Worker** – development of the generic worker role will enable the further development of the 'Perfect Day Model' and will provide greater role expansion and job satisfaction for Bands 1-4.

Moving forward, the Trust recognises that in order to meet future service needs, that this will require a focus on workforce redesign and transformation across a number of areas. Indeed, some of this work has already commenced in some areas, such as the changes in the delivery of 24-hour Consultant care; the review and changes in working patterns across some of the clinical support services and work has started in identifying opportunities for a new type of 'generic' support worker role.

2.3.2 Capacity

One of the key constraints for the Trust is capacity. The key issues are set out below:

- **Theatres** – this is a key constraint which is being tackled through the implementation of a new theatre schedule from October 2014 which will allow for increase weekend elective lists, the increased movement of procedures out of theatres (e.g. cystoscopies) and improvements in theatre scheduling and efficiency.
- **Beds** – in relation to surgical services, the continued use of hospital at home and the increased use of enhanced recovery to shorten length of stay are key enablers to allow the planned increase of elective operating to be accommodated within the surgical wards. In relation to emergency admissions the development of a new model of elderly care (which will be piloted in South Bedfordshire) will be fundamental in delivering a step change in the overall bed requirement. In the short-term the Trust will continue to use its escalation areas as required and the length of stay transformation project will create the headroom to absorb any additional demands.
- **Diagnostics** – radiology has represented a significant constraint both for inpatients and outpatients and is a key root cause issue for delayed 18 week pathways. The implementation of two replacement

CT scanners in 2014, the increase of MRI operating hours and the benefits being derived from the new shift system for radiographers will all increase capacity.

- **A&E** – volumes have continued to rise and this is creating pressure on the current service. The Trust is in the process of expanding the department to create 8 new trolley spaces. In addition 2 triage rooms can be flexed to become trolley spaces if required.
- **Maternity** – the actual number of deliveries in 2013/14 has been slightly less than projected but the Trust has identified opportunities to increase its market share and could accommodate a small rise without any significant intervention. In the event of higher numbers we would undertake some immediate capital works to convert the antenatal clinic into more delivery rooms. This would mean that we would require new clinic space, potentially by moving Antenatal Clinic into the main clinic area. We would also create antenatal and post natal capacity by working to optimise all pathways, reduce avoidable LOS and develop improved ambulatory pathways.

2.3.3 Communications

Key to improving operational processes is the replacement for our core telephone system (PBX). This is required to ensure robust business continuity for traditional telephone communication, but also gives the Trust the ability to revise and improve its entire approach to communication. The use of automation, group communication, SMS text and video conferencing can enable entirely new ways of delivering our clinical support. This project has been running, and has successfully procured the solution to deliver telephony and messaging. This is a system proven in acute healthcare called Siemens Unify. The active internal project is called Unified Communications and will deliver the following in the 2014-16 period:

- A 24/7 highly available replacement telephone system to meet business continuity requirements.
- An enhanced Switchboard function of the Trust to improve the service and efficiency for callers - such as advanced services, which would allow features like automated routing of calls for on-call clinical staff and senior management. This will also automate the urgent communication processes and procedures for the various levels of incidents the Trust has to manage.
- A solution for urgent individual and group messages which is reliable, intelligent, and auditable. This will review all uses of current bleep system and seek to reduce their number rapidly. Within the period 2014-16 Unify will replace the current bleep system.
- A contact centre platform which is capable of delivering an outbound and inbound calls (Patient and GP) to a robustly managed Trust contacts centre.

2.4 Productivity and Efficiency

Re-engineering Programmes (including CIP/QIPP)

The approach to cost control, and unit cost reduction, is fundamental to the ongoing viability of the organisation as it strives to meet the twin challenges of tariff efficiency and commissioner driven demand management initiatives, in addition to providing the basis to meet the affordability of the hospital redevelopment.

The overall approach is based on the analysis that suggests the Trust's overall systems and processes are not functioning to a maximum level of efficiency and that potential improvements represent a key opportunity. In response to this the Re-engineering Programmes (which includes CIP /QIPP) is aimed to meet the financial challenge by creating overall 'system' efficiency rather than delivering discrete cost reductions unconnected to the whole. The Corporate schemes below show increasing contribution over the plan, and efforts will be made to accelerate some of the increased contribution into the latter half of 2014/15.

Governance and Assurance

The overarching governance is through an executive group chaired by the Chief Executive and at Board Committee level through the Finance, Investment and Performance Committee. The Trust has also appointed a dedicated Executive Director to ensure delivery. Each scheme is described below and has its own project structure and quality impact assessment.

Project: Outpatient Transformation

The largest cohort of patients visiting the hospital are outpatients and as a high volume service (c.250,000 per annum) they have a major impact on the utilisation of medical resources. The work programme for the next phase of the project is based on a number of key transformation elements:

- leveraging the benefits derived from the EDRMS project to streamline the back office functions;
- establishing the feasibility a new system of customer management allowing all contacts with patients to be centrally recorded and managed;
- introducing self-check in and clinic management software;
- rolling out an appointment reminder system across all outpatient specialties.

The project will use a combination of dedicated project management and external consultancy (including taking part in one of the McKinsey Hospital Institute campaigns). This project is linked to a key patient experience priority set out in 2.2.3.

Project: Theatre Efficiency

Theatres represent, outside critical care, the most expensive facilities the Trust operates with a corresponding impact on income. The current programme is based around the use of a specialist consultancy firm (Altouros) to develop better systems for waiting list booking, together with the introduction of a new theatre timetable by October 2014 to give increased throughput. In addition proposals for a more efficient solution to the current Vanguard theatre are being developed.

Project: Length of Stay

Length of stay is a key driver of resources given the number of beds the Trust operates. The variability in activity means that a fixed bed pool is not operated but beds are flexed up and down as appropriate. Length of stay varies due to internal factors such as availability of medical input and diagnostics, and also external factors such as access to rehabilitation. The length of stay programme seeks to establish an embedded and permanent approach to the systems which underpin and drive length of stay.

The key elements of the project are:

- development of an Ambulatory Care Unit;
- improve complex discharges;
- reconfiguration of bed stock and critical care;
- expansion of Hospital At Home;
- introduce enhanced recovery.

In addition the development of the pilot scheme in South Bedfordshire for a new model of elderly care is designed to have a fundamental impact on the overall length of stay.

Dedicated project management resource is in place and this project is linked to a key patient safety priority set out in 2.2.2.

Project: Medical Productivity

In the past, the Trust has not monitored or performance managed medical productivity in any systematic or rigorous way. The movement towards such an approach represents a significant cultural shift which will only be achieved over time. However this initiative potentially represents the most beneficial element of the approach to QIPP (CIP). There are a number of different elements to the programme but the most important parts are:

- standardisation of the approach to job planning;
- introduction of annualised commitments for theatre and procedure lists and outpatient clinics;
- development of reporting tools to measure medical productivity on a consistent and ongoing basis.

The work is supported by a dedicated resource and the project is linked to a key patient safety priority set out in 2.2.2.

Project: Workforce

The Trust's approach to sickness absence is to ensure systematic and rigorous use of the absence management policy. The objective is to bring the sickness absence rate well below the benchmark for acute trusts and to reduce the number of staff with a high Bradford score to less than 200. The Trust has succeeded in reducing the number from 430 to 300 in the first year of the project.

The Trust bank and agency rates have been between 12-15% of the total pay spend and therefore this project will see the overall temporary pay bill reduced.

A second critical part of the workforce programme is the introduction of e-rostering in order to tackle the complexity of the proliferation of flexible working patterns which increase the number of constraints within a roster. It is difficult to evaluate the current cost of this problem but it is likely to represent 2-5% of costs within some rosters. The contract was let in October 2013 and the project commenced in January 2014.

Dedicated project management is in place for both sickness absence and e-rostering.

Project: Procurement

The procurement work stream has, so far, concentrated on a series of individual projects (e.g. trauma prosthesis rationalisation) with an anticipated impact of £1m per annum which represents 2% of the overall non-pay budget. This work will continue with the Trust seeking to take advantage of opportunities as they arise. This work is being supplemented by another piece of work which is attempting to increase the proficiency with which support services are managed. These contracts are often managed by clinical staff who have insufficient commercial skills to navigate their way to achieve the required outcomes. The introduction of a new resource to oversee this work means that we will expect to see the outcomes from the procurement work stream increase to £1.5m or 3% per annum.

Project: Outsourcing

The Trust is outsourcing domestics and catering services in order to deliver quality improvements and savings. The timescale for the project envisages a new contractor in the third quarter of 2014/15. A dedicated project team is in place. The Trust will be reviewing areas where external support can be provided with a positive effect. Scope exists to significantly improve the Trust's clinical services to underpin quality and efficiency of support across the hospital which will also allow more effective infrastructure.

Project: Clinical Administration

This project is intended to improve the support we provide to the administration of our clinical activity. Many initiatives have fundamentally changed these processes in recent years, with digital dictation, electronic discharge letters, and most recently electronic document management. This project intends to reengineer and rationalise administration through role redesign. At present the Trust deploys considerable

resources providing back office clinical administration Work has begun to learn from other Trust's approaches, and begin to design the roles that will best support clinicians in delivering care to our patients.

Divisional Plans (CIPs)

The Divisional CIP plans are delivered through divisional management structures as part of the ongoing embedded day to day work of the Divisions. These are small scale schemes which do not require significant project infrastructure.

The key themes for these divisional schemes will be based on efforts to reduce the overall bank and agency spend, harnessing the benefits accruing from the corporate projects such as e-rostering, sickness absence, clinical administration and medical productivity.

The foundation for delivery of the divisional CIPS will be (i) service line reporting – this allows the organisation to see the financial performance of different parts by comparing the cost of those individual services with their income. SLR is allowing different parts of the organisation to be viewed as financial entities in their own right, harnessing the incentives which accrue from providing the different services of the organisation with the freedoms, flexibilities and structures which are available to business enterprises and (ii) performance monitoring – with SLR in place, a richer and more rigorous performance system can be in place which looks at performance at service line level.

CIPs	Enabler	2013/14 £m	2014/15 £m	2015/16 £m
Outpatient Transformation	Outpatient Project		0.0	0.5
Vanguard	Theatres Project		0.4	0.4
Theatre Utilisation	Theatres Project		0.3	0.5
Bed Numbers / Wards	Length of Stay Project		0.0	0.0
Reduced Cost of Medical Workforce	Medical Productivity Project		0.0	0.8
Reduced Temp Staff/Improved rostering	Workforce Project		1.5	1.0
Buying Better / Cost Avoidance	Procurement Workplan		1.3	1.0
Administration Costs enabled by IT	IM&T Projects		0.0	0.5
Corporate / Facilities / Outsourcing	Zero Based Budgets		0.0	0.5
Divisional Plans	Review of service lines	6.8	4.1	2.0
Totals		6.8	7.5	7.2

3. FINANCIAL PLAN

3.1 Financial Strategy

The Board have determined that the FT shall at all times maintain a minimum financial risk rating of 4².

As the new Trust strategy emerges it will be underpinned by an updated, flexible and transparent 5 year business plan.

This plan will reflect the changing ways in which the FT will be working, acknowledging influences and expectations such as the Better Care Fund, 7 day working and the delivery of truly integrated care. It will

² Based on the Risk Assessment Framework.

also be responsive to the means that will be adopted in rising to the associated financial challenges, abiding by the principles of economy, efficiency and effectiveness – all with the intention of protecting the resources that are available to ensure that the L&D continues to be able to deliver the highest possible level of quality healthcare in the most appropriate environment.

3.2 Financial Outlook

In March 2013 the FT reported a financial surplus for the 14th consecutive year. The FT identified that in many of these years the surplus had been achieved in the context of significant growth in NHS Funding and noted that the challenges from 2013/14 would be significant.

In 2013/14 the FT was disadvantaged by the twin impact of reduced income (as a result of the tariff decreasing) and unavoidable inflationary cost pressures. These two factors working in tandem will require the Trust to improve efficiency by 4.5% per annum (£10m).

The challenge in financial year 2013/14 was made harder by a recurrent shortfall carried into 2013/14 £3m (the FT only achieved financial balance in 2012/13 as a result of non-recurrent gains).

During 2013/14 the FT has been successful in treating increasing numbers of patients (5% more than in 2012/13). This increase in patients has been contrary to CCG expectations and undermined substantially CCG QIPP plans.

The mis-match between CCG anticipated patient number reductions and growth in patient activity has given rise to substantial over-performance. The impact of contract over-performance forced our main commissioner into financial deficit and in turn to challenge a variety of billed items in an attempt to mitigate their financial loss. This greatly delayed agreement of the 2013/14 contract value, with resolution only achieved on 3 April 2014.

The agreed contract value means that the FT anticipates posting a modest surplus in 2013-14.

The impact of the 2013-14 disputes has delayed the 2014-15 contract negotiations. Progress is substantially slower than at any time in the last 15 years although there is now an agreed plan to conclude discussions by the end of May 2014.

Progress with other contract negotiations with other commissioners are at advanced stages and the FT has or is close to reaching agreement on contracts. These agreements represent nearly one half of our customer base.

Commissioner QIPP has not been shared by the main commissioner (as at 24 March 2014) - accordingly the FT can only estimate the 2014/15 financial impact.

Both CEO of the FT and the main commissioner are involved in seeking a resolution to both 2013/14 & 2014/15 issues.

3.3 Contracts & Income

The FT finished a one year contract with CCGs on 31 March 2014. The FT is hoping to sign three new one year legally binding contracts, one with Luton CCG (covering five associate commissioners), one with Bedford CCG and the other with the National Commissioning Board.

The table below summarises the major changes to the financial and activity schedule. Key aspects of the finance and activity plan are discussed in the commentary below the table.

Financial Impact of 2014/15 Contract Income

	Luton	Herts*	Bucks*	Sub Total	Beds	NCB SCG	Other**	Market Share	Total
2013/14 Plan	99.1	15.3	2.7	117.1	52.8	35.4	5.5	4.1	214.9
Forecast outturn	108.3	17.4	3.1	128.8	56.8	34.8	5.3	-0.2	225.5
Amended Outturn	0.0	0.0	0.0	0.0	0.0	0.4	0.0	0.2	0.6
Tariff Deflation	-1.0	-0.1	0.0	-1.1	-0.5	-0.2	0.1	0.0	-1.7
Demand Growth	2.6	0.2	0.0	2.8	0.6	1.1	0.1	0.0	4.6
Commissioner CIP	0.0	0.0	0.0	0.0	0.0	-0.5	0.0	0.0	-0.5
Other	0.3	0.0	0.0	0.3	0.1	0.0	0.0	0.0	0.4
FT Plans	2.2	0.5	0.0	2.7	1.7	0.4	0.0	1.5	6.3
2014/15 Plan	112.4	18.0	3.1	133.5	58.7	36.0	5.4	1.5	235.2

* Both Herts & Bucks include values associated with county CCGs e.g. Aylesbury & Milton Keynes

** Includes Local Authorities & Non Contract Activity

3.4 Summary Annual Budget

The foundation for delivery of the 2014/15 & future financial challenges will be built upon changes to the current internal systems made in 2013/14 which are in turn intended to drive changes in culture and system incentives. These changes are as follows:

- service line reporting – this allows the organisation to see the financial performance of different parts by comparing the cost of those individual parts with their income. SLR is allowing different parts of the organisation to be viewed as financial entities in their own right by harnessing the incentives which accrue from providing the different parts of the organisation with the freedoms, flexibilities and structures which are available to business enterprises;
- performance monitoring – with SLR in place, a richer and more rigorous performance system can be in place which looks at performance at service line level;
- IM&T strategy – the investment in the IM&T infrastructure and in particular the move to electronic systems with care safely able to occur without the need to recall a paper record will assist the Trust in driving out system inefficiency and significant costs associated with the current systems. This will be achieved through both reducing the administrative cost burden but also through facilitating a more effective and efficient patient journey and reductions in length of stay (e.g. via the electronic observations project).

These developments will not directly translate into 'big bang' savings but instead incremental efficiencies will occur and the changes will enable other efficiency programmes to come to fruition.

In deriving the 2014/15 the FT has set individual profit / loss targets for Divisions and has utilised these empowered leaders to determine a budget for 2014/15.

	2011/12	2012/13	2013/14	2014/15	2015/16
	£m	£m	£m	£m	£m
INCOME					
All Operating Income from commissioners	203.7	212.4	225.9	233.7	235.0
Non-contract income	16.9	18.3	19.1	17.5	18.0
Total income from activities	220.6	230.7	245.0	251.2	253.0
OPERATING EXPENDITURE					
Pay	-142.7	-150.0	-158.0	-161.2	-165.8
Drugs	-16.4	-17.9	-20.4	-21.6	-23.1
Clinical Support	-20.1	-21.2	-24.0	-24.1	-24.9
Other Expenses	-30.2	-31.1	-31.1	-30.9	-32.0
CIPs					7.2
Sub-total OPEX	-209.4	-220.2	-233.4	-237.8	-238.6
EBITDA	11.2	10.5	11.6	13.4	14.4
OTHER EXPENDITURE					
Depreciation (Historic)	-6.4	-6.9	-7.1	-7.1	-7.1
Depreciation (Future)				-1.6	-2.6
Finance costs	-0.5	-0.4	-0.7	-0.8	-0.8
Impairments					
PDC (Historic)	-1.8	-2.3	-2.9	-2.9	-2.9
Sub-total - Other expenditure	-8.7	-9.6	-10.7	-12.4	-13.4
Retained annual surplus	2.5	0.9	0.9	1.0	1.0

The table below summaries the Trust's Balance sheet between 2011/12 – 2015/16

Balance Sheet

	2012/13	2013/14	2014/15	2015/16
	£m	£m	£m	£m
Non Current Assets	100.3	108.8	114.2	111.8
Current assets:				
Stocks	2.6	2.6	2.6	2.6
Debtors	11.9	22.0	22.0	22.0
Cash	37.7	21.8	9.3	12.3
Sub-total	52.2	46.4	33.9	36.9
Current liabilities				
Creditors	-9.5	-9.5	-9.3	-9.3
Accruals	-17.3	-16.3	-14.5	-14.5
Provisions	-4.7	-4.7	-0.7	-0.7
Other liabilities	-2.1	-4.0	-2.1	-2.1
Sub-total	-33.6	-34.5	-26.6	-26.6
Net current assets	18.6	11.9	7.3	10.3

PFI borrowings	-12.1	-12.0	-11.8	-11.4
Loan (assumed 25 years)	0.0	0.0	0.0	0.0
Loan Repayment	0.0	0.0	0.0	0.0
Trade and other payables	0.0	0.0	0.0	0.0
Provisions	-0.8	-0.8	-0.8	-0.8
Net assets	106.0	107.9	108.9	109.9
Represented by:				
Public dividend capital	60.1	61.1	61.1	61.1
Income and expenditure reserve	32.1	33.0	34.0	35.0
Revaluation reserve	13.8	13.8	13.8	13.8
Taxpayers equity	106.0	107.9	108.9	109.9

The table below provides a summary of the Trust's projected cash-flow for 2012/13 and beyond.

Cash Movement

Cash Movement (£m)	2012/13	2013/14	2014/15	2015/16
Opening Cash	47.6	37.7	21.8	9.3
Surplus	0.9	0.9	1.0	1.0
Depreciation	6.9	7.1	8.7	9.7
Additions to fixed assets	-11.1	-15.6	-14.1	-7.3
New Loans				
Other non-cash items		1	0.0	
PFI Repayment		-0.1	-0.2	-0.4
Total	-3.3	-6.7	-4.6	3.0
Change in working capital	-6.6	-9.2	-7.9	0.0
Closing Cash	37.7	21.8	9.3	12.3

3.5 Capital

Investment in buildings, equipment and other fixed assets is planned to meet the following objectives:

- Provision of sufficient capacity to deliver the projected activity of the Trust working to modern standards;
- Development of new service facilities in response to national standards and the emergence of new technologies;
- Enhancement of the physical assets of the Trust and in particular the reduction of backlog building maintenance and equipment replacement;
- The enhancements of service quality, including patients' privacy and dignity;
- Compliance with statutory requirements and the reduction of risk;
- The improvements of efficiency and income generation, including any growth of unregulated services;
- Modernisation of service delivery; and
- Support for national programmes.

The major expenditure line is the Hospital Development Programme. This is largely preparatory work for a major Hospital Development that will happen in the next five years.

Given that this development may not be on the existing site investment in existing facilities has been scaled back from that identified within our previous Annual Plan.

Summary Capital Programme: 2013/14 to 2015/16

Application of Capital Expenditure	2013/14 £m	2014/15 £m	2015/16 £m	Totals £m
Hospital Development Programme	0.9	0.7	1.5	3.1
Keeping the L&D Running	0.5	3.6	1.5	5.6
Business Cases	4.8	2.4	0.3	7.5
Medical Equipment (Multi-various)	4.6	3.4	2.2	10.2
IT Developments	4.8	3.7	0.8	9.3
Contingency	0	0.3	1	1.3
Total Capital Expenditure	15.6	14.1	7.3	37.0

Each Capital Scheme will be continually reviewed by the Finance, Investment & Performance Committee to ensure that it demonstrates value for money and achieves the objectives and compliments the overall strategic direction of the FT.

3.6 Staff Numbers

With over 70% of the Trust's expenditure being on pay, staff numbers are intrinsic to financial planning. Staff numbers are predicated on the Trust's planned level of expenditure for 2013/14. The table below shows the planned whole time equivalent levels through to March 2016.

Whole time equivalent staff numbers 2011 to 2016

Staff WTE	2011/12 Actual WTE	2012/13 Actual WTE	2013/14 Plan WTE	2014/15 Plan WTE	2015/16 Plan WTE
Total	3,396	3,597	3,796	3,846	3,858

3.7 Activity Levels – 2012/13 & 2013/14

The table below identifies those areas where demand has changed by comparing the actual contracted activity to that planned.

Activity Type	UNITS	2013/14		2014/15
		Plan	Forecast	Plan
Activity - Acute & Specialist				
Elective inpatients	Spells	8,728	8,853	9,564
Elective day case patients (Same day)	Cases	22,752	23,079	24,931
Non-Elective (excl well babies)	Spells	32,615	33,341	34,072
Total Admitted Patients		64,095	65,273	68,567
Outpatients - first attendance	Attendances	74,396	83,607	87,431
Outpatients - follow up	Attendances	144,637	143,082	151,833
Outpatients - procedures	Procedures	28,991	36,235	42,245

Total Outpatients		248,024	262,924	281,509
A&E	Attendances	70,210	80,276	81,766
Maternity Pathway				
Ante-Natal Pathway	Patients	6,207	5,553	5,743
Births	Births	5,264	5,100	5,100
Post- Natal Pathway	Patients	5,633	5,158	5,281
Total Maternity Pathway		17,104	15,959	16,418
Critical Care				
Adult - Intensive Care	Bed Day	2,124	2,153	2,199
Adult - High Dependency Unit	Bed Day	2,350	2,478	2,685
Adult - Ward Based High Dependency	Bed Day	1,266	1,510	1,907
Neonatal -Intensive Care	Bed Day	3,169	2,444	2,641
Neonatal -High Dependency Unit	Bed Day	2,552	2,618	2,490
Neonatal -Special Care Babies	Bed Day	5,567	4,587	4,744
Neonatal -Transitional Care	Bed Day	1,242	1,232	1,192
Paediatric - High Dependency	Bed Day	1,674	2,212	2,259
Total Critical Care	Bed Day	19,944	19,234	20,117

3.8 Financial Risk Rating

The Board of Directors proposes a risk rating of 4 for finance. The Trust's financial plan for 2013/14 to 2015/16 produces the following performance against Monitor's financial risk rating methodology as shown in the table below:

Financial Risk Rating (Based on 2013/14 Financial Risk Rating)

Metric	2012/13	2013/14	2013/14	2014/15	2015/16
	Actual	Plan	Actual	Plan	Plan
Capital Service Cover	n/a	4	4	4	4
Liquidity	n/a	4	4	4	4
Continuity of Service Risk Rating	n/a	4	4	4	4

* Figures shown are the Monitor Score with 4 being the top score and 1 being the lowest score