The Newcastle upon Tyne Hospitals NHS
NHS Foundation Trust

Operational Plan Document
2014 – 16

The Newcastle upon Tyne Hospitals NHS Foundation Trust

Submission to Monitor, the Independent Regulator of NHS Foundation Trusts

VERSION FOR PUBLICATION

"Healthcare at its very best - with a personal touch"

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

Document Contents

Operational Plan for y/e 31 March 2015 and 2016

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

Name	**Mr Steven Reed**
Job Title	**Trust Secretary**
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Tel. no. for contact	**0191 223 1702**
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)*	**Mr Kingsley W. Smith**

Signature 

Approved on behalf of the Board of Directors by:

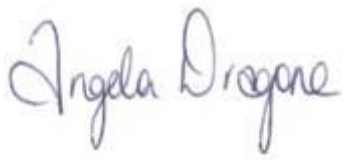
Name *(Chief Executive)*	**Sir Leonard Fenwick**

Signature 

Approved on behalf of the Board of Directors by:

Name *(Finance Director)*	**Mrs Angela Dragone**

Signature



1. Introduction

This document forms the Operational Plan for the Newcastle Upon Tyne Hospitals NHS Foundation Trust (NuTH) for the period 2014/15 to 2015/16 and describes how the Trust Board plans to deliver appropriate, high quality and cost effective services for patients over the next two years in light of the particular challenges facing the sector.

Within this context, the document includes the Trust's assessment of the key challenges facing health and social care and the strategy to address those challenges to ensure services to patients remain high quality and resilient.

Acknowledging the aspiration to align planning timetables across the system, and the timing of the submission of the two year Operational Plan followed by the five year Strategic Plan, this plan is intrinsically linked to the Trust's overall strategy.

2. Executive Summary

The Trust acknowledges that the NHS is facing possibly the most fundamental challenge ever as a consequence of the economic climate and rising demand on service scope and provision. As one of the largest and most successful teaching hospitals in England, providing world class services, employing world class clinicians to benefit all of our patients, we remain confident of our strategy to continue to grow and develop, providing healthcare of the highest standard in terms of quality and safety.

The Trust has completed its 8th year as an NHS Foundation Trust with 2013/14 being another busy and successful year. We continued to strive for excellence and remain one of the leading providers of quality healthcare spanning secondary, tertiary and community services for adults and children. Again we were awarded the CHKS Top 40 Hospitals Awards in 2014 for the 14th consecutive year. Our excellence in healthcare is recognised nationally and internationally.

In line with the Trust's longstanding ambition and vision to be **the** healthcare provider for Newcastle, we continue to deliver cutting edge healthcare with new procedures in first class facilities to improve patient care. This is underpinned by the principal of delivering safe, high quality services by the right people in the right place at the right time and within financial balance. Our Clinical and Outreach Strategies support the national agenda of 'Care Closer to Home'.

We saw more patients in 2013/14 than ever before and continue to perform well with regard to patient satisfaction. The results of the **Annual Inpatient Survey 2013** highlight many positive aspects of the patient experience, including:

- 90% rated care as 7+ out of 10
- 88% said they were treated with respect and dignity
- 90% always had confidence and trust in the doctors
- 98% said the room or ward was very/fairly clean
- 97% said the toilets and bathrooms were very/fairly clean
- 92% said there was always enough privacy when being examined or treated

In the CQC benchmark report, the Trust scored particularly well in sections of the survey related to: satisfaction with our doctors; the care and treatment provided; operations and procedures and arrangements when leaving hospital.

The Trust has also performed well in the NHS Friends and Family Test, achieving a score consistently above 80 (from a range of -100 to 100) since August 2013 for inpatients. The latest results published in January 2014 show that this equates to 98% of inpatients and 92% of Emergency Department attendees saying that they are 'Extremely Likely' or 'Likely' to recommend the hospital to their friends and family.

In other areas of performance, we continued to comply with all of Monitor's requirements and to perform well against challenging contract performance targets and benchmarked indicators. Financially, the Trust continued to demonstrate a strong financial base with a closing position in line with plan. A Continuity of Service ratio of 3 is expected for the year. Our strong financial position enables the Trust to continue to invest in its services. The Trust acknowledges the key financial risks to achieving its business and financial strategy, not least the spending power of commissioners to invest in core services.

The Trust appreciates and highly commends the performance and excellence of its loyal and dedicated staff, recognising the achievements of individuals and teams across the organisation. Our Staff Recognition Scheme reinforces the value we place on the contribution staff make to providing high quality patient care. The Trust workforce objective to be **the** preferred NHS employer is enhanced further by the training and education strategy. As a leading employer, we work closely with higher education institutions to develop the workforce of the future.

In the **Annual Staff Survey,** the Trust continues to perform well against a range of measures including:

- Staff recommendation of the Trust as a place to work or receive treatment shows continuous improvement over the last 5 years, with the Trust being ranked in the highest 20% of Acute Trusts;

- 96% of staff believe the Trust provides equal opportunities for career progression or promotion compared to the national average of 88%;

- The overall rating of staff engagement was 3.98 out of a possible 5 and in addition to this being an improvement on the 2012 score, it also puts the trust in the best 20% of Acute Trusts.

These results are extremely encouraging and provide a solid base from which we are able to continue to improve in the coming years. In addition to this, the NHS Friends and Family Staff Test will be implemented in 2014 and this will further strengthen the staff voice and improve the outcomes for patients and the organisation.

Our strategic vision and drive underpinned by clear objectives and targets are monitored to ensure delivery of our **Operational and Strategic Plan**. The Trust's Finance and Investment, Estates, IT and Workforce Strategies are key enablers in terms of successfully delivering our Plans and are therefore closely aligned to our Strategic Planning Processes.

The Trust is in a strong position to deliver many of the NHS Outcomes including 7 Day Service; Care Closer to Home and Integrated Care Pathways.

We have continued to develop effective strategic partnerships across health and social care with many of these relationships translating into integrated and multiagency pathways of care for patients. This work will continue with the emergence of the Better Care Fund and changes in Primary Care. The Trust sees the integration agenda as an opportunity to accelerate system transformation and further develop and grow integrated pathways of care for patients.

Our clinicians continue to contribute to policy and clinical practice guidelines by actively engaging in various National and Local Clinical Networks and Senates across a range of clinical specialties. This work is enhanced further by activities and projects developed as part of the Shelford Group that have influenced national decision making and ultimately benefitted the local health economy.

The Trust has taken cognisance of the recently published reviews following various Public Inquiries including 'the Francis Report' and endorses the overriding principle of putting patients first and foremost in everything we do.

Research and development plays a significant part in the delivery of specialist healthcare with the Trust in a strong position as a core member of the North East and Cumbria Academic Health Science Network and the Northern Health Science Alliance. This attracts health science, innovation and commercial opportunities to the North East.

While we remain in a strong position, we are not complacent and acknowledge there is always room for improvement. Our overall performance in 2013/14 provides a solid base from which we are able to move into 2014/15 with confidence to meet the challenges highlighted throughout this Operational Plan and to optimise the potential opportunities in the new environment. We recognise the need for efficiency, innovation and transformation whilst continuing to deliver high quality, safe clinical services to all of our patients.

3. Who we are

The Newcastle upon Tyne Hospitals NHS Foundation Trust (NuTH) is one of the largest and most successful teaching hospitals in England providing academically led acute, specialist and community services locally to a large and diverse population across the North East and Cumbria as well as nationally and internationally.

Services are provided from a variety of locations across Newcastle including:

- The Freeman Hospital, including the Northern Centre for Cancer Care;
- The Royal Victoria Infirmary, including the Great North Childrens Hospital and Level 1 Major Trauma Centre;
- The Campus for Ageing and Vitality;
- Centre for Life, (Northern Genetics Centre and Fertility Service);
- Dental Hospital and School (with close links to Newcastle University);
- Community Services, including Benfield Park, and the Walk in Centres.

The Trust provides the second highest number of specialist services compared to any other group of hospitals within the UK and is recognised nationally and internationally as a centre for healthcare excellence. This is evidenced in the Cardio Thoracic Centre, the only centre in the UK to provide all complex cardiopulmonary surgery, including heart and lung transplants for both children and adults. Furthermore the Trust has the UK's first Institute of Transplantation which is a one stop shop model dedicated to all forms of solid organ transplant surgery.

In 2013/14 the Trust had over 1.3 million patient contacts including:

- 88,492 in patients
- 108,267 day patients
- 988,558 out patients
- 7,365 births
- 129,802 A&E attendances

The Trust has a turnover of circa £930 million, contracting with thirteen CCGs, three local authorities and one Local Area Team for its main business. It also delivers a range of specialist services to other commissioners across the country via individual contract arrangements.

The Trust is one of the largest employers in the region, with around 13,500 staff across a number of professions and staff groups. The Trust works closely with local providers of education including Newcastle University and the University of Northumbria to offer high quality education and training to ensure the workforce of the future.

The Trust has a strong culture of research and innovation with formal management relationships with the Newcastle University which are detailed further in section 5.3.6. The Trust is involved in over 800 'live' research projects across the University of Northumbria in Newcastle.

The Trust is an active member of the Shelford Group, a network of specialist teaching hospitals which undertakes comparative work and addresses issues of common interest. This includes: Sheffield Teaching Hospital NHS Foundation Trust; Cambridge University Hospitals NHS Foundation Trust; Oxford University Hospitals NHS Foundation Trust; University Hospitals Birmingham NHS Foundation Trust; University College Hospitals NHS Foundation Trust; King's College London NHS Foundation Trust; Imperial College Healthcare NHS Trust; Central Manchester University Hospitals NHS Foundation Trust and Guy's and St Thomas' NHS Foundation Trust.

3.1 The Population we serve

The Trust provides services predominantly across Greater Tyneside, Northumberland and Gateshead. This large geographical area covers a population of just under 2 million people with differing health needs. These issues will be explored further in the Trust Strategic Plan.

Focusing on Newcastle, the Office of National Statistics (ONS) mid 2011 population estimates the current population of Newcastle upon Tyne to be circa 282,500[(1)], which is lower than reported in previous years. Healthcare needs differ widely across the city amongst the least and most deprived areas. Key statistics when planning the delivery of healthcare needs of the local population include:

- Deprivation is higher than average with Newcastle ranked the 40th most deprived Local Authority area in England.[(2)]
- Approximately 13,235 children are living in poverty, which is 29% of the population of children under 16 years.[(3)]
- Life expectancy for both men and women living in the most deprived areas of Newcastle is lower than the England average. [(4)]

The main clinical causes of premature death identified in the Local Health Profile for Newcastle are [(4)]:

For men:

- Cancer, predominantly lung cancer;
- Coronary heart disease (a form of cardio vascular disease);
- Chronic cirrhosis of the liver (closely linked to alcohol use).

For women:

- Cancer, predominantly lung cancer;
- Chronic obstructive pulmonary disease;
- Coronary heart disease (a form of cardio vascular disease).

- One in four people are classed as obese (24%). Childhood obesity is a growing problem with 25% of Year 6 pupils, (10 and 11 year olds) classified as obese;

- One in four adults are smokers (24%);

- Over the last 10 years, causes of mortality rates have fallen and although early death rates from cancer, heart disease and stroke have fallen, they remain worse than the England average;

- Alcohol related-specific hospital stays among those under 18 years are worse than the England average;

- Hospital stays for alcohol related harm are worse than the national average.

All of these considerations act as a key point of reference for the Trust when planning and delivering healthcare services. They give insight and understanding into the communities' needs and enable the Trust to develop and deliver services that can both improve people's health and also reduce inequalities.

Sources:
1. Office of National Statistics 2011, Mid Population Estimate, Crown Copyright 2013
2. Indices of Multiple Deprivation 2010
3. Public Health England Newcastle Child Health Profile 2014.
4. Public Health England, Newcastle Local Health Profile 2013

4. Delivery of the 2013/14 Plan

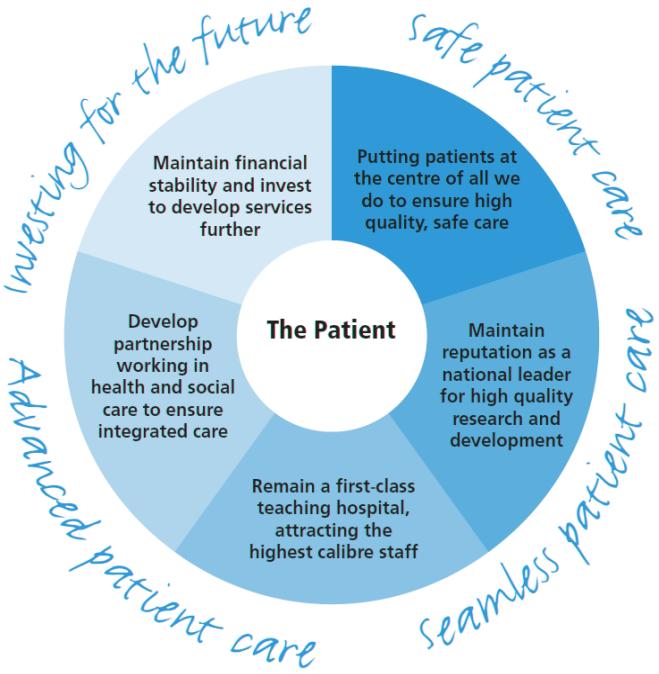
2013/14 was a very busy year for the Trust. It was our 8th successful year as an NHS Foundation Trust for Newcastle. The focus over the past 12 months has continued to be the delivery of ***"Healthcare at its very best, with a personal touch"*** for local people in Newcastle, greater Tyneside and the wider North East and Cumbria, as well as those from further afield who are referred to our specialist services.

The Trust vision remains consistent and articulates our commitment to local people and our ambition to be their first choice of healthcare provider, whilst continuing the drive to fulfil our role as a leading, major centre for specialised services regionally, nationally and internationally.

VISION STATEMENT

"To be the health service for Newcastle and a leading national healthcare provider"

The Patient remains at the centre of all that we do.



The Trust's Annual Plan was underpinned by three key strategies:

Business Strategy

- Growing the business
- Building Capacity and improving efficiency
- Extending community outreach

Clinical Strategy

- Safe, high quality care
- Seamless care pathways
- Right place, right time
- Convenient and flexible
- Listening and learning

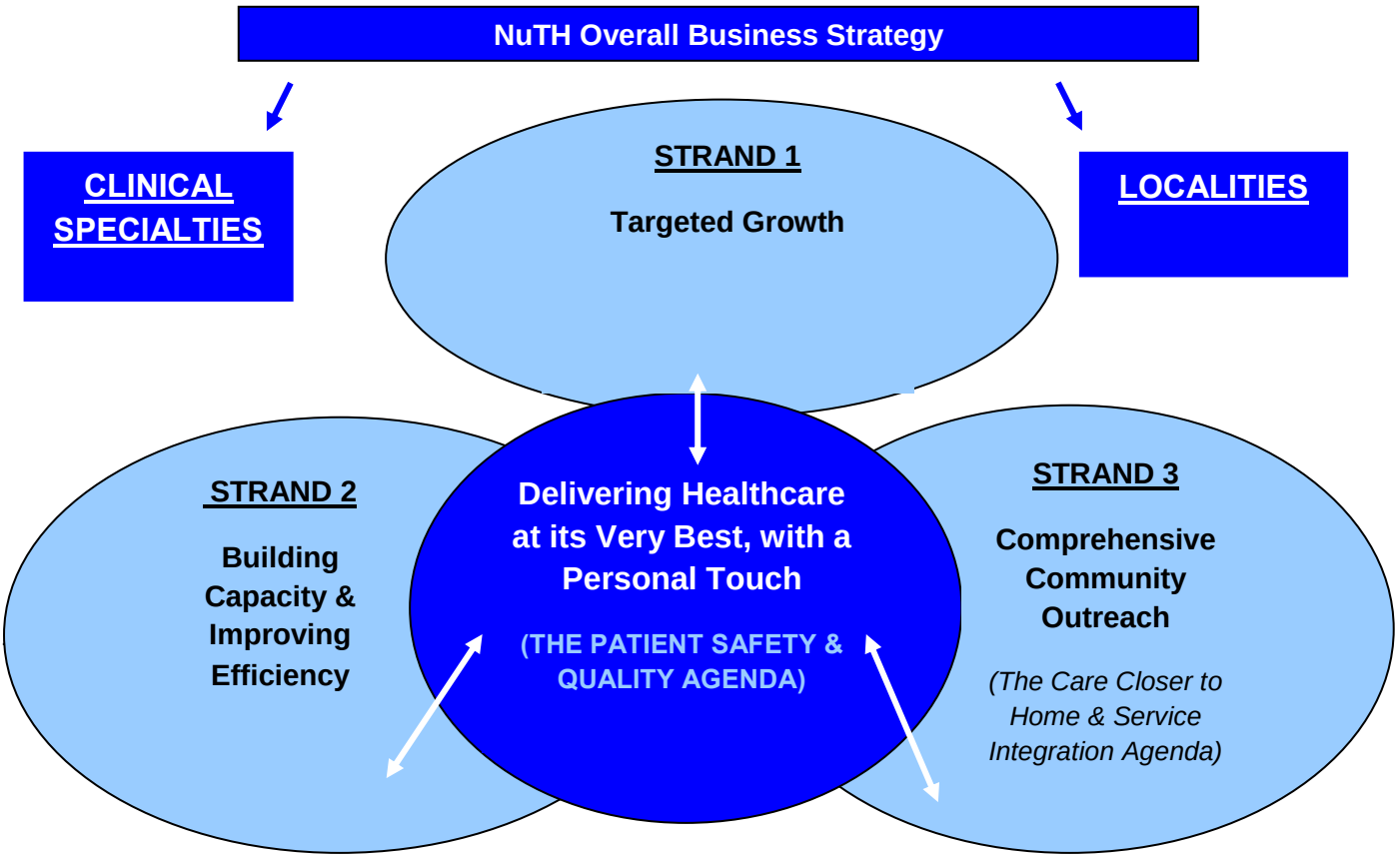
Quality Strategy

- Patient Safety
- Clinical effectiveness
- Patient experience

5. Looking Ahead – The Trust's Operational Plan

Alongside all other healthcare organisations, the Trust faces a challenging environment. The Trust is acutely aware of the numerous influences nationally and locally that are driving the current NHS 'business agenda' and of the need to work closely, and build relationships with stakeholders from the Area Team, Clinical Commissioning Groups, Local Authorities, other providers of healthcare including Primary Care and other Foundation Trusts. Representatives from the Trust are actively involved in regular discussions with key personnel from across a number of Local Health Economies including via the Health and Wellbeing Boards to understand the impact of the various changes on the delivery of services, many of which are explored further throughout the Operational Plan. The voluntary sector also plays a key role in the delivery of healthcare with a number of Clinical Directorates and services working with representatives from the Third Sector.

The Trust's **Business Strategy**, refreshed for 2014/15, aims to position the organisation to respond to the challenges identified.



The Trust has 5 strategic goals supported by underpinning objectives as detailed in the table below:

NUTH STRATEGIC GOALS & OBJECTIVES

NuTH Strategic Goal	Underpinning NuTH Objectives
To put patients at the centre of all we do and to provide care of the highest standard in terms of both safety and quality	• Put patients first and plan services around them • Consistent achievement of core standards / key performance targets and drive down waiting times • Maintain compliance with all regulatory requirements • Deliver a first class patient experience overall • In line with the Trust's Patient Engagement Strategy to continue to listen to and learn from service user feedback as part of our broader strategy to improve patient experience.
In partnership with Newcastle University, and relevant others, to be nationally and internationally respected as a leader of high quality research and development, which underpins the quality services that we deliver	• Enhance and sustain the Trust's Programme of Research and Development. • Continue to develop Newcastle Biomedicine, a joint NuTH and Newcastle University initiative, which forms the basis of Newcastle Academic Medical Science Centre • Increase commercial trial participation and income. • Undertake a joint programme of research activity, which will translate to tangible benefits in patient care in priority areas • Active member of AHSN and NHSA
To continue to work in partnership with Newcastle City Council and other agencies to drive both the delivery of integrated care and the promotion of healthy lifestyles for the people of Newcastle	• Contribute to the narrowing of the health inequalities "gap" in Newcastle and surrounding environs. • Reduce emergency admissions and readmissions • Maximise the benefits of Newcastle Community Services • Contribute to the wider integration of health and social care services in the city. • Continue to provide active leadership and assist in shaping the Health & Wellbeing Boards. • Contribute to the Public Health agenda for staff and patients • Contribute to regeneration / economic growth across the city
To continue to be recognised as a first class teaching hospital, counted amongst the top 10 in the country, which promotes a culture of excellence, in all that we do	•. Maintain our extensive, high quality service portfolio • Consistent achievement of all targets and continuing to deliver a first class patient experience • Maintain our position as a leader of high quality clinical research and development • Continue to deliver high quality training and development • Continue to recruit and retain the very best staff
To maintain financial viability / stability and achieve required CIP targets whilst also striving for growth, in target specialties to enable the continuing development and success of the organisation	• Maintain a Monitor Continuity of Service Rating of 3 • To deliver all CIP targets / operational efficiencies at all levels • Enhance the use of business intelligence to assist us in sustaining and developing business and income • To maximise income through commercial activities to reinvest in NHS care. • Maximise the strategic benefits of Service Line Reporting & Management and Patient Level Information & Costing Systems • Aim to deliver a 1% surplus, recognising this is becoming increasingly difficult in challenging financial times

5.1 Short Term Challenges

This Plan defines what the Trust sees as significant challenges in the current environment and details of its plans to mitigate against these (including the opportunities).

5.1.1 The Forecast Health, Demographics and Demand Changes

The Office of National Statistics (ONS 2011) estimates the current population of Newcastle upon Tyne to be circa 282,500 and this is predicted to increase to 298,700, a rise of 5.7% by 2021.(1)

About 13% of the Newcastle population is aged between 20 and 24 years, greater than the England average, reflecting the large student population at the City's universities. Overall the population in Newcastle is ageing with the greatest projected change in the over 65+ years of 15% by 2021. Within this age group it is anticipated that the greatest increase with be in the oldest groups of the population. By 2021 it is predicted that there will be a 21% increase in those aged 85-90 years and a 47.6% population increase in people who are 90+ years.**(2)**

The 2011 census data shows that 14.7% of the population are from BME groups; an increase from 6.9% in the census in 2001. **(2)**

Deprivation in Newcastle is higher than average, with Newcastle ranked 40th out of 326 in the 2010 Index of Multiple Deprivation,**(3)** and about 13,235 children live in poverty**.(4)**

In keeping with this, the health of people in Newcastle upon Tyne is generally worse with life expectancy for both men and women being lower than the England average. Life expectancy is 13.7 years lower for men and 10.8 years lower for women in the most deprived areas of Newcastle upon Tyne compared with the least deprived areas. On the upside, however, over the last 10 years, all cause mortality rates have fallen. Within this, early death rates from cancer and from heart disease and stroke have fallen but remain worse than the England average.(5)

Levels of teenage pregnancy, GCSE attainment, alcohol-specific hospital stays among those under 18 years, breast feeding initiation and smoking in pregnancy are worse than the England average. Around 25% of Year 6 children (10-11 year olds) are classified as obese, higher than the England average. (5)

Estimated levels of adult 'healthy eating', smoking and physical activity are worse than the England average. Smoking related deaths and hospital stays for alcohol related harm are worse than the England average. (5)

Trust activity over the coming years will clearly be directly influenced by the overall health of the population and disease morbidity. Lifestyle choices in parts of the region clearly have the anticipated impact upon health outcomes e.g. in relation to alcohol consumption, the North East has the highest rates of alcohol related hospital admissions in England, 35% higher than the national average. Research has suggested that 48% of men and 29% of women reported drinking above the daily recommended limits. Between 2002 and 2010 there has been a rise of over 400% 30-34 year olds admitted to the region's hospitals with Alcoholic Liver Disease. (6)

In relation to smoking, The Local Tobacco Control Profile for England (2013) shows deaths from lung cancer are higher than the England average as are smoking attributable hospital admissions. As already highlighted above, early death rates from cancer and from heart disease and stroke have fallen but remain worse than the England average.(7)

According to 2011 census data about 18% of people in Newcastle are living with a long term health problem or disability. Half of those are of working age, between 16-64 years.(2)

Data from Projecting Older People Population Information (POPPI) website suggests that the number of people over 65 predicted to have a limiting long term illness in 2012 was 21,560, but this is predicted to rise to 23,050 by 2016 and then 24,385 by 2020.[2]

Ageing population trends clearly presents an ongoing challenge for all health and social care organisations and this very much underpins the work we are continuing to do with our colleagues in Primary Care, at Newcastle City Council and with the 3rd Sector around service integration and the management of long term conditions, end of life care and other healthcare considerations. The local Wellbeing for Life Strategy captures much of this information.

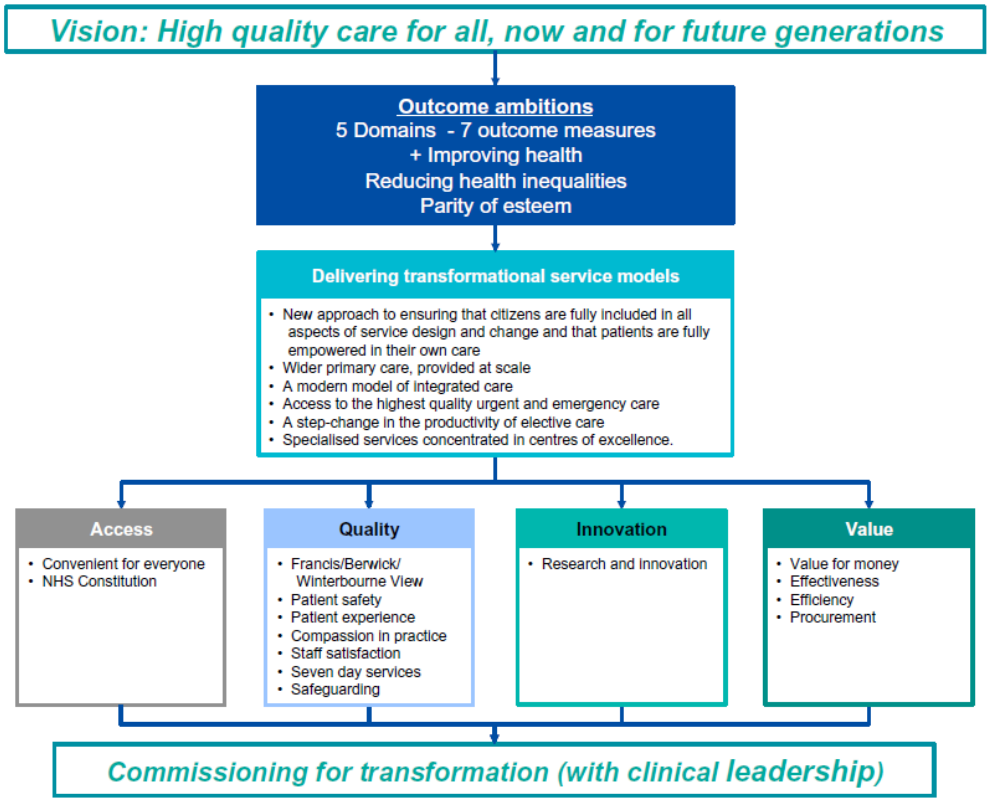
The Trust is also affected by demographic and other trends across the wider North East.

Sources:
1. Office of National Statistics 2011, Mid Population Estimate, Crown Copyright 2013
2. Know your city: a profile of people living in Newcastle (accessed March 2014)
3 English Indices of Deprivation 2010, Department for Communities and Local Government © Crown Copyright, 2011
4. Public Health England Child health Profile March 2014
5. Public health England Local Health Profile for Newcastle, September 2013
6. Balance North East, The North East Regional Alcohol Office, (accessed March 2014)
7. Public health England The Local Tobacco Control Profile for England (2013)

5.1.2 Commissioner Focus / Commissioning Intentions

(i) National Commissioner Focus

Everyone Counts: Planning for Patients 2014/15 – 2018/19 sets out a 5 year vision for the NHS as detailed below:



The focus on outcomes for patients is in line with the NHS Outcomes Framework of:

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

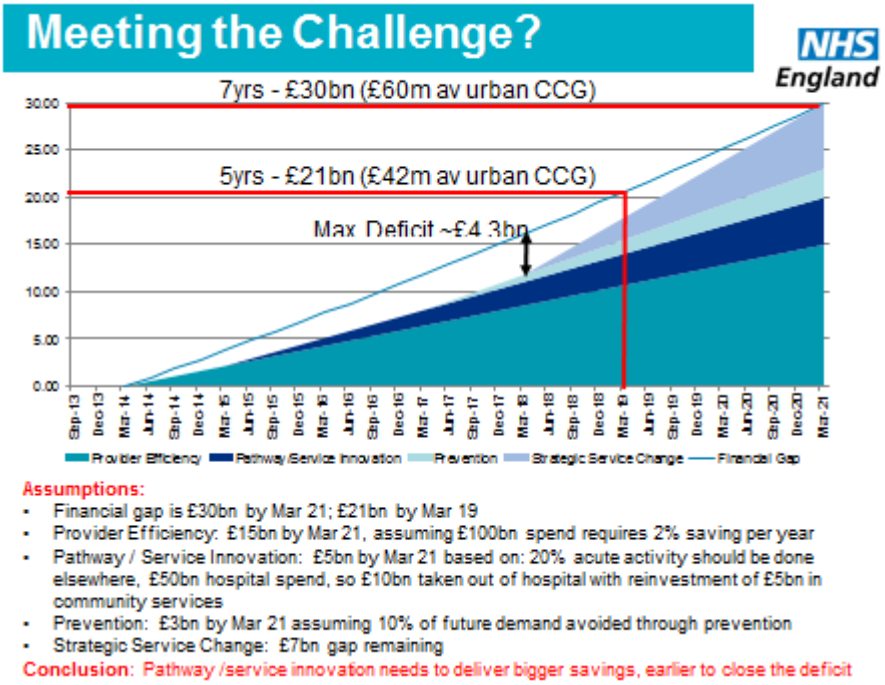
These outcomes are translated into seven specific measurable ambitions of:

- Securing additional years of life for the people of England with treatable mental and physical health conditions;
- Improving the health related quality of life of the 15 million+ people with one or more long-term condition;
- Reducing the amount of time people spend avoidably in hospital through better and more integrated care in the community, outside of hospital;
- Increasing the proportion of older people living independently at home following discharge from hospital;
- Increasing the number of people with mental and physical health conditions having a positive experience of hospital care;
- Increasing the number of people with mental and physical health conditions having a positive experience of care outside hospital, in general practice and in the community;
- Making significant progress towards eliminating avoidable deaths in our hospitals caused by problems in our care.

These build on previous guidance in relation to:

- NHS services 7 days a week;
- Greater transparency and choice;
- Listening to patients and increased participation;
- Better data;
- Higher standards and better safety.

All of these ambitions have a significant impact on the Trust at a time when NHS England are reiterating the potential £30 billion funding gap by 2020/21 and the need to deliver transformational change.

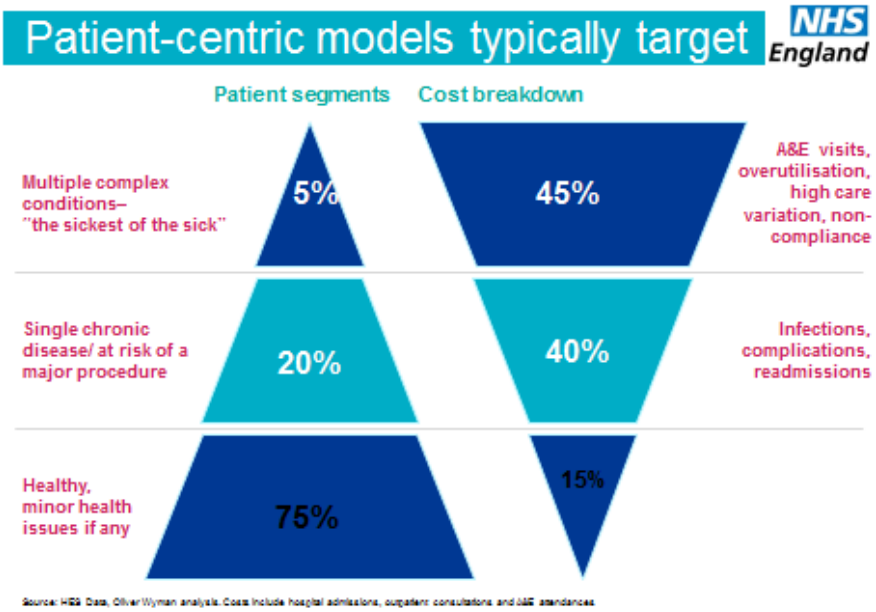


Assumptions:

- Financial gap is £30bn by Mar 21; £21bn by Mar 19
- Provider Efficiency: £15bn by Mar 21, assuming £100bn spend requires 2% saving per year
- Pathway / Service Innovation: £5bn by Mar 21 based on: 20% acute activity should be done elsewhere, £50bn hospital spend, so £10bn taken out of hospital with reinvestment of £5bn in community services
- Prevention: £3bn by Mar 21 assuming 10% of future demand avoided through prevention
- Strategic Service Change: £7bn gap remaining

Conclusion: Pathway /service innovation needs to deliver bigger savings, earlier to close the deficit

Understanding areas of spend is key to future decisions around the delivery of healthcare within the resources available. NHS England suggests a 'patient-centric' model as below:



As a provider of secondary, tertiary and community services, this is a significant consideration for the Trust.

'The NHS belongs to the people: A Call to Action' launched in July 2013 signalled the start of a process of engagement with patients, clients, the public, partners and NHS and care staff nationally and locally to develop the future strategy for health, the NHS and care services.

The intention is that this national vision to deliver change is to be realised locally by CCGs, Health and Wellbeing Boards and other partners working with patients and the public.

In 2014/15, the Trust will have one CCG contract, one Community and one NHS England contract. The CCG: NHS England contracts are broadly of equal scale, with ongoing discussions in relation to areas of responsibility and apportionment of finance.

(ii) Specialist Services Commissioning

- **National Service Specifications**

As a leading provider, the Trust is responsible for the delivery of one of the highest number of specialised service specifications across adult and children's health in England.

In line with requests from commissioners, the Trust assessed itself against 115 service specifications for specialised services in July 2013. Over 75% are compliant. With the exception of a number of services where specifications were withdrawn for further review, the Trust is working to action plans relating to a small number of outstanding areas to ensure compliance.

- **Proposed 15 – 30 Specialist Centres**

The Trust is monitoring the guidance in relation to the proposals to limit the number of specialist centres nationally to 15 to 30, the impact of which could be significant for the Trust. It understands that the publication of the strategy for specialist services will be available in the autumn.

The Trust has a reputation of delivering high quality services across its entire portfolio and is confident that for the specialised services it provides, it would be well-placed to continue and does not see the guidance as a threat at this time. This position is further strengthened by the Trust being a core member of the North East and Cumbria Academic Health Science Network (AHSN) and alignment with the AHSN footprint.

(iii) Local CCG Commissioning

- **Local External Stakeholders**

The external landscape has changed significantly in 2013/14 and will continue to do so with the emergence of new CCG alliances and management arrangements. There is a noticeable increase in the intensity and pace of change within external stakeholder environments. These changes require the Trust to respond to a whole new range of organisations with new roles as well as current organisations with different roles. The political nuances and differences will increasingly become apparent as the Local Authorities play a larger role in the commissioning and oversight of health care services. It cannot be assumed that one size will fit all, for example amongst the 13 local Clinical Commissioning Groups, there is significant variation in terms of size, structure and experience and therefore the approach and requirement of local players, including CCGs, NHS England and Local Authorities, is very different. The Trust needs to balance the issue of bespoke service delivery against efficiency and consistency across the Trust.

Flexibility and the ability to adapt will be important whilst the current policy context increasingly focuses on integration and new ways of working. This is alongside the need to continue to respond to competition. This is likely to result in the Trust continuing to collaborate and compete with the same organisation at the same time.

- **Local Commissioning Intentions**

As stated, the Trust contracts with thirteen CCGs. Focusing on the five local CCGs, commissioning intentions across the local health economy span areas including:

- Children and Young People;
- Cancer / End of Life Care;
- Emergency / Urgent Care;

- Learning Disabilities;
- Long Term Conditions;
- Maternity;
- Mental Health;
- Older People;
- Planned Care;
- Drugs / Medicines Management.

While the themes are similar, each commissioner / unit of planning has a slightly different focus and priority which presents unique challenges to the Trust, one of the most significant of which is in response to commissioner intentions relating to the Better Care Fund and the reduction of 15% in non-elective admissions over the next 5 years.

The anticipated 9% gap in specialist funding presents further challenges at a time when drugs and technological advances are pushing the boundaries of healthcare.

- **Urgent Care**

The Urgent and Emergency Care Review suggested that there should be 40-70 major emergency centres offering major specialised services, supported by other emergency centres and urgent care facilities.

Urgent Care Working Groups (formerly Urgent Care Boards) are to be assessed by NHS England, Monitor, Local Government and the Trust Development Agency to determine their effectiveness, and where necessary, to oversee the changes needed to ensure they are fit.

Despite a national focus on keeping patients out of hospitals, Newcastle and indeed A&E departments across the country are seeing increases in attendances and non-elective admissions. The Trust is actively engaged in discussions with commissioners around the management of patients accessing urgent care.

- **Service Reviews**

The introduction of the new commissioning architecture in 2013/14 has seen a number of initiatives of commissioning work not progressing in-year, this includes a number of projects set out in the contract's Service Development Improvement Plan.

Currently, the primary focus of commissioners is moving activity out of secondary care, improving management of long term conditions and frail and elderly users of services. In the main, this represents a continuation of existing programmes of work and a degree of synergy between our interests and those of commissioners.

Where commissioners have indicated specific reviews of service, the Trust is endeavouring to play an integral part to ensure there is a thorough understanding of existing services.

The Trust is working with commissioners to look at activity that can be provided appropriately by primary care. This fits with the out of hospital care agenda; will enhance patient quality (unnecessary long journeys to hospital for review), and will free up capacity in outpatients to ensure appropriate secondary and tertiary care can be delivered.

National reviews, most notably the 'New Congenital Heart Disease Review' remain a primary consideration for the Trust.

- **Decommissioning of Services**

Services decommissioned from the Trust include Weight Management Services in Newcastle and Stop Smoking Services in North Tyneside (both commissioned by the Local Authorities).

Acknowledging the opportunities that can present as a result of changes to services, the challenges, practicalities and costs associated with decommissioning services cannot be underestimated. The Trust would seek to gain assurance from commissioners that a full impact analysis had been completed and patient care would not be compromised.

- **Re-procurement of Community Services**

The emergence of the Better Care Fund presents opportunities, and risks to the Trust, in relation to the future delivery of community services.

5.1.3 Care Delivery Outside of Hospital

(i) Shifting Care Delivery Out of Hospitals

Care closer to home continues to be a key focus in commissioner strategies, with the Better Care Fund acting as a vehicle to deliver the Government strategy to join up health and social care around the needs of the patient. Operational from April 2015, with shadow arrangements from April 2014, the Better Care Fund will transfer resources previously dedicated solely to health, to support the delivery of health and social care. The exact mechanism of how the fund will operate in practice are being worked through by Clinical Commissioning Groups, Local Authorities and Trusts.

The national focus of the Better Care Fund has been on the elderly (over 75 years) and vulnerable patients. Locally, commissioners have indicated a proposal to review existing services commissioned from major providers, including the Trust.

One of the principles behind the Better Care Fund is for CCGs to commission less emergency activity, and in conjunction with Local Authorities increase the commitment to community and social care that will allow a reduction in emergency admissions.

The impact for the Trust is significant given the breadth of services it delivers across the region.

Clearly individual CCGs and Local Authorities will need to develop a strategic approach to the Better Care Fund, considering the needs of their populations; defining expenditure plans to deploy the funds and involving existing providers of services via a consultation process. The Trust is working closely with CCGs to understand, influence and respond to their requirements for Better Care Fund Schemes. It is too early to describe the schemes that are in the process of development but some common themes are beginning to emerge.

The Trust, as a provider of acute and community healthcare is in a strong position to work collaboratively with CCGs and Local Authorities to support these areas of work. The Trust is most understandably cautious however about the timetable for the delivery and ambitions to reduce emergency admissions to the levels quoted.

(ii) Integrated Care

The North East is regarded as having a strong history of joint working across health, social care and academia; this includes being shortlisted for national funding opportunities for the development and delivery of services. The most recent of these specifically for Newcastle is that of the Big Lottery - A Better Start. The basis for successful joint working is dependent, and to a degree, reliant upon, a shared understanding and commitment to working with key players in the health and social care economy.

The Trust has a longstanding ambition and vision to be ***the*** healthcare provider for Newcastle as first articulated in the manifesto, Better Together (2010).

Clinical engagement and ownership is crucial to the success of partnership working.

The Better Care Fund creates a new and invigorated platform on which to develop further opportunities for integrated pathways of care for patients. It will require on-going active engagement by the Trust across all CCGs to ensure opportunities to influence and shape as well as alignment with Trust strategic and operational planning.

The Better Care Fund provides Newcastle Health and Social Care with an opportunity to accelerate system transformation. The vision, proposals and associated engagement are part of a long established partnership and active participation between health and social care commissioners and providers.

(iii) Extending Secondary Care Outreach

As part of the service integration agenda, the Trust has developed a number of secondary care services in the community. Key drivers have been concerned with: improving patient access and convenience; reducing health inequalities; optimising use of the Trust's overall Estate and maintaining the Trust's business and income base.

5.1.4 Delivering 7 Day Services

Everyone Counts: Planning for Patients 2014/15 to 2018/19 sets out a 5 year vision for the NHS and includes the development of NHS services 7 days a week. The NHS Services, Seven Days a Week Forum led by Sir Bruce Keogh sets out Ten Clinical Standards on how this 'offer' will be delivered.

There are two aspects to the issue of 7 day service provision. The first is the extension of services which are normally provided during standard working hours, to evenings and weekends. This is particularly relevant to outpatient services and diagnostics - imaging, diagnostic procedures eg endoscopy and laboratory services, and to therapy services which facilitate more efficient inpatient service delivery and patient experience.

The second important aspect to this issue is the improvement in safety, quality and efficiency of services which are already delivered on a 7 day basis, for example emergency department, ITU and inpatient care.

The Trust is aware of the assessment that is underway nationally to review the financial aspects associated with the delivery of 7 Day Services and is undertaking an appraisal locally to ascertain the potential impact.

The Trust is in a strong position to deliver 7 Day Services as it has already moved to extended working hours for imaging and other services with routine elective imaging both inpatient and outpatient being provided on weekday evenings and on Saturdays. Examples of good practice regarding senior medical cover include critical care, Emergency Department (ED), Trauma MDT and emergency nephrology.

Diagnostic procedures are also offered out of hours, for example elective endoscopy lists are delivered during weekday evenings and on Saturdays.

Work is ongoing to transform the way that services are delivered during normal working hours which will increase capacity and so improve access for patients. This is detailed further in Section 5.4.

5.1.5 Partnerships, Competition and Collaboration with other providers

(i) Competition - The Trust acknowledges and accepts that competition is a given in today's healthcare economy. As a provider of tertiary services and sub-regional, the issue of competition versus collaboration is a regular consideration.

The Trust has previously highlighted the development of a Specialist Emergency Care Hospital located in close proximity (ten minutes by road) to the City boundary as a concern. This additional hospital is set to become operational in 2015 and will undoubtedly impact upon the local health economy.

(ii) Collaboration - The Trust considers collaboration as very important and is involved in a number of activities with NHS Trusts and other healthcare providers.

(iii) Primary Care - The Trust has made good progress to date developing the interface between primary and secondary care since the development of its strategy 'Better Together' in 2010 and to reflect the regional services provided.

(iv) Changes in primary care - In response to the changing architecture and new GP contracts, relationships have been strengthened with GPs in their roles as commissioners (CCGs) and also more recently as provider organisations (Federations).

(v) Newcastle City Council – the Trust has a good working relationship with the Local Authority with a number of examples of collaborative projects. As stated, the Trust is a key partner in local Health and Wellbeing Boards that will play an increasing role in the Better Care Fund agenda.

The Director of Wellbeing, Care and Learning of Newcastle City Council is a Non-Executive Director of the Trust.

The dynamic associated with Local Authorities as purchasers and providers of services, as the integrated care agenda becomes more dominant is a consideration for the Trust.

(vi) Clinical Networks / Clinical Senates – committed to the healthcare needs of patients, the Trust is an active contributor and leader with a number of representatives on national and regional networks across a wide range of clinical specialities.

(vii) Voluntary Sector – the Trust works closely and productively with a wide range of partners in the 3rd sector many of whom are able enhance the patient journey with services they provide.

(viii)The 'Shelford Group' – as stated, the Trust is an active member of the Shelford Group.

(ix) Research and Development - The Trust is a founding core member of the North East and Cumbria Academic Health Science Network and a member of the Northern Health Science Alliance (NHSA) that brings together academia and providers of healthcare to attract health science innovation and commercial opportunities to the North East.

5.1.6 Financial Considerations

(i) Decrease in Resources: Increased Efficiency: Increased Quality

The financial landscape which the Trust faces in the short and medium term, in common with all NHS organisations, is challenging. There is an expectation that this challenge will be met by improved efficiency whilst maintaining and ideally increasing the quality of services delivered to patients.

Monitor guidance for the Annual Planning Review 2014/15 notes that, "there is a significant gap between reported CIPs of around 3.2% and external evidence that the underlying real productivity improvement across the system has traditionally only been around 0.4% to 1.4% p.a".

This guidance also recognises that the challenge cannot be met by providers working in isolation. It will require "redesigning care pathways to transform how patient care is provided across the system and reduce unnecessary emergency admissions, improving quality and efficiency" and "further measures which commissioners and providers can undertake in their local areas to improve quality and efficiency, such as reducing inappropriate variations in how care is provided or reducing interventions which have little if any benefit to patients". All CCGs and providers want to make the best use of resources, avoid duplication and reduce waste.

The Trust is committed to **delivering healthcare at its very best – with a personal touch**. It has a proven track record of delivering its CIP however acknowledges the significant challenge associated with the efficiency agenda.

(ii) Personal Health Budgets

The announcement by the Minister of State for Care Services in 2012 to roll out of personal health budgets for patients receiving NHS continuing care, presents a change in the management of services and associated income for patients with long term conditions and disabilities.

As part of the discussions with commissioners of services, the Trust is working to understand the scope and impact proposed Personal Health Budgets with 'the right to ask' from April 2014 becoming 'the right to have' from October 2014.

5.1.7 Workforce and Education

(i) Possible Changes in Junior Medical and Dental Staffing

National tariffs were introduced for both non-medical and undergraduate medical training and education in April 2013. In addition to this a national tariff for postgraduate medical training and education is planned to be implemented in April 2014. The total impact to Newcastle is significant and will undoubtedly have an impact on the ability to maintain high quality training and education at the current levels. There are on-going discussions with both Health Education North East and Health Education England regarding the rollout of the postgraduate medical tariffs and the impact this will have on the security of training for the future clinical workforce.

This in turn may damage the supply of future consultants to the region and in some cases the UK; though the Trust continues to work hard in partnership with our Local Education and Training Board (LETB) to resolve this issue. Of particular concern are specialities where difficulties already exist in recruiting to the region. As a consequence directorates are looking at enhanced non–medical roles to support these changes, but these roles will come with significant lead time to ensure they are properly trained. The specialist nature of the Trust prescribes that a "grow our own" approach will be necessary.

With regard to dental posts, the Trust is aware of the proposal to reduce training posts by 10%. The Trust is working closely with the Head of School to understand the impact of this reduction on the service and possible mitigation.

(ii) Demographic Profile of the Workforce

The demographics of the workforce have been identified as one of the key challenges across directorates, in particular the retirement profile and the impact of maternity leave.

The Trust regularly monitors the age profile of its workforce to aid succession planning.

As with most healthcare environments, the Trust is affected by the number of workers on maternity leave, which often impacts on Directorate and Departments ability to provide clinical servicers 24/7. This is particularly relevant in highly specialist areas.

To support directorates in prioritising and enabling them to mitigate risk, information is provided on the percentage of full time equivalents that are female and aged 20 – 39 years by staff group and grade (recognising that this will only offer an indication). Overall staff groups worthy of particular monitoring include Allied Health Professionals (46%) and qualified nursing staff (43%). As part of the workforce planning round directorates' have set plans in motion to mitigate; for example increasing establishment or promoting skill sharing/cross cover to ensure continuity of service.

(iii) Hard to recruit posts

The Trust, like many healthcare providers, is affected by a number of national shortage professions. Where these risks are identified action plans are in place to address.

The modernising careers agendas continue to impact on the Trust workforce, particular risks are in the form of lack of appropriate programmes to meet the Trust's specialist needs, or availability of local courses. However, the Trust is working closely with its local LETB to mitigate.

5.1.8 Demand, Capacity and Targets

(i) Demand and Capacity

The challenges associated with managing demand and capacity are detailed in Section 5.3 of the Plan.

(ii) Performance and Targets: Access and Outcomes

Whilst continuing to achieve high performance, it is challenging to sustain the nationally mandated performance requirements against increasing demand, (increased referrals; along with public health initiatives) most notably in Cancer, 18 weeks and Healthcare Associated Infection (HCAI).

The Trust has seen an increase in referrals over the past year, despite commissioners' intentions to reduce demands on hospitals services. This challenge on capacity and performance has to be closely monitored and managed to ensure it keeps on track. The emergence of the Better Care Fund and further reductions in resources for hospital services presents further risk and concern to the Trust in this area.

The Trust will always do its utmost to ensure suspected cancer patients are seen rapidly however, this is proving increasingly challenging. The Trust has not breached any of its quarterly cancer obligations to date, however pathways are tight due complex pathways and often late referrals and there have been in-month breaches. There has been considerable work undertaken within the Trust to look at streamlining patient pathways but the Trust is the receiver of a high number of tertiary cases, a considerable number received too late in the pathway to make targets achievable. There are discussions at a regional (network) and commissioner level about how these referrals could be improved for patients.

The Trust has made good progress in recent years in decreasing its HCAI rates. The downside of this resulted in more challenging targets for 2013/14.

The A&E maximum waiting time of 4 hours has been consistently met, at a time when A&E services are significantly under pressure across the NHS and the focus of much media attention. The Trust performance has remained high due to the dedication of individual staff and team working, despite the challenging environment.

The Trust continues to demonstrate achievement against Monitor and CQC requirements regarding access to healthcare for people with a learning disability. Protocols and pathways are present to ensure needs are met and are being integrated into Trust Policy and Practice. In addition to this, the Trust remains committed to working with other partners to ensure the needs of patients are met.
The Trust maintains and develops opportunities to benchmark services and their performance at a local and national level to ensure that specialty performance is evaluated against that of similar organisations in areas such as length of stay, readmissions and day case rates. **The Trust was again awarded the CHKS Top 40 Hospitals Award in 2014, for the 14th consecutive year.**

The Trust takes its performance very seriously and in 2013/14 has enhanced the way in which performance is reported internally and externally to commissioners, and the way in which services are performance monitored and managed through the performance framework for clinical and corporate Directorates.

5.2 Quality Plans

The Clinical Strategy

Delivering Safe, High Quality Patient Care is the cornerstone of what we do and the first strategic goal of the Trust.

We are committed to providing services which:

i) Maintain patient safety at all times and in all respects

ii) Are clinically effective and lead to the best possible health outcomes for patients

iii) Provide a positive patient experience.

Offering Seamless / Integrated Pathways of Care – the Trust believes it is crucial to minimise any barriers which may arise in crossing intra and inter organisational boundaries. Hence, a key part of our overall strategy is to work with primary care colleagues and other secondary and tertiary care NHS organisations as well as those in other agencies, particularly Social Care, to ensure that patients ultimately enjoy a joined up, positive experience when using our services. The further development of this strand of our planning and delivery is fundamental to achieving the transformation that is required. As stated, the Trust will seek to maximise the benefits which should accrue from appropriate utilisation of the Better Care Fund.

Providing Care in the Right Place at the Right Time – the Trust is committed to ongoing review of its models of delivery of care. As an organisation we can offer settings of care from the most modern 'high tech' facilities provided by our intensive care facilities and specialist care areas such as the UK's only Institute of Transplantation, to provision of care in the home through our community services.

Delivering Convenient and Flexible Care – the Trust will continue to review the way in which its services are delivered to ensure that they meet the needs of patients. As stated, we currently provide services outwith 'core' hours in several specialties. This is not only in acute services but also in our diagnostic services such as radiology where we already operate regular extended hours and endoscopy where weekend lists are offered. We work with patients to ensure that the care that we deliver meets their needs and those of their families.

Being a Listening and Learning Organisation – the Trust takes patient and staff feedback, in all forms, very seriously. We demonstrate this by actively seeking views via a range of mechanisms and sharing for example, the outcomes of patient and staff surveys, complaints and PALS queries, and by reviewing, changing and monitoring aspects of our services. In the past year we have carried out a Trust wide programme to emphasise the importance of 'customer care' and the need for responsiveness to the needs of patients and their families. In addition, our Governors have a dedicated Membership and Community Relations Working Group focused on staff and public membership engagement activities.

5.2.1 National and Local Commissioning Priorities

Further information in relation to commissioning priorities and challenges for the Trust is covered in Section 5.1.2.

5.2.2 Key Quality Risks Inherent in the Plan

Balancing delivery of high quality services whilst also delivering a challenging CIP programme is addressed within the Trust's overarching CIP framework and is detailed further in this Plan.

Delivering 7 day services / 24/7 consultant presence – work concerning this area is currently being led by the Medical Director's Team and Nursing Teams via a regular programme of meetings.

Non-elective demand does not reduce at the pace anticipated.

Reduction in resources within the NHS – with the cumulative impact of the Better Care Fund; Any Qualified Provider; and Personal Health Budgets. The Trust is working closely with partners across the Local Health Economy to assess the risks and impact of the Better Care Fund and Personal Health Budgets.

Proposed changes to the funding for doctors in training impacting on the Trusts ability to sustain the current level of posts alongside the impact on the supply of future Consultants to the region. Work concerning this area is being led by the Medical Director's Team.

5.2.3 Quality Goals as defined by the quality strategy and quality account

The Trust's Quality Vision, detail of underpinning objectives and priorities and monitoring and reporting systems are articulated within the Trust's Quality Account for 2014/15. Building on the 2013/14 Plan, our priorities have been reviewed and reprioritised in line with current guidance.

The **Trust Quality Strategy** outlines key priorities for this year as summarised below (new priorities are highlighted in blue):

PATIENT SAFETY

Priority 1 - To reduce all forms of healthcare associated infection (HCAI). The Trust will quantify its success in this by:

- Aiming for the annual number of hospital acquired Methicillin Resistant Staphylococcus Aureus (MRSA) bacteraemia cases to be no more than 0.

- Reducing hospital acquired infections related to Clostridium Difficile (C.diff) to be no more than 80 cases in the next year.

Priority 2 - In accordance with the Safety Thermometer to prevent avoidable harm, disability or death from:

- Falls
- Pressure Ulcers
- Catheter related urinary tract infections (UTIs)
- Venous thromboembolism (VTE)

In 2012/13 the Trust was set a 25% reduction in the number of patients developing a new grade II or above pressure ulcer whether cared for in our hospitals of community settings (this has been achieved). The aim for 2014/15 would be to achieve a further 20% reduction in line with the agreed CQUIN.

Priority 3 - In accordance with the 'NPSA Seven Steps to Patient Safety' the aim would be to improve and learn from incidents in order to improve patient safety.

Staff surveys, including a Safety Culture Survey have indicated that some staff are unsure about what, or how to report, and many feel that there is a lack of feedback following incident investigation which may act as a disincentive to future reporting.

The quality priority would be to:

- Improve the incident reporting rate;
- Improve feedback in relation to lessons learnt;
- Incorporate Human Factors Science into investigation training;
- Review Directorate action plans from previous staff safety culture survey;
- Repeat the Safety Culture survey to measure improvement.

Priority 4 - To build on the existing robust safeguarding arrangements by developing a Trust Safeguarding Strategy which will outline the longer term priorities and vision for Trust Safeguarding arrangements.

Priority 5 - To build on and develop the previous work undertaken to ensure that patients with a diagnosis of dementia receive high quality individualised personal care provided by a skilled workforce in an environment that enhances their care and recognises the needs of their carers. Significant work has been completed in this area.

CLINICAL EFFECTIVENESS

Priority 6 – To monitor mortality indicators with the aim of reducing avoidable deaths and build on developments achieved in 2013-14.

Priority 7 – Further development of the Early Warning Score (EWS) system, ensuring that changes trigger clinical review to ensure early recognition of the deteriorating patient.

Priority 8 – Surgical Safety: The World Health Organisation (WHO) state that at least half a million deaths per year would be preventable with effective implementation of the WHO Surgical Safety Checklist worldwide. In the Trust a new safe surgery checklist was implemented in 2009 based on the WHO checklist.

The quality priority would be to:

- Review and improve the current version of the WHO checklist;
- To monitor compliance with Safe Surgery Policies and Protocols.

PATIENT EXPERIENCE

Priority 9 – Whilst the Trust performs well in patient experience measures such as the National Inpatient and Outpatient surveys it recognises that there is always the potential for further improvement and is committed to monitoring and improving the patient experience by:

- Further development of the Friends and Family Test;
- Further roll out of the Real Time Patient Feedback Programme in Outpatients;
- Participation in all National Patient Experience Surveys with appropriate feedback and actions;

5.2.4 An overview of how the Board derives assurance on the quality of its services and safeguards patient safety

The Trust puts quality at the heart of everything it does and constantly strives for improvement by monitoring effectiveness. Key metrics of quality and safety are reported monthly to the Board, Council of Governors and Commissioners. The Quality Report contains information about Patient Safety, Clinical Effectiveness and Patient Experience. Activity is monitored, in respect to quality priorities and safety indicators, by exception and performance is benchmarked against local and national standards.

The Trust Complaints Panel is chaired by a Non-Executive Director of the Trust and reports directly to the Trust Board, picking up areas of concern with individual Directorates as necessary.

The monthly Clinical Assurance Tool (CAT) provides continual clinical assurance to the Trust Board in the form of an overview of performance against a wide range of clinical and environmental measures for each ward and Directorate. The aim of the CAT is to measure and demonstrate compliance with the published

documents and national drivers such as High Impact Actions, Saving Lives as well as providing useful data to support, verify and offer assurance for external inspectorates.

- Feedback and, where necessary, reports on improvement actions are provided to the Corporate Governance Committee.
- The Trust's Quality Vision, detail of underpinning objectives and priorities and monitoring and reporting systems are articulated within the Trust's Quality Account for 2014/15.

More specifically, the Board derives assurance about particular aspects of quality as follows:

i) Patient Safety: The Quality Report publishes robust metrics to monitor the quality and safety of patient care within the organisation. These accounts are reviewed by the Trust Board and the Clinical Policy Group – a meeting of senior clinical staff, on a monthly basis. Where the quality report highlights areas of concern, action plans are developed to ensure that appropriate remedial action is taken and that improvements are achieved. In addition, senior members of the Trust management team are involved in regular leadership walkabouts to observe and discuss issues with staff and patients.

ii) Clinically Effective Services: The Trust produces clinical effectiveness dashboards from a number of different internal and external data sources which are presented to Directorates. These are reviewed by all Directorates and have evolved to meet the particular needs of individual clinical areas. Directorate performance is reviewed on a quarterly basis and action plans drawn up to ensure that areas for improvement are addressed. As part of Medical Revalidation the Trust has introduced dashboards for individual doctors, providing information about the clinical effectiveness of their practice, or where relevant, the practice of the team within which they work. These dashboards are continuing to evolve but the development of them has already increased medical staff engagement in the process of monitoring clinical effectiveness and patient safety.

iii) Patient Experience: The Trust regularly seeks the opinions of its patients and responds to concerns raised in as timely way. We have introduced a system for the collection of real time patient feedback from patients across the organisation. We have developed a patient feedback system for use as part of Medical Revalidation. The responses from our patients consistently illustrate a high degree of satisfaction with the services we provide and the quality of care that is delivered.

Within the above, the Trust places a strong emphasis on delivering compassionate care and in support of this has "Personal Touch Awards" which patients can nominate staff to receive. We have also developed a training programme for all staff groups, focussed on improving the experience of patients using our hospitals. This is in the form of a DVD presentation for all staff.

The Trust Quality of Patient Experience Governors Working Group engages in number of activities focused on the patient experience including ward and department visits and food tasting.

iv) Escalation Process

The Trust has introduced a new Patient Safety and Quality Review process to act as a quality assurance mechanism by which Directorates performance against Patient Safety and Quality metrics will be monitored. Up to date patient safety and quality data will be made routinely available to the Directorate and attendance at a Patient Safety and Quality Review Panel (chaired by the Medical Director) will provide an opportunity for the escalation of any areas of underperformance. The Patient Safety and Quality Review Panel will report to the Clinical Governance and Quality Committee (the Board level sub-committee with overarching responsibility for Quality and Patient Safety).

5.2.5 Additional Assurance – The Monitor Governance Review

Monitor published its revised NHS Foundation Trust Code of Governance in December 2013. One of the key items of guidance in the Code is that Boards should undertake an independent review of their governance arrangements every three years.

In this context, Monitor ran a pilot of the independent review process and the Trust was one of the three participants in the pilot (the others being a small acute provider and a mental health and community services provider). By participating, the Trust hoped to help shape the future national agenda in this arena and to learn lessons before undertaking a further review in 2017.

The review also embraced the views of partner organisations and lead commissioners and hence appropriate contacts in the NE Commissioning Support Unit as well as the Newcastle CCGs were involved where possible, along with both internal and external audit representatives and Newcastle University.

5.2.6 Existing Quality Concerns

Never Events are serious, largely preventable patient safety incidents that should not occur if the available preventative measures have been implemented by healthcare providers.

During the period April 1st 2013 - September 30th 2013, four Never Events have occurred within the Trust relating to surgical safety. This resulted in the Care Quality Commission indicating Never Events as a risk within their 'Intelligent Monitoring Report' published in October 2013. Although the overall incidence of Never Events occurring in the Trust is below the national average on a percentage of caseload (0.00486% against a national rate of 0.005%), each case is regrettable and a thorough and detailed investigation is conducted and led by the Clinical Director for that specialty.

The Trust has looked critically at its practices and has set up a Surgical Safety Group. This will examine how the safety practices in theatre can be further improved. Surgical Safety has been identified as a patient safety priority and progress with measures to improve surgical safety will be reported monthly to the Board in 2014-15.

5.2.7 Healthcare Associated Infections

The management of infection remains a top priority for the Trust. MRSA has been even more challenging with 8 cases reported at the end of March against a national 'zero tolerance' target for the year. For Clostridium Difficile, 86 cases were reported at the end of March against a target of 66; an appeals process is in place with 6 cases effectively challenged at the time of writing and a further 7 appeals pending. Trust and Directorate level Action Plans have been formulated to address Healthcare Associated Infections. New rapid response cleaning teams have been introduced on both sites and the Trust has purchased a hydrogen peroxide vapour machine to aid with decontamination where a ward decant is necessary.

As stated, the Trust acknowledges that the methodology for calculating 2014-15 C-Diff trajectories has been updated to reflect high performing organisations, and the target has increased on the previous year to reflect the significant improvement the Trust has already made in this area.

Targets for 2014/15 are: MRSA: target 0
Clostridium. Difficile: target 80

5.2.8 What the Quality Plan means for the Trust workforce

A key lesson from the Francis Report is the need to listen to patients and staff. A number of 'listening events' took place to engage with staff, and one outcome was feedback resulting in the Trust refreshing its 'Professional and Leadership Behaviours' framework (PLB). These explicitly reinforce the expectation of a commitment to delivering the Trust vision and goals for high quality, safe patient care and are integrated into the Trust's induction programmes, appraisal policy and will be incorporated into the Consultant Job Planning process. This should also ensure a greater consistency in behavioural expectations of all staff. Additionally, the non-medical Appraisal Policy has been strengthened to introduce a rating to evaluate individual performance against the PLBs as well as achievement of objectives. This will contribute to the ongoing development of a learning and improvement culture across the Trust.

Trust quality plans link to the HR and other strategies which are being developed. Recruitment practices are being refreshed, and for senior nursing staff in particular, the Trust has begun to implement a unique 'Strengths Based Recruitment Process' which has been developed in collaboration with the Shelford Group of Hospitals. A more robust approach to continuous professional and personal development will underpin this activity. To further meet the needs of patients, staff and the organisation, and in response to changing service needs and financial pressures, there will be further expansion of the Assistant Practitioner role which was introduced in 2012.

Expectations relating to the mandatory training requirements, mapped to CQC, CQUIN and NHSLA also provide a clear alignment to patient safety and assuring a high quality patient experience, and the Trust are developing an integrated Workforce Information strategy to strengthen the data available to inform and shape workforce plans.

The Trust recognises the need to ensure strong effective leadership at a range of levels but particularly at ward level to ensure delivery of safe, quality care. In response, the Trust has increased the programmes available, including Institute of Leadership and Management (ILM) qualifications tailored to specific roles (eg Ward Sisters) to improve competency, capability and capacity. Staff have also accessed national and local leadership academy programmes, and to support the leadership education strategy we will create a cohort of internal coaches to support and mentor future leaders. In response to an identified need in last years' workforce planning round, the first cohort of Internal Trainee Managers will complete their training in 2014. The Trust will strengthen its portfolio of leadership programmes, linked to the succession plans, and continue to refresh an integrated approach to developing leaders capable of driving forward change and transformation to ensure high quality patient care.

2013/14 also saw completion of Phase One of the Nurse Staffing Review (NSR), designed to provide assurance of safe and effective staffing levels. This was a comprehensive professionally led project which focussed upon in patient areas and involved introduction of Supervisory time for Ward Sisters/Charge Nurses and significant investment into staffing for our most vulnerable patients. The work has been successful and is continuing in 2014/15 to ensure safe staffing and compliance with the evolving reporting requirements.

5.2.9 Safeguarding Patients

The Trust has robust Safeguarding arrangements in place to protect children and vulnerable adults. The Nursing and Patient Services Director is the Executive Lead, and is a member of both the Newcastle Safeguarding Adults' Board and the Newcastle Safeguarding Children's Board, both of which are city wide, multi-agency forums. The Trust has continued to invest in Safeguarding Teams and Training, and there are dedicated Safeguarding Adults, Midwifery, and Children's Teams within the Trust with Named Professional leads in post for all of these workstreams.

The Trust ensures all staff receive Mandatory Safeguarding Training, in line with role requirements. Robust safeguarding reporting is in place across the Trust, with regular reports to Trust Board and also reports to external Agencies. The Trust is able to report compliance with national standards including CQC guidance regarding Safeguarding Adults and Children, and the Healthcare for all standards which relate to those with a Learning Disability. The Trust has also invested in resources to ensure that the requirements of the Mental Capacity Act, Deprivation of Liberty Standards and Prevention of Counter Terrorism have been embedded in the Organisation.

5.2.10 Quality Patient Experience

The Trust is committed to the provision of high quality patient experiences and constantly seeks out and reviews all sources of patient feedback. National benchmarked surveys tell us that we perform well; the 2013 In-Patient Survey demonstrates that the Trust had performed well with many positive aspects of the patient experience:

- Overall:90% rated care as 7+ out of 10
- Overall: treated with respect and dignity 88%
- Doctors: always had confidence and trust 90%
- Hospital: room or ward was very/fairly clean 98%
- Hospital: toilets and bathrooms were very/fairly clean 97%
- Care: always enough privacy when being examined or treated 92%

The Trust improved significantly on four questions including “Overall: rated experience at less than 7/10” which had reduced to 7% from 11% in 2012.

The introduction of the Friends and Family Test has provided a further source of information, and has been reported across Adult inpatients wards, Emergency Departments, and Maternity Services

NHS England have published combined (In-Patient and Emergency Department) scores and response rates. This shows our combined response rate has improved over the year and now stands at 26.0%. The overall net promoter score is 72 which compares well with local and national comparators. The Trust’s in-patients Friends and Family test score is the highest score among the Shelford Group.

This data is being used in conjunction with other sources of patient feedback from national and local surveys, PALS feedback and formal complaints to change practice, and to provide feedback to individual Clinical Teams, in order to share learning across the Trust and initiate Trustwide actions to improve the patient experience. This work is led by the Patient Experience Steering Group with Non-Executive and Executive Leadership. Areas to be reviewed this year include In-Patient Adult Visiting Hours, Support for Discharge, and Support for and Recognition of Carers. The Trust has reviewed its complaints procedures in light of the Clewyd Hart Report, and is able to report a high level of compliance with the recommendations.

5.2.11 Trust response to Frances, Berwick and Keogh

In addition to information provided in this Plan, as part of the response to these key and high profile reports the Trust’s Internal Communication processes have been reviewed to ensure that staff to feel supported, that they receive key safety messages in a timely manner, and that they feel involved and valued by the Trust. Monthly site based Safety Briefings are to be commenced in March 2014, led by the senior Nursing and Medical Teams, across the Trust to engage staff directly with key priorities, and learning from events. Expectations in terms of core Team meeting agendas have been outlined to ensure the best practice is universal, and consistent, across the Trust and that these provide staff with opportunities to receive and provide systematic feedback which is cascaded throughout the Trust.

Much work has also been undertaken to increase staff engagement, through a series of “Listening Events”, and an action plan is being developed and implemented in response to these.

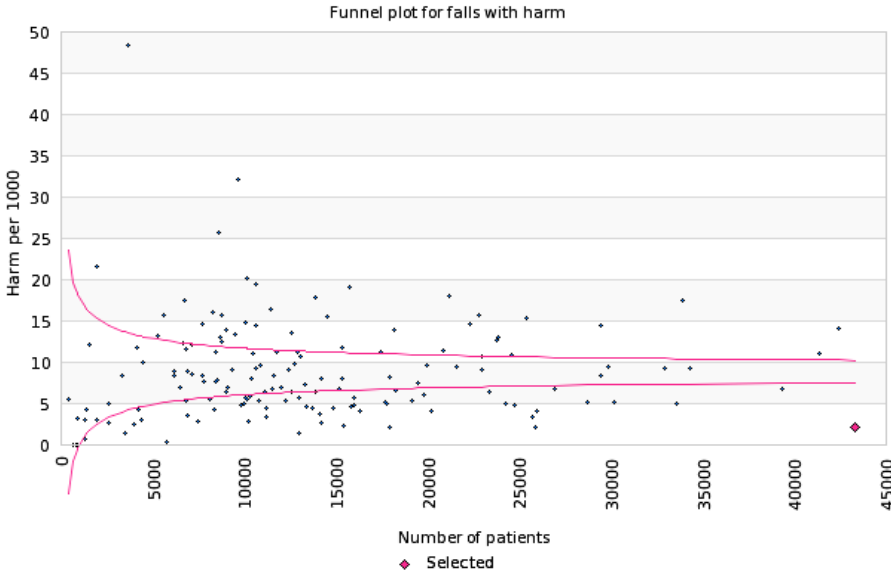
5.2.12 Harm Free Care

As part of the commitment to reducing harm, and in line with National priorities, focused work has been led across the Trust to reduce pressure damage and minimise patient falls, most specifically those resulting in harm to patients.

Pressure damage prevalence has been reduced by 25% as recorded by Safety Thermometer. This has been achieved by implementation of multifactorial ‘Time 2 Turn’ campaign based on the best evidence, and practice development. Many wards have exceeded improvement targets to achieve 30, 60 and 100

plus consecutive days without pressure damage occurring. Work will continue in 2014-15 to further reduce the incidence pressure damage throughout the Trust.

The Trust performs well both in terms of the number of falls when calculated by 1,000 bed days when compared to the Royal College of Physicians national audit data for 2010/11. The Trust falls per 1000 bed days for 2013/14 to date (April – Jan inclusive) is 5.8 compared to the national acute trust average of 6.8 falls per 1000 bed days. The Safety Thermometer data also demonstrates the trust has one of the lowest rates of “Falls with Harm”, despite this being a very challenging area, with evidence of increasing numbers of patients at risk of falls being admitted during 2013/14.



Safety Thermometer funnel plot graph Falls with Harm = Newcastle Hospitals.

The above funnel plot demonstrates the Trust’s good position as it shows that The Newcastle Hospitals surveys the highest number of patients and reports the lowest rate of harm from falls.

The introduction of the Falls Care Bundle, and “intentional rounding” (a systematic process to provide regular safety checks in relation to falls prevention) during 2013/14 have supported this work and there is evidence of good assessment and all possible interventions being in place from the Root Cause Analyses which have been undertaken. In 2014/15 the Trust will refresh its “No Falls on my Patch” Campaign including new Falls Training Packages for Clinical Staff, and will continue to robustly review Falls within the Trust, and national and regional evidence to identify learning and ensure this is applied within the Trust to bring about further improvements.

As Trust activity, the age of the patient population and admissions of highest risk patients continues to increase year on year, the level of patients at risk of falling and sustaining harm is also increasing. The need to ensure all risk reducing measures are achieved is paramount, in recognition of this priority the Falls Co-ordinator post has been recurrently funded this year.

5.3 Operational requirements and capacity

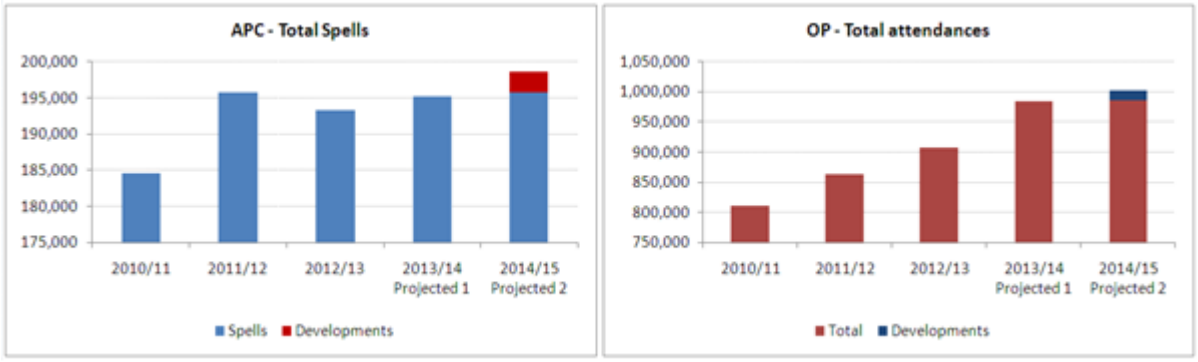
Acknowledging the challenges highlighted throughout this Plan, the Trust needs to have the 'right' capacity and capability and sufficient knowledge, skills and expertise to continue to deliver **healthcare at its very best, with a personal touch**. This includes having the ability to adapt and change to the needs of the Local Health Economy.

As part of the Trust's Business Planning Process, Directorates have been asked to undertake three key strands of work to inform the operational requirements of the organisation. These are summarised in the diagram below and relate to:

- A Strategic Capacity and Demand Modelling Exercise;
- Directorate Level Strategies;
- The Workforce Planning Strategy.

5.3.1 Activity and Demand Pressures in 2014/15

The graphs below show trends in admitted patient care (APC) and outpatient activity in recent years. This reflects both increased demand and changes in how activity is defined. The 2013/14 outturn is projected based on the month 9 position; the 2014/15 position is modelled based on known and anticipated changes and submitted developments.



A number of specialties continue to see an increase in demand (volume and/or complexity) with some specialties seeing increases of between 40% and 60% new outpatient attendances between 2010 and 2013. Levels of growth of this magnitude have a significant impact on the Trusts ability to deliver services within capacity and waiting time targets.

The Trust has seen increases in demand as a direct impact of national screening and other awareness campaigns. The experience of the Trust is that the increased referrals from these public health initiatives have tended to continue long beyond the end of the campaign.

Quality drivers, such as NICE guidance, have also led to increases in activity.

The Trust capacity modelling assists the organisation to understand the resource implications of any proposed growth in activity as well as modelling scenarios such as the impact of the Better Care Fund; proposed reductions in non-elective activity as outlined by commissioners and other known developments within the Local Health Economy.

Growth in 2014/15 has been driven by a number of factors – response to known or anticipated increases in demand; to alleviate capacity constraints that affect both waiting times monitoring (cancer and RTT) and patient experience; to respond to quality proposals, such as a 7 day service.

The Trust Operational Plan has been informed by detailed work undertaken by each Directorate as part of this year's Business Planning round. This included comprehensive activity modelling taking into account historic trends; known changes; market intelligence; and national and local guidance. All of this work was used to inform discussions with commissioners of services in advance of contract negotiations.

5.3.2 Workforce Planning

From an operational perspective, the main priority for the Trust is to remain a first class teaching hospital, attracting the highest calibre staff.

The Trust's workforce objective is 'to be **the** preferred NHS employer, and to recruit, develop and retain a quality flexible workforce capable of **delivering healthcare at its very best with a personal touch'**. To deliver that objective it is important that the Trust aligns its workforce activity to the business, clinical and quality strategy and to enable the services to evolve in line with commissioning intentions outlined nationally in 'Everyone Counts' and locally.

Workforce planning is integrated into the business planning cycle and the information gathered enables the Trust to inform regional workforce education commissioning and allow for proactive planning of a continued 'fit for purpose' workforce in line with key considerations detailed throughout this Plan.

The information captured allows the Trust to plan resources to support those areas in greatest need; inform regional workforce training commissions; and ensure education and training budgets are focused on workforce priorities that have a real impact on service delivery and the populations served by the Trust. In addition to highlighting areas of workforce risk the information from Directorates allows the Trust plan its workforce projections.

In any workforce strategy, patient safety, experience and overall quality of care provided will be a critical part of the planning, implementation and evaluation process. Training needs have been identified by each directorate as part of the workforce planning round.

In the last twelve months the Trust has introduced its own staff recognition scheme – 'The Personal Touch Awards' – to reinforce the value we place on the contribution of staff to providing high quality patient care. This will continue to be supported. In anticipation of the implementation of the 'Friends and Family Test' for staff, we will seek to review the correlation of data provided from this, the NHS Staff Survey, NHS Patient Survey and GMC junior doctor survey to identify themes or trends to improve upon.

With regard to education and training, the Trust Strategy has three key aims:

- To ensure a flexible workforce with the right skills, values and behaviours, in the right place at the right time to deliver safe, compassionate high quality care based on best available evidence and to remain a leading provider of excellence in care;

- To further develop the Trust reputation as a centre for excellence in education;

- Patient-centred leadership for high quality, compassionate and innovative service delivery.

As a major and leading education provider, the Trust will continue to work collaboratively with the higher education institutes to influence the quality of programmes delivered to people who potentially become our future workforce.

5.3.3 Estates

The Trust's Estates Strategy is based on modernising and developing our premises as part of a structured programme to ensure that as far as possible we can deliver high quality healthcare from 'state of the art' premises both on our hospital sites and in community settings.

With the TNH programme nearing completion, services have moved from outdated accommodation into state of the art accommodation. This is matched by on-going investment in the retained estate with refurbishments of general ward and intensive care unit environments.

5.3.4 IT and Information

The Trust's IT and Information Strategy is to 'provide high quality, fit for purpose, value for money Informatics and IT solutions and services to support the Trust's overall strategic objectives and priorities'. Recognising the role comprehensive, accessible information plays in the clinical and management decision making, the Trust has invested significant sums in its IT infrastructure systems and processes.

The Trust has a bespoke patient management system that supports the Trust strategic priorities including:

- Improving the quality of patient care through national audit data on clinical outcomes;
- Increasing the efficiency of the organisation as a whole;
- Securing Trust income;
- Maintaining and expanding the Trust's national position as a provider of supra-regional and specialist services;
- Ensuring that all the information leaving the Trust to different destinations is consistent and meets all national data standards, e.g. the information sent to SUS, commissioners, audit bodies etc;
- Increasing efficiency across the Trust, reducing costs and increasing accuracy, quality and timeliness of data.

5.3.5 How the Trust will be able to adjust its inputs to match different levels of demand

The Trust acknowledges the challenges and aspects of turbulence within the external environment. The Operational Plan takes into account the risks around potential activity changes in the next two years alongside the opportunities in the competitive market where there are likely to be changes in specialist services; growth in market share, and service redesign implications.

5.3.6 How the Trust is Diversifying its income streams (eg research, tenders, commercial, non NHS/private patients)

(i) Research and Development

The Trust has a strong culture of research and innovation which has a direct impact on clinical outcomes for patients. 2013 was a time of national and local change in research. The strong relationship in this arena between the Trust and its academic partner Newcastle University has been underlined by the appointment of two clinical academics to head up the research activity. The Dean of Clinical Medical Sciences at Newcastle University and now has a Trust role as Associate Medical Director for Research and the R&D Director has been appointed Associate Dean for Clinical Research in the University. Working together is recognised as to the benefit of both organisations and will ensure that research is at the forefront of the clinical services.

Newcastle Hospitals NHS Foundation Trust has been invited to host the new research network and oversee delivery of all research activity in the region on behalf of the National Institute for Health Research Local Research Network; North East and North Cumbria. This organisation led out of Newcastle will ensure that all patients across the North East and Cumbria have the opportunity to participate in research studies and gain from that experience.

At the core of the Trust research activity is a close relationship with our patients, and their understanding of the importance of research in moving medicine forward. Approximately 14,000 patients from the Trust are enrolled into clinical studies every year, consistently among the highest per head of population for any NHS Trust in England. In turn, this throughput reflects a culture of research productivity and engagement among academic and NHS-based clinicians alike – over 1000 peer-reviewed publications are generated by Newcastle employees each year. This level of research activity rests on the critical mass accumulated in dedicated clinical research facilities (Sir Bobby Robson Cancer Trials Research Centre; the Clinical Ageing Research Unit; and the Clinical Research Facility), and on a broad base of nursing staff specifically dedicated to, and trained in, research method. Newcastle also benefits significantly from being designated as the only NIHR Biomedical Research Centre (in Ageing Research) north of Cambridge, and an NIHR Biomedical Research Unit in Lewy Body Dementia.

A critical component of Newcastle's research is the integral relationship between the Trust and Newcastle University, within the structures outlined above. This provides an ideal setting for clinical trials, cutting-edge experimental medicine, and drug discovery. This highly developed local environment provides the foundation for Newcastle's key role in supporting national networks, the regional clinical research network, and a vibrant interaction with industry which has resulted in a steady increase in commercial portfolio studies, with the ultimate aim of accelerating the delivery of new treatments into clinical practice.

The table below shows the number of Approved Trials and Recruitment (April 2013 – February 2014):

Approved Trials	**Number**	**Total**
Commercial	91	
Non-commercial	163	
		254
Patient Recruitment		
Commercial	772	
Non-commercial	14,380	
		15,152

5.4 Productivity, efficiency and CiP

5.4.1 Introduction

The organisation has an overall CIP target of 4% to achieve on an annual basis for the life of the plan. Across the NHS, there is clear evidence to suggest that concentrating on delivering high quality care can improve efficiency and remove waste.

The Trust's approach to delivery of the next 3 year's CIP target is partly traditional (i.e. schemes designed to deliver specific savings at Directorate level) and partly transformational (i.e. cross-Directorate schemes delivering improved patient care and experience at the same whilst delivering greater efficiency with associated savings). The overarching aims are to:

- Improve the way we work
- Ensure we get value for money
- Help us exceed patient expectations

A number of Trust wide transformational schemes have been initiated during 2013/14 and the Trust has used this initial roll-out to help assess risks and identify barriers to the successful delivery of these large-scale organisational change projects. The initial schemes have already started to deliver quality and efficiency improvements and it is anticipated that transformational schemes currently in development will, deliver the majority of CIP targets in future years.

Keeping the patient at the centre of all that we do, and in line with the Patient Experience aspect of our Quality Strategy, the Trust is keen to enhance our involvement of patients in proposed changes in pathways of care.

5.4.2 CIP Governance

The Trusts Governance arrangements are robust and clinical input is viewed as essential to ensure the quality of service provided to patients is not only protected but enhanced through developments.

The Director of Finance is responsible to the Trust Board for the delivery of the CIP programme.

The CIP Steering Group oversees the Programme overall. This is chaired by the Director of Finance and sets strategic direction; agrees the programme and receives reports on the progress made in year. This Group meets on a quarterly basis and includes senior finance, clinical and corporate representatives.

The CIP Operational Group reports to the Steering Group and meets weekly to review progress across the programme and reports to the Steering Group. The Group have delegated responsibility for management of the programme on a day to day basis. Group members review all of the schemes and Directorate plans in detail. The Operational Group is led by the Associate Medical Director (Corporate and Clinical Governance) and also involves the Deputy Director for Business Development, an Assistant Finance Director, a Head of Nursing and members of the Service Improvement Team.

The Trust has a monthly CIP / Transformation meeting attended by key managers and clinicians to share good practice.

5.4.3 Traditional Approach

At a Directorate/ Department level the corporate head of each Department and the Directorate Management Teams (led by Directorate Manager and Clinical Director) are responsible for the development of CIP plans to meet the targets set for their area of responsibility. These plans are then presented to the CIP Operational Group for review where their clinical, safety, financial basis and likelihood of delivery along with any potential implications on other clinical or corporate services are considered. Those plans which are approved at Directorate or Corporate Department level then become the responsibility of the Directorate or Departmental Management Team.

Schemes which require cross Departmental / Directorate co-ordination are allocated to one of the members of the CIP Steering Group.

Where a risk of failure to deliver becomes evident through monitoring processes, the risk to the overall plan is assessed. Escalation is via the Executive lead for the Directorate via the quarterly performance review system which is ultimately escalated to the Director of Finance.

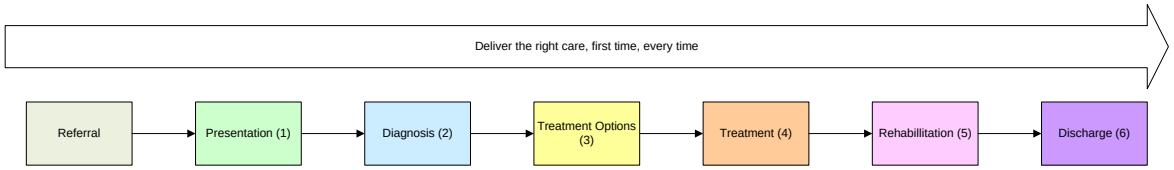
Individual Directorates and Departments are required to develop additional schemes where it becomes clear that a plan which has been included within the overall annual plan is likely to fail to deliver its declared target. They are supported in doing so by the CIP Steering Group.

5.4.4 Transformational Approach

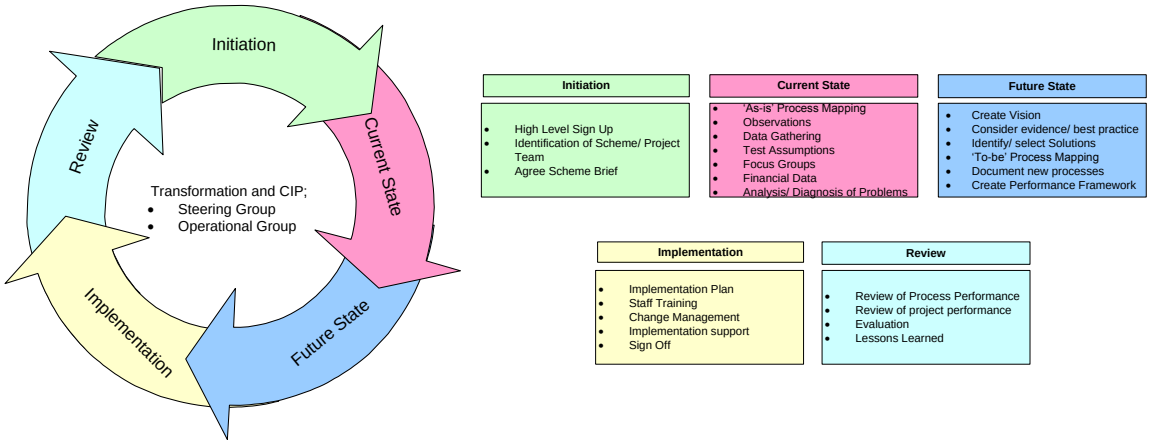
The Trust is placing greater emphasis on achieving cost improvement through service transformation rather than simple cost reduction by identifying areas of service provision where a transformational approach can achieve long term sustainable improvements in service quality with a secondary benefit of cost reduction.

The Transformation CIP Programme is managed by the CIP Operational Group, led by the Associate Medical Director for Corporate and Clinical Governance.

The Trust has adopted a pathway approach to transformational / service redesign schemes, ensuring the whole patient pathway is reviewed and improved, from how patients are referred in to the Trust through to when they are discharged. This ensures that any changes that are made are not made in isolation, ensuring the whole process is efficient and delivers 'the right care, first time, every time'.



All Transformation schemes identified must follow the transformation project lifecycle illustrated below. To ensure step change, rather than incremental change and each stage must be signed off by the CIP Operational Group before moving on to the next stage.



Progress of all projects is managed against objectives documented at the initiation stage with risks (project and clinical) closely monitored throughout the lifespan of the project. Any barriers to delivery are identified at an early stage and escalated firstly to the Operational Group and then to the Steering Group where necessary.

5.4.5 Clinical Leadership

Clinical leadership is seen as an essential component to ensure successful delivery of transformational schemes and therefore clinical input is maintained at every stage;

- The CIP Strategy was developed by the Steering Group which includes senior medical and nursing representation;
- The overall strategy is agreed by the Trust Executive including the Medical Director and the Director or Nursing and Patient Services;
- The CIP programme is managed on a day to day basis by an Operational Group that is chaired by an Associate Medical Director (Corporate and Clinical Governance) and has senior nursing representation;
- Directorate level CIP plans are developed by the Directorate Management Team and have to be agreed by the Clinical Director before they are submitted to CIP steering group for approval. Schemes are developed with frontline clinical input;

- Where possible, each pathway scheme is led by senior clinical staff with further clinical representation within the project teams.

5.4.6 Identifying Transformational Schemes

The CIP Operational Group meets regularly with colleagues from around the Trust to identify potential schemes that can maintain or improve patient care whilst being delivered in a more efficient manner. Ideas are registered and reviewed at regular intervals and when there is sufficient resource available; schemes are initiated using the transformation project lifecycle.

The CIP Operational Group requires an assessment of the clinical impact of all CIP schemes, both traditional and transformational. Clinical risks are identified and rated against likelihood and impact with clear ownership and mitigation plans documented.

These assessments of risk are held centrally on a project risk register and are continually reviewed by the medical and nursing members of the CIP Operational and Steering Groups Where it is deemed necessary, opinions are sought from clinicians and other medical staff with relevant experience. Additionally, patient involvement is actively encouraged in order to help review current services and shape future services.

5.4.7 Progress of schemes

The CIP Operational Group monitors the progress of CIP schemes on a regular basis. During the initiation phase, project deliverables are documented, agreed by the project team and must be SMART (specific, measureable, achievable, realistic and time-bound).

The specific metrics appropriate for each Directorate and scheme will vary but are likely to include: review of clinical incidents, complaints, patients and staff satisfaction. A report from each group including these metrics is received by the CIP Operational Group on a monthly basis.

Risks are monitored closely, however, if there are concerns that a CIP scheme may be having an adverse effect on quality of patient care, this is investigated as a matter of urgency and the outcome of the investigation presented to the CIP Steering Group and Trust Executive / Board of Directors for consideration.

The primary consideration in all CIP discussions, within the organisation, is to ensure that safety and quality of patient care is preserved or indeed further improved as a result of CIP projects.

The Trust's emphasis is on a rolling programme of on-going appropriate service transformation rather than a programme restricted to delivery of in-year short term savings.

6. Supporting Financial Information

6.1 Trust Financial and Investment Strategy

The Trust continues to demonstrate a strong financial base and a surplus in line with the planned position of the organisation has been delivered. A Continuity of Service ratio for the organisation is expected at a 3 for the year, and the closing balance sheet will show strength.

The financial stability of the Trust places us in a good position to address the impact of the continued economic downturn in the funding of public services. There remains an underlying strength and hence the opportunity for capital investment to progress further innovation and ensure the Trust has the necessary infrastructure to support its strategy of targeted growth and development to continue to deliver high quality services.

The financial strategy for the coming 2 years builds on the Trust's overall strategic direction and goals:

- To continue to deliver a surplus on turnover; with the aim for a sustained underlying recurrent surplus. It is accepted that the surplus margin is likely to be eroded, given the economic climate facing the health service;

- To maximise income, through developing new services in specific clinical areas;

- To continue to deliver cost efficiency requirements, whilst continuing to deliver safe, high quality clinical care to patients. The efficiencies will place greater emphasis on transformational change, in order to meet the future challenges across the Local Health Economy;

- To further refine and develop management decision making tools, in particular outputs of the Patient Level Costing system, to make targeted and informed decisions about the future strategic direction of the organisation;

- Using cash reserves to implement a large and varied capital programme over a 5 year period to greater enhance the infrastructure used to deliver services.

The key financial risks to achieving this strategy are summarised as:

- The affordability, spending power and support of commissioners to invest in acute, community and specialist services given the financial allocations and aspirations of other providers across the local health economy;

- The national and local commissioning agenda to shift care out of hospitals and the direct impact this will have on activity in the acute sector. As stated throughout the Plan, the Trust continues to embrace the integrated care agenda and delivering care closer to home;

- Continued deflation of tariff and thus the on-going need to deliver efficiencies at a minimum of 4% per year, whilst maintaining excellent standards of clinical quality and safety.