Queen Victoria Hospital NHS
NHS Foundation Trust

Operational Plan Document for 2014-16

Queen Victoria Hospital NHS Foundation Trust

Operational Plan Guidance – Annual Plan Review 2014-15

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

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

Annual plan review 2014/15 guidance is available here.

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

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

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

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

The expected delivery timetable is as follows:

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

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

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

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Date	**3rd April 2014**

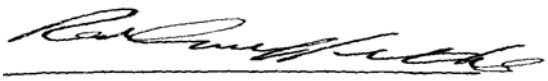
The attached Operational Plan is intended to reflect the Trust's business plan over the next two years. Information included herein should accurately reflect the strategic and operational plans agreed by the Trust Board.

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)*	**Peter Griffiths, Chairman**

Signature 

Approved on behalf of the Board of Directors by:

Name *(Chief Executive)*	**Richard Tyler, Chief Executive**

Signature 

Approved on behalf of the Board of Directors by:

Name *(Finance Director)*	**Richard Hathaway, Director of Finance and Commerce**

Signature 

MONITOR OPERATIONAL PLAN

Executive Summary

Queen Victoria Hospital NHS Foundation Trust (QVH) is a specialist NHS hospital providing life-changing reconstructive surgery, burns care and rehabilitation services for people across the South of England.

Our world-leading clinical teams also treat common conditions of the hands, eyes, skin and teeth for the people of East Grinstead and the surrounding area. In addition we provide a minor injuries unit, expert therapies and a sleep service.

We are a centre of excellence, with an international reputation for pioneering advanced techniques and treatments.

Everything we do is informed by our passion for providing the highest quality care, the best clinical outcomes and a safe and positive patient experience.

QVH has a successful record of both financial management and service quality. In 2012/13 we received the highest score of any hospital in the Care Quality Commission's national NHS inpatient survey for how well patients rate their experience of being in hospital.

QVH provides both regional specialist expertise and local services for local residents. It therefore has an array of core services which need to be supported across the full range of complexity. In common with other NHS providers, QVH faces challenges from continued efficiency requirements and new commissioning strategies. We are working closely with commissioners to ensure that we are able to play a full role in supporting the Sussex health economy.

QVH expects its overall activity numbers to decline slightly over the life of this plan but for the complexity of cases it receives to increase, reflecting the specialist nature of work undertaken.

The Trust has successfully delivered a major capital programme in 2013/14, replacing its 10 Operating Theatres with new facilities. This has been funded partly from Trust capital and partly through a loan from the Foundation Trust Financing Facility. Financial performance needs to continue to be robust to support repayment of the loan.

The Trust continues to work closely with the local health economy to agree the future shape of services. However the nature of the Trust's activity means that although host commissioner Horsham and Mid Sussex CCG takes the lead for contractual matters, the Trust has regular dealings with over 25 CCGs across the south east, as well with the NHS England team dealing with specialist services.

The Trust's service portfolio means it is less affected by the Better Care Fund changes than local District General Hospitals, but continues to support the delivery of wider economy savings. However commissioners in the south east are beginning to tender for services

which impact on QVH. For example the Musculo Skeletal (MSK) services are being tendered across Sussex, which could impact on the Hand surgery and Therapy services provided by QVH.

In common with many NHS organisations the identification of annual cost savings continues to be challenging. The plan views 2014/15 as a transitional year in which the impact of service efficiency and system changes already underway will not deliver the full benefits anticipated. It also recognises the need to invest in some areas to achieve longer term improvements. It is therefore expected that financial performance, whilst remaining reasonably strong in 2014/15, will improve in 2015/16.

In summary, QVH expects financial performance over the next two years to be:

£m	2013/14 Forecast	2014/15	2015/6
Turnover	58.3	59.5	59.7
Surplus (for FRR purposes)	2.2	2.2	2.5
Cash	3.7	4.2	5.9
Continuity of Services rating	4	4	4

Operational Plan

The Short term challenge

The Trust has focussed on developing its specialist services in recent years and has ceased to provide some services that did not fit with the organisation's core strengths. The Trust has generally performed well both financially and operationally and has received strong ratings in quality measures such as the Friends and Family test. However in common with all NHS organisations, there are significant pressures on the Trust.

The demand for QVH services remains high and much of the work undertaken at the Trust is not the type of activity that commissioners are seeking to move to alternative providers or settings. Therefore the Trust needs to ensure that the patients referred to us for expert care can be seen quickly but also that all work can be done in a cost effective way.

The level of demand has also meant that QVH has failed some of the RTT18 targets during 2013/14. An action plan is being developed to ensure sustainable performance in future. The details of this plan will be agreed with commissioners and shared with Monitor as it progresses.

The Trust is undertaking a strategic review of its services, entitled QVH2020, and further details of this will be included in the Strategic Plan to be submitted to Monitor in June 2014. The review has identified the priorities for 2014/15/16 to be

- Creating capacity for profitable growth, further improving our productivity & pathways
- Reducing waiting times through targeted activity growth
- Delivering the opportunities we have identified to grow our services and market share

Working with Health Economy Partners

QVH have been working with our LHE partners to consider how we can support delivery of high quality services over the next two years. These plans include;

- Supporting trauma management locally with LHE partners and providing specialist lower leg plastic surgery input to major trauma centres within the region
- Providing cancer services to support patients with head and neck, skin and breast oncology. This includes providing joint appointments of ENT consultants, delivery of a regional Moh's service and providing immediate breast reconstructions for patients across Surrey, Sussex and Kent.
- Developing our sleep disorder unit to provide care more locally particularly for NIV patients
- Providing local community services including MIU, diagnostic and community therapy services so QVH support care more widely than just the specialist functions.

These discussions are being built into our latest strategic review QVH2020 Delivering Excellence that supports QVH's aspiration to have outstanding care delivered by outstanding people.

QVH recognises that ensuring the quality of care for their patients requires the organisation to work effectively with its LHE partners. In order to ensure we deliver the highest quality of care to patients we work with our partners to secure support in our delivery of expert paediatric, psychiatric, intensive care and microbiology services.

Quality plans

National and local commissioning priorities

*Everyone Counts***,** the National NHS guidance was published on 20th December 2013. There is an increased focus on strategic planning, led jointly by NHS England, Monitor, the NHS Trust Development Authority (NHS TSA) and the Local Government Association (LGA). This process, involving the whole health system, has been instigated in response to the NHS 'affordability challenge' – the estimated £30billion NHS funding shortfall by 2021.

National guidance raises many issues, but the key ones affecting QVH are:
- The affordability challenge
- The requirement to plan in partnership with the local health economy
- Responding to the Francis, Berwick and Winterbourne reports
- Compassion in practice
- Providing 7 day services
- Engaging with and empowering patients and the public
- A focus on outcomes
- Specialist care provider designation – fewer centres

- The need for more efficient elective care in fewer centres nationally

QVH is carefully considering how it will respond to these challenges. Proposals to support priorities are being built into our latest strategic review QVH2020. National and local CQUINs and QVH quality account priorities for 2014/15that have been identified further acknowledge that QVH supports ensuring a good experience for patients while delivering care that is safe and effective.

QVH's Quality goals

QVH is in the process of devising and consulting on the key priorities within our QVH2020 Strategy- Delivering Excellence. Within the strategy, Quality remains paramount in everything we do. The strategy is focussed around delivering on five key strategic objectives each with specific focus areas, these are;

To deliver an

- Outstanding patient experience
    - Superior care and outcomes
    - Exceptional environment
    - Outstanding personal service
- World class clinical services
    - Clinical strategy
    - Clinical outcomes
    - Research and development
- Operational excellence (Outstanding patient care)
    - Pathway redesign
    - Capacity review
    - Delivery of annual operational plan
- Financial sustainability
    - Delivery of annual financial plan
    - Cost improvement programmes
    - Business development programme
- Organisational excellence
    - Leadership development
    - Performance management
    - Innovation and learning

For 2014/15 QVH has identified the following quality priorities within our quality account. Quality account priorities were identified with support of the local clinical commissioning group, the council of governors and staff feedback to the QVH consultation on its strategy QVH 2020 Delivering Excellence. The identified priorities for 2014/15 are;

1. For 2014/15 QVH is aiming that by the end of quarter 4 we are scheduling 80% of elective surgical patients with at least three weeks' notice of their planned operation date. We would exclude cancer patients and patients requiring donor tissue from this target as these cases are planned to meet their individual needs. This enhances the patients experience as they will be able to have earlier notice/confirmation of their surgery date. We will monitor and

report monthly on the percentage of cases scheduled. We will establish a baseline in Q1 following introduction of an upgrade to our patient administration system(PAS), with an aim that the percentage of patients booked with at least 3 weeks' notice increases in a phased manner during Q2 and Q3 in order to reach 80% by the end of 2014/15. We will also report on the number of elective surgical cases cancelled and rebooked before admission for the convenience of QVH i.e. non clinical hospital cancellations rather than at the request of the patient or for clinical reasons. This measure will additionally support our 2014/15 commissioning for innovation (CQUIN) measure on reducing the changing of offered surgery dates.

2. QVH plans to publish outcome measures at individual consultant and/or speciality team level as appropriate in 2014. The measures will consist of both patient reported outcome measures and clinical outcome measures as decided in consultation with clinicians, and patient focus groups. Data collection for most is in progress now and will be validated and uploaded over the year, beginning with orthognathic patient reported outcomes in May. We aim to publish a total of six outcome measures within the year, they will appear on the trust internet site and be updated in accordance with the frequency of measures for each database.

3. We therefore aim to introduce an additional module to our electronic rostering system by the end of June 2014. Following implementation and training we anticipate that by September we will be able to provide real time visibility of staffing levels across wards in relation to patient numbers and acuity. This will enable us to use to respond and redeploy or enhance staffing in real time and support the delivery of safe care to patients.

4. Increasing the number of patient's seen and treated for minor surgical interventions on the day of their outpatient appointment improves the patients experience as it reduces the number of visits they are required to make to hospital. It also ensures that patients with suspected skin cancers / minor lesions receive treatment on the same day, thus speeding up their overall care. In addition the administrative systems previously required to book patients for multiple visits and type clinic letters will be reduced allowing staff to focus on managing more complex patients through their pathway of care. Information will be provided monthly on the number of patients with skin lesions that we are treating each month on the day of their appointment as well as the overall length of time from referral to treatment and number of visits per episode. Our aim initially is to achieve at least a 50% increase.

For 2014/15 QVH has been working with our local commissioning group to agree CQUINs for 2014/15 these will include national and local measures to improve the quality of care patients receive. National priorities are; Friends and Family test, safety thermometer and dementia. Locally agreed measures under discussion currently to improve quality are;

1. Quality auditing of the World health Organisation safer surgery checklist.

2. A percentage reduction in the number of times a patient may have their operation date changed by QVH
3. A review of current food standards against the Catering Mark standards

All of these are areas of quality that QVH has identified within its own review of quality and supports feedback from patients through complaints, the Friends and Family test feedback and our own observations of quality and care.

Existing Quality concerns

Through current activity on reviewing the quality of care, development of the trusts strategy QVH 2020 Delivering Excellence, safety incidents, patient feedback in the form of complaints, the national surveys and Friends and Family test feedback we would recognise that areas where quality standards could be improved include;

- Meeting of RTT 18 time frames for patients care has been challenging during the latter part of 2013/14 due to increased referrals, plans to address this are covered within the operational requirements.
- Consistent use of the WHO safer surgery checklist, while this is actively promoted and recognised as good practice it has not been undertaken consistently and we are aware of incidents that could have been prevented had one or all of the three aspects of the checks been undertaken. We also recognise that this is about all staff engaging in the process rather than just some staff, for this reason we support the inclusion of quality and quantitative auditing of this as a CQUIN during 2014/15.
- The documentation of surgical consent prior to the day of surgery has been a focus for the last two years and we have seen a steady increase over this time. Our focus for the next year will be to work with our largest surgical speciality group – plastic surgery to further improve their documentation in this area.
- How we communicate with patients we know at times can improve this in the main is related to how some staffs attitude is perceived by patients and by changes to appointment times that mean patients are required to change plans they have already made.

Actions to address these areas have been incorporated into activity and quality plans for QVH during 2014/15.

Key quality risks

The key risk associated with delivery of the quality plan is ensuring that we have the resources to deliver on areas we have identified for action. These resources include physical areas to meet the capacity demand related to delivering activity to meet targets such as RTT18, retaining and recruiting staff that support the delivery of activity and ensuring robust infrastructures such as IT to enable timely rather than manually intensive reporting processes.

How the Board seeks assurance around safety and quality of services

QVH continues to have systems and processes in place through quarterly directorate reviews conducted by the chief executive to assure itself regularly on the quality of the service provided to patients. At these meetings, the safety of care is monitored through governance reports on incidents, infection control and identified risks. Where there are concerns, action plans are put in place and reviewed at monthly operational meetings of the directorates.

Clinical effectiveness is reviewed through reports on cancelled operations, clinical indicators, clinical outcome measures, waiting times for surgery and patient complaints. Patient experience is reviewed through complaints and feedback questionnaires including the Friends and Family test. A summary quality dashboard is presented monthly to the clinical cabinet and board of directors.

The audit committee routinely review the framework of control in respect of quality and reports back regularly to the board of directors.

Where the executive team or a directorate identifies a significant concern they will instigate actions that are documented and regularly reviewed. Significant incidents are reported through to the trust board and followed up through the quality and risk committee.

What the quality plan means for the workforce

Staff engagement in the quality plans for 2014/15 is crucial, their enthusiasm in improving the quality of care and services for patients will support the ability to delivery on all of the actions we have identified. It is recognised that staff who are satisfied and recognised within their roles delivery better care to patients. Within our QVH 2020 Delivering Excellence there is recognition that to delivery outstanding care we require outstanding people and therefore our plans include leadership development, performance management and innovation & learning actions to support staff learning.

The Trusts response to Francis, Berwick and Keogh

The Trust has assessed the recommendations from the Francis, Berwick, Keogh and Cavendish reports and has an action plan in place that is monitored through the Quality and Risk Committee. Many of these actions support the QVH 2020 Delivering Excellence Strategy.

Risks to delivery of the plan

The main risk to delivery of the plan is that current proposals to restructure governance arrangements may take focus away from delivering on plans, however it is anticipated that the planned activities will benefit any new reporting structure that is introduced. Should the management support post identified to support delivery of QVH 2020 Delivering Excellence there

would be a risk that robust reporting and oversight of the plan may not occur and individual activity occur in isolation.

Contingency

QVH has recognised that to support the delivery of the plan additional management support is required, both within operational management and to the strategic review. Currently this post is out to advert and will provide a degree of resilience and rigour in ensuring progress is being achieved and reported on.

The plan is based on the Trust's realistic expectations of what can delivered and there is no unallocated contingency built into the financial forecast. The Trust has some flexibility to deal with changes in demand, as described in more detail later.

Operational requirements and capacity

As part of business planning QVH has carried out a detailed demand and capacity analysis to assess the inputs required to deliver the organisation plan across the next two years. This analysis included the following

- expected activity levels anticipated in the next two years including impact of any service change / development
- identifying the capacity to achieve sustainable waiting times to meet current demand and incorporating the above anticipated activity levels
- identifying any gaps in current capacity compared with the analysis for outpatients, theatres and beds
- implications of this analysis for workforce and estate

This analysis has led to QVH devising a number of plans to respond and these will be outlined in turn within the following section

Outpatients

Capacity analysis undertaken as part of business planning has shown that demand on outpatients remains generally steady across all specialities with some growth in specific service lines. Previously a number of short term measures have been used to meet demand and respond to the changes in demand, but in order to achieve a sustainable waiting time the analysis for the next two years has identified that the Trust needs to review its overall outpatient capacity, both on and off site, with planned increases to respond to growth for specific service lines.

The plans to increase OPD capacity include appointing a new Optometrist, Sleep consultant, Lower leg trauma consultant, Speciality doctor for Oral Surgery and reviewing job plans of two retiring consultants who will be replaced during the next 2 years to maximise clinic availability. In addition QVH as part of 2020 strategy work will focus on improved scheduling of outpatients which includes purchasing a new IT booking system, as well as putting in place a dedicated outpatient service manager post to drive improvements such as reductions in new to follow up ratio, implementing alternatives to consultant led services like nurse led / therapy led clinics etc.

Operating theatres

During 13/14 QVH saw the opening of its brand new 10 operating theatre suite complex which provides 104 sessions per week for both elective and trauma cases. In addition the organisation provides day case sessions across a number of spoke sites in Sussex and Kent.

Capacity analysis undertaken as part of business planning has shown that demand on theatres has continued to grow since Jan 2013, due to a number of factors including reducing waiting times, change in case mix towards complex procedures and growth in demand within a number of service lines. In addition many of existing theatre sessions were being 95% utilised. Previously short term measures have been used to meet demand and respond to the changes in case mix, but in order to achieve a sustainable waiting time the analysis for the next two years has identified that the Trust needs to provide 12 additional operating sessions[1] per week.

QVH plans from July 2014 to open a dedicated skin cancer unit incorporating an additional theatre for local anaesthetic day cases which will offer a one stop service for outpatients to have treatment on the same day reducing unnecessary visits. This will be situated in one of the old operating theatres vacated from April 2014. This proposal will then free up enough capacity within the new theatre complex to provide 12 sessions per week which will also include some Saturday sessions. Additional staff will be required to support this development including nursing staff and four associate specialists across anaesthetics, plastics and oral surgery. In addition a locum is being appointed following the retirement of a hand consultant and later in the year another consultant will be appointed to replace a further retiree who will take on more complex breast work. Further work is being identified to also streamline the trauma pathways to offer one stop service for the more minor cases, thus freeing up capacity for more complex cases through our dedicated CEPOD sessions.

Combined these proposals will enable the Trust to reduce its waiting times to a sustainable level within 14/15. However it is also recognised that alongside these developments QVH also plans that the organisation will continue to implement 'Productive Theatre' methodology to ensure that maximum efficiency and productivity is maintained. QVH is also working with partner organisations to increase the surgical input from ENT to our major Head and Neck services which includes joint consultant appointments from Q3 in 2014. This will be new activity to QVH and is a significant service development in response to specialist commissioning.

Beds

Currently QVH has an ITU/Critical care unit, one children's ward (9 beds) and two dedicated adult wards which incorporates a step down unit (total of 46 beds). Capacity analysis undertaken showed that the current beds are sufficient to meet the demand and achieve sustainable waiting times over

[1] Each session = 4hrs

the next two years. However it has been recognised that in order to maintain 85% bed occupancy QVH will need to continue to push for early discharge through a dedicated lounge which is planned for later this year, as well as promoting support from doctors and pharmacy for prompt competition of electronic discharge notifications and dispensing of medication. In addition QVH also plans to review the capability of the PAS system to record a 'live bed state' which could also be used to enhance the booking of patients requiring step down care to make better use of existing resources.

Analysis of Key risks

As part of the assessment of the operational plan the following key risks have been identified and the mitigating actions proposed to reduce their potential impact over the next two years.

	Risk	Likelihood	Impact	Mitigating actions
1	Unexpected decrease / Increase in referral demand	Low	High	• See separate section 'Adjustment of inputs to meet changes in demand'
2	Reduction in Junior Doctor posts funded by Deanery	Medium	High	• Liaise with Deanery regularly • Support junior doctors on site to ensure they have access to training and good experience whilst at QVH • Review rotas regularly • Consider increasing number of trust employed CT2 and SPR grades • Increase consultant led service provision • Expand use of other clinical professionals within Trust to take on more junior doctor roles
3	Lack of engagement of Consultants	Medium	High	• Hold regular consultant meetings with CEO and Medical Director to involve them in strategic and business decisions • Review and Increase accountability of Clinical Directors
4	Changes to services specified by commissioners including Burns / MSK	Medium	High	• Work closely with CCG's and LAT representatives • Work with prime providers to see how QVH could work collaboratively with them • Work with partner acute Trusts around provision of burns care that meets specialised commissioning specification within an agreed timeframe
5	Increase in competition	Medium	High	• Work closely with CCG's and LAT representatives

				• Work with prime providers to see how QVH could work collaboratively with them • Work with partner acute Trusts around provision of burns care that meets specialised commissioning specification within an agreed timeframe
6	Shortage of key members of staff (hard to replace/ recruit)	Medium	High	• Work with departments to regularly review workforce plans • Streamline recruitment process to reduce delays • To work with local universities to support in house training programmes • Consider recruitment and retention premiums for specific staff groups
7	Age of estate	High	High	• Agree capital programme for immediate maintenance • Develop a long term investment programme to align with strategic objectives and clinical priorities
8	Ensuring productivity is maintained	Medium	High	• Regular monitoring of KPI's • Weekly review at Operations meeting to escalate issues to be addressed • Regular demand and capacity review during the year • Implementation of lean thinking and service improvement as part of QVH 2020 strategy to deliver operational excellence
9	Slippage of IT projects	Medium	High	• Prioritise investment in Network infrastructure • Monitor progress of key projects against milestones – escalate issues early via the appropriate Trust structure
10	Reliance on partner organisations for support	Medium	Medium	• Work and meet with partner acute Trusts regularly around provision of services and how we both organisations can work collaboratively for the benefit of patients

Adjustment of inputs to meet changes in demand

Consideration has been given by the organisation as to how it could respond to any unplanned changes in demand over the next 2 years. These have been provided in the table below.

Inputs	Adjustments that could be made
Bed capacity	Increase • The organisation has an 8 bedded ward area that is currently closed but could be opened in the future if required to meet demand. Decrease • The organisation could reduce the number of inpatient beds across the existing wards through redeployment of nursing staff or through natural turnover.
Theatre capacity	Increase • Increase elective sessions undertaken on Saturdays or extend to evening operating (3 session days) • Consider further retention and use of 'old theatres' after new block has opened • Review capacity at spoke sites to create a QVH Kent hub with more theatre capacity to allow day case patients to have their surgery nearer home and frees up capacity at QVH for complex cases Decrease • Close the additional theatre area proposed for local anaesthetic day case and consolidate services within new 10 theatre suite. • Move all work into mid-week rather than any extra Saturday or evening lists • Reduce overall sessions staffed as locums not replaced and natural staff turnover • Review spoke site services to reduce theatre capacity accordingly and so reduce SLA costs
Outpatient capacity	Decrease • Consolidate multiple outpatient departments into one centralised area • Reduce overall sessions staffed as locums not replaced and natural staff turnover • Review spoke site services to reduce outpatient capacity accordingly and so reduce SLA costs Increase • Review spoke site services to create more outpatient capacity to allow

	patients to be seen nearer home freeing up space at QVH for more complex cases • Consider renting additional extension to existing modular outpatient department. • Longer term aim is to develop a larger fir for purpose centralised outpatients department.
Staffing	<u>Decrease</u> • Non replacement of locum / retiring consultant posts • Reduction in workforce through natural turnover as productivity maintained through redesigned pathways • Reduction in consultant PA's • Changes in structure to reflect services to be delivered <u>Increase</u> • Initial use of overtime / locum / agency cover whilst business case prepared and approved for substantive appointments • Consider conversion of 0.5 consultant SPA's (from 2.5 to 2) to be put towards DCC

Productivity, efficiency and CIP's (QVH 2020)

As part of the overall QVH 2020 Strategy delivery of Operational excellence in everything that we do is a key aim of the organisation. This area of work is focusing on pathway redesign across the organisation to deliver transformational change in order to maximise productivity and improve efficiency, as part of our operational plans. This will be achieved by

- Embracing and investing in new technology
- Implementing lean thinking
- Reducing duplication
- Striving to be paperless
- Standardising processes
- Training staff in lean thinking
- Collocating departments to reduce handoffs
- Motivating staff to be involved

As part of this work there are a number of schemes (which fall into the "Transformational CIPS" category) planned for implementation over the next 2 years to achieve service transformation which are at varying stages as outlined in the table below.

Name of Scheme	Brief description of scheme	Impact to the delivery of the strategic plan	Timeframe
EPR system	Introduction of complete electronic document system for patient notes which will enable the Trust to become paper light by 2018	High – reduction in requirements for Health records storage and associated staffing costs	Commence in 2015
Smart outpatient Scheduling system	Introduction of system to improve booking and scheduling outpatient appointments to maximise capacity and reduce administrative time	High – increase throughput via existing resources and reduce associated administrative costs	2015
Achievement of sustainable waiting times	Introducing new capacity in year to meet demand to ensure 18 week and cancer waiting times are met	High – to enhance patient care and reduce waiting times	July 2014
Review and implement revised theatre scheduling systems	Introduction of system to improve booking and scheduling theatre slots to maximise capacity and reduce administrative time	High – increase throughput via existing resources and reduce associated administrative costs	2016
Introduction of	To ensure all referrals are	Medium - reduction in	Dec 2014

electronic referrals	received and managed within the trust electronically to reduce delay and handoffs	administrative processes, printing and associated staffing costs	
Introduction of electronic Pre-assessment tool	To ensure all patients are efficiently pre-assessed to reduce delay, paperwork and improve theatre scheduling	Medium - reduction in administrative processes which in turn increases capacity of pre-assessment and theatre utilisation by reduced cancellations	Oct 2014
Introduction of 5 day a week see and do clinics	Implementation of same day assessment and treatment of minor skin lesions day cases under local anaesthetics	High - reduction in administrative processes and associated staffing costs as well as reduction in waiting times for patients plus reduced visits to hospital	July 2014
Same day one stop trauma	Implementation of same day assessment and treatment of trauma cases	High - reduction in waiting times for patients between assessment and treatment with reduced visits to hospital and length of stay	2015
Review administrative functions which support patient pathways	Considering options to further centralise referrals / appointments / scheduling staffing structures to reduce handoffs and improve efficiencies	High - reduction in administrative processes, printing and associated staffing costs	Oct 2014
IT Network Infrastructure upgrade	Investment in IT network is required to support future development of IT systems delivering operational efficiencies such as electronic patient records	High – system changes cannot be delivered without investment	2014/16
Estate Phase III	The next stage of the site strategy will be important in securing further operational efficiencies	High – further investment in the estate is required to improve patient experience	2014/16

The success of these transformational CIPs will be essential to the longer term success of QVH. It is clear that some areas require additional support or pump priming funding to move forward and this

has been built into the financial plan. However there are also some areas outside the Trust's direct control, for example national funding to some IT projects, which have been agreed in principle but need to be delivered.

In addition to the areas above, the Trust has identified further savings opportunities through traditional CIPs as part of the business planning process. These will be reflected in budgets for the year. These amount to £880k in 2014/15 and £1.5m in 2015/16.

Supporting financial information

Income

The Activity plan reflects ongoing discussions with commissioners about expected levels of activity at QVH. Commissioners have confirmed that they do not expect material changes to the level of activity undertaken over the next two years. The activity plan also reflects the additional patients who need to be treated in 2014/15 to ensure the Trust has a sustainable waiting time in line with national targets. The Trust is also aiming to grow its market share in some services where it has specialist expertise, both from the regional population and repatriation from London providers. Overall NHS clinical income is expected to show a small increase over the plan from £54.3m in 2014/15 to £55.7m in 2015/16.

There are commissioning developments such as the tender for Musculo -Skeletal services in the Sussex area which may impact on the Trust once concluded. However QVH is planning on the basis of retaining this activity, although recognising it may be delivered through a different contractual arrangement.

The income plan includes an assumption that 100% of CQUIN income is achieved.

Costs

Pay costs are expected to increase over the next two years from £37.7m in 2014/15 to £38.5m in 2015/16 reflecting additional recruitment to support quality and capacity changes described earlier in the plan, as well as national pay awards and incremental increases. There are expected to be cost reductions once some of the streamlining efficiencies become live, such as an electronic patient record.

Non pay costs are expected to be broadly in line with 2013/14 at around £15m, though the national planning assumption of zero non-pay inflation looks optimistic. Post EBITDA costs will also increase as depreciation and PDC dividend will rise following the increased asset value on opening the new operating theatres.

The expenditure plan recognises the need to invest in accelerating the delivery of longer term efficiencies.

Capital Plans

The Trust has recognised areas for capital investment over the next two years through a review of its priorities and objectives. The IT infrastructure now needs investment and this will underpin several of the longer term efficiency improvements. The Estate has been the subject of significant investment in recent years with the building of 10 new operating theatres, but the need for further investment is clear. Whilst the longer term estate strategy is developed as part of QVH2020, the next two years will require ongoing work to address the impact of recent severe weather and the ageing estate. Medical Equipment priorities are managed through the Medical Devices group chaired by the Medical Director.

Overall the capital programme for 2014/15 is £2.5m, including £1m for IT schemes, £1m for estate schemes and £0.5m for medical equipment.

Liquidity

Liquidity remains acceptable through the period of the plan, however this relies on the assumption of prompt payment by commissioners. Cash balances are lower than has historically been the case but the Trust has recently completed a major capital investment funded partly from its own cash resources. Cash is expected to increase over the next two years as performance generates further surpluses. This will then enable the next phase of capital investment in the facilities at QVH.

Risk Ratings

The Continuity of Services risk rating is expected to be at 4 for most quarters of the plan. For the first quarter of 2014/15 the combination of low planned surplus together with repayment of loan capital means the rating will fall to 3 for one quarter. The Trust has declared a risk against the 18 week target performance at this stage whilst action plans are finalised to address the waiting list. Further details of the actions and forecast impact will be shared with Monitor once available, but this will be after the Operational Plan submission deadline.