Countess of Chester Hospital NHS
NHS Foundation Trust
















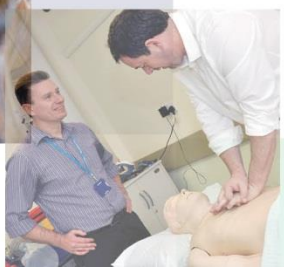



Operational Plan
2014-16

Countess of Chester Hospital
NHS Foundation Trust

10 30 100 2014 celebration

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	4th 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)*	Sir Duncan Nichol

Signature 

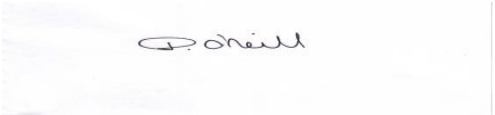
Approved on behalf of the Board of Directors by:

Name *(Chief Executive)*	Tony Chambers

Signature 

Approved on behalf of the Board of Directors by:

Name *(Finance Director)*	Debbie O'Neill

Signature 

EXECUTIVE SUMMARY

Our plan is about our patients. It is about delivering the best clinical outcomes, exceeding expectations of our patients in terms of the experience they receive, using all of our resources at our disposal well and supporting our staff to deliver this by being a valued employer. The plan seeks to describe the next two years of our journey from 'good' to 'great'.

The Trust provides a comprehensive range of acute hospital services with some associated community services primarily to the populations of West Cheshire and the Deeside area of North Wales.

The Trust's plan for 2014-16 reflects the on-going requirement to achieve a circa 5% reduction in our cost base each year and to meet the needs of the commissioning bodies in England and Wales.

We are committed to working in partnership with the West Cheshire Clinical Commissioning Group (CCG), Cheshire and Wirral Partnership NHS Foundation Trust, and Cheshire West and Cheshire Local Authority to manage and re-design patient services and pathways to ensure all of our patients are seen and treated at the right time and in the right place. We will also continue to work closely with our welsh partner in Betsi Cadwaladr University Health Board.

We are in discussion with local NHS acute partners to explore how clinical services can be improved and overhead costs reduced. An example of this is the SMART (Vascular) centre which from April this year will be based at Chester and provide elective and emergency arterial surgery services to patients from the North and South of Cheshire, and Wirral areas.

Internally we are looking at how we can streamline the services we provide, whilst maintaining services and quality. We are looking at both the planned and unplanned care models across the Trust, and the key themes below summarise our plans for the future.

The development of this plan in the context of our five year strategy

While we acknowledge that Monitor requires the production of an operational plan for the period 2014-16, before the submission of our five year strategy, we decided as a matter of principle to create an outline five year strategy with our clinicians, Governors and Board members through a robust process that started back in Autumn 2013. This approach has enabled the Board and Governors to agree the main themes and priorities for our five year plan. As a consequence this has allowed us to present this two year operational plan in context as the detailed first phase of our five year strategy.

Strategic direction

Our longer term strategic direction is built on three key programmes of work:

- ***West Cheshire Way*** working with our local healthcare and other related partners to drive service re-design and integrate care for the residents of Western Cheshire.
- ***Integrated Specialist Services*** providing the right services to meet the needs of our patients, either as part of clinical network or as a specialist centre in our own right.
- ***Countess 20:20*** reviewing our core services to ensure they deliver the health outcomes and quality that our patients deserve.

The three aims are supported by key enablers in the areas of:

- **Technology** making best use of medical and information technology available.
- **Clinically led** to make ourselves the most clinically led and engaged organisation in the NHS.
- **Research, Education & Innovation** to utilise the learning and creativity that exists within our organisation to ensure the delivery of quality outcomes, efficiency and sustainability.

Therefore this operational plan explores the detail of each of these in turn.

Key themes from our operational plan

In considering the strategy and with a particular focus on the period 2014-2016, five key themes have emerged from our work to shape our plans and feature throughout this document:

- **Patient experience and quality**: including embedding the learning from the Francis, Keogh and Berwick reports and continuing with detailed reviews of our key services to ensure long term sustainability and quality of care.

- **Staff engagement and leadership**: ensuring we work towards delivering our ambition of being the most clinically led and engaged organisation in the NHS.

- **Transforming planned care**: by increasing our endoscopy and day case capacity to facilitate the redesign and deliver the improved productivity opportunities that are available.

- **Transforming urgent care services**: through the development of an acute 'hub' as part of the implementation of the recommendations from The Royal College of Physicians Future Hospital Commission and as part of a new offering to our commissioners in partnership with our colleagues in community services, primary and social care. This includes the further development of out of hospital care, building on Early Supported Discharge, Clinical Streaming and Children's Hospital at Home services.

- **Focussing on how we use the opportunity of transitional financial support:** to transform our services in preparation for the financial pressure facing us now and in the future.

Financial challenge

We are working closely with our local healthcare partners to model the financial pressures facing the health economy over the coming year. The challenge to the health economy is estimated to be circa £60m over the next three years with almost half of the total share expected from the Trust.

The impact of the value associated with the '*Better Care Fund*' (BCF) for 2015/16 has been estimated at circa £6m.

We are currently looking to address the BCF challenge in three ways:

1. redesigning and improving our services to improve quality and efficiency

2. with our partners seeking to redesign care pathways to transform how patient care is provided across the system and reduce unnecessary emergency admissions, improving quality and efficiency and reduce unplanned bed day

3. delivering with our commissioners measures such as reducing inappropriate variations in how care is provided or reducing interventions which have little if any benefit to patients.

For the two year period 2014/15 and 2015/16 we believe the efficiency challenge to be circa £21m with approximately half of this coming from our own services and the balance from transitional support to redesign the system, particularly with regard to urgent care.

Our two year operational plan describes how our long term ambitions will be delivered in the short term, as well as setting the scene for our five year strategic plan to follow.

1. THE OPERATIONAL PLAN

Strategic direction

Our long term strategy is built on three key programmes:

- ***West Cheshire Way*** working with our local healthcare and other related partners to drive service re-design and integrate care for the residents of Western Cheshire.
- ***Integrated Specialist Services*** providing the right services to meet the needs of our patients, either as part of clinical network or as a specialist centre in our own right.
- ***Countess 20:20*** reviewing our core services to ensure they deliver the outcomes and quality our patients deserve.

The three programmes of work are supported by a series of enablers:

- **Technology** making best use of medical and information technology available.
- **Clinically Led** to make ourselves the most clinically led and engaged organisation in the NHS.
- **Research, Education & Innovation** to utilise the learning and creativity that exists within our organisation to ensure the delivery of quality outcomes, efficiency and sustainability.

Delivering *The West Cheshire Way*

We are playing a lead role in the development of an integrated care system that is professionally led and publicly accountable, driven by quality, partnership working and empowering for patients and staff.

Our focus is on our patients - the frail elderly, those with long term conditions, those with dementia, and supporting the services to support them - out of hours, care closer to home in the community, and working with our partners as part of the Cheshire Altogether Better Programme.

The West Cheshire health economy has unified its thinking into the development of a system wide approach to improving and integrating care. Developed by senior clinicians from across the system '*The West Cheshire Way'* describes the principles and approach that the health and care system is adopting to improve care for patients. It involves our Trust working closely

with our partners:

- Western Cheshire Clinical Commissioning Group (CCG)
- Cheshire and Wirral Partnership NHS Foundation Trust (CWP)
- Cheshire West and Cheshire Council (CWAC)

We have worked together to agree a five year financial model to underpin the delivery of The West Cheshire Way. As part of this, discussions are now taking place regarding the challenges and opportunities facing the system from the Better Care Fund in 2015/16 and how the transitional monies available to the CCG can best be utilised across the system.

From this work it has become clear that our integrated health system will have the GP registered list as its cornerstone. A general practice-based holistic and integrated care record is regarded as central, and therefore we are developing ambitions to extend the integration of our acute patient-level information to community health and primary care services. Our success in securing national technology funding to deliver the West Cheshire Integrated Health & Social Care Record Project will make this a reality in 2014/15.

We are convinced that significant achievements can be made through strong clinical engagement within the present policy framework. Some changes to local financial systems (e.g. budgets for whole care programmes) and the monitoring of quality (new metrics focused on population health outcomes) will be required as more integrated care approaches are developed. In order to deliver a more extensive transformation in how services are provided, a more consistent framework will be needed, to encourage the behaviours appropriate to service integration.

An example of our response to *The West Cheshire Way* and the commissioning intentions is the development of a new proposition for the delivery of urgent care services for patients.

We have been working with our partners in CWP to outline a new proposal to our commissioners that can meet the population health needs whilst supporting the delivery of the Better Care Fund. The context for this work includes:

- Preparing for a 40% increase in the number of people aged 85 in the next five years
- Acknowledging that in 2013/14 a total of 80% of over 85 attendances to the Emergency Department resulted in admission
- Addressing circa £60m funding challenge faced in Western Cheshire over the next three years

We have developed an approach based on two premises:

i. The need to support people to keep well at home in the context of a growing number of people with long term conditions (reducing admissions). CWP will take the organisation lead for this, with support from our Trust.

ii. The need to provide rapid tailored acute support 24/7 (reducing unplanned bed days). The Countess will be the organisational lead for this, with support from CWP.

<u>Our approach to reducing unplanned bed days</u>

Based on the learning from the Royal College of Physicians Future Hospitals Commission and our work in 2013/14 to develop an ambulatory care unit for medical and surgical patients, we will enhance further our ambulatory care offering with an intention that 80% of patients

presenting will have a maximum length of stay of 48hrs. In order to achieve this we will continue to develop an approach to 7 day services, supported by rapid diagnostics and robust assessment. Our recent appointment (March 2014) of two community geriatricians, coupled with identifying a number of local GPs who will work as part of the ambulatory care service, means that we believe that this 80% target is achievable.

This approach will be strengthened by enhanced discharge through hospital at home services, specialist outreach, and therapy-led early supported discharge.

During 2014/15, we will review the organisation of our medical assessment unit to ensure that it has sufficient capacity to achieve our ambition. For patients this means that more effective clinical streaming takes place to get them into the right place to manage their condition. This will be enhanced during 2014 by delivering the CCG's plan to seek to co locate GP out of hours with the other emergency streams on the hospital site.

Better clinical streaming will support us to achieve our ambition of minimising the number of times we move patients between our wards. To complement this during 2014/15 we will develop an approach for surgical patients to increase the number of surgical and medical pathways being managed by the ambulatory care unit. At the same time we intend to support our surgical team with the development of a surgical assessment unit. We believe this approach will allow us to ring-fence elective surgical beds, reducing cancellations to a minimum for our patients.

Delivering *Integrated Specialist Services*

In addition to its core services, the Trust is expanding its existing portfolio of specialist services with the development of the South Mersey Arterial Surgery (SMART) Centre for Vascular patients at the Countess of Chester covering the populations of West Cheshire, Deeside, Wirral and Warrington. This also includes provision of integrated Interventional Radiology provision across the three sites.

This alone will not be sufficient. We face the challenge of long term clinical sustainability through the impact of seven day working and the requirements of the European Working Time Directive. In addition we must address the requirement of ensuring our services continue to be safe and sustainable as we continue to respond to Royal College standards and guidance.

We are developing a joined up approach through integrated service, quality, workforce and capital planning for our services. An important part of this work will be the systematic service line review process we have developed. These service reviews include clinical and patient review, market share analysis, and enable us to better understand our services and their potential. The section below on clinical sustainability highlights some of the key review areas.

In addition, and reflecting the needs of our patients, we will evaluate the requirement for a new emergency gynaecology assessment unit and the development of an enhanced anticoagulation and Deep Vein Thrombosis (DVT) service.

<u>Collaborative Working with the Wirral Hospital</u>

This Trust and Wirral University Teaching Hospitals NHS Foundation Trust have formed a number of collaborative agreements including HR & Wellbeing Business Services, and Micropath (Microbiology Services). This collaboration will be extended in 2014/15 with the establishment of the SMART Centre and the North West NHS Human Milk Bank. In addition both organisations will work together to create a new model for Breast Screening Services to meet national specifications and ensure clinical and financial sustainability for the future.

The Trusts will explore other potential areas for collaborative working during 2014 and 2015.

Specialised Services

NHS England directly commissions 143 specialised services of which 17 are delivered by the Countess of Chester. Specialised services are provided from relatively few specialist centres. The services are commissioned nationally and account for approximately 10 per cent of the NHS budget. NHS England foresees a concentration of expertise in some 15 to 30 centres for most aspects of specialised care.

We are actively reviewing all of the other specialist services we provide against NHS England's provider requirements and we will seek to respond to commissioner requirements.

Delivering *Countess 20:20*

The third programme of work in our strategy is about delivering excellent, efficient and effective care ourselves through our own processes. We have called this *Countess 20:20* to reflect both a medium term timeframe to 2020 and our desire to have a clear view of our capability as we make significant improvements to our services.

Our approach is centred on a detailed review of all our services over the short to medium term. We have designed a standardised methodology for reviewing the specialties based on current published literature, research and reports.

These reviews will become live documents updated and refreshed periodically as specialty changes are instigated and to inform not only short-term business planning but also the strategic direction of the organisation.

Factors including the increasing requirements of specialised commissioning, and our commissioning CCG's desire for alternative and integrated methods of service delivery, will influence the future design of some services including:

- Ophthalmology
- Breast Screening Unit
- Plastic Surgery
- Midwife Led Maternity Care (MLC)
- Maxillo-facial Service
- Gastroenterology
- Sexual Health
- Dementia Services

We have initiated a site strategy review in 2014/15, to understand and make best use of the capacity and space available to us. We have already pledged that we will not expand the hospital site further, but will make better use of the available space.

We will seek to understand and respond better to the needs of our patients through our patient access strategy, and reviewing our complaints processes. Car parking is a significant issue for the Trust and one that is also currently under review. Alongside some physical improvements, during quarter one of 2014/15 we will implement 'open' visiting times. This will support families and carers by reducing the afternoon pressure on the car parks and will enable more contact with their loved ones while in hospital.

During 2015, we plan to enhance the main entrance to the hospital with some improvements to signage in response to patients' feedback.

The Trust has also identified a series of ***enablers*** which support the delivery of its overall strategy.

Enabler 1: Making the best use of technology

The Trust has embarked on a number of significant programmes aimed at maximising the efficiency of service delivery and thereby improving the patient experience. These include:

- The digitalisation of medical records through the Electronic Casenote Programme.
- Finalising an assessment process to determine the future upgrade requirements of our hospital electronic patient record system over the next two years.
- Developing the capability for our clinicians to access their patients' medical records outside of the hospital, and sharing this information with their GP colleagues where clinically appropriate.
- Exploring future opportunities for telehealth and telemedicine across the health economy.
- A number of human resources systems to integrate scheduling, bank staff, rostering, leave and expenses management.
- Replacement of the Trust's telephony systems to bring greater resilience and service flexibility.
- Using check-in technology to improve queuing in outpatient clinics.

Enabler 2: Becoming the most clinically engaged and led organisation in the NHS

The Trust has as an aim to be one of the most clinically engaged and led organisations in the NHS. Accordingly it is taking the following initiatives:

- Working to design a set of metrics to measure this.
- Progressing a clinical workforce and leadership development programme.
- Developing our response to 24/7 working.
- Continuing to implement our Nursing & Midwifery strategy, our People Strategy, and our Communications & engagement, and Governance strategies.
- Developing our High Quality Care Costs Less Strategy – described in more detail further in this document.

Enabler 3: Continuing to Enhance our Approach to Research, Education & Innovation

The Trust will review all its research, development and clinical innovation activities to ensure its patients benefit from them. Examples include:

- The Trust is working with University of Chester to expand the provision of research facilities and to develop new models of academic training to support patient care. During 2014/15, we anticipate this partnership delivering a facility that will support clinicians and academics in clinical and non-clinical innovation opportunities.
- The Trust has joined AQuA (The Advancing Quality Alliance) which is a North West based member organisation committed to quality improvement in healthcare. The focus is on ensuring that clinicians are the catalyst for any quality improvement and that links are made across the health system, locally, regionally and nationally.
- The Trust is committed to embedding the learning from AQuA in our work on Quality, Patient Safety, Mortality, Service Improvement to ensure we achieve value for money for the taxpayer. AQuA will help us identify where we are on our improvement and patient safety journey and align their support to our Quality Improvement Strategy.
- The Trust will develop its Research and Development strategy in the context of its AQuA membership and related activities.

2. THE SHORT TERM CHALLENGES AND THE TRUST RESPONSE

As a medium sized general and acute trust, the risks facing the Countess are both operational (in-year) and strategic (3-5 years) and as such the risks identified below are framed on this basis. We have consulted widely in relation to the future challenges, and during 2014 significantly refreshed and strengthened the Board Assurance Framework in light of the Francis Report. We will monitor both the operational and the strategic risks through our robust governance framework.

Key Risk	Actions by the Trust
Operational Delivery • Changing commissioning landscape • Speed of community service response • Number of medically optimised patients in hospital • Pressure on Emergency Department and delivery of current admission avoidance & discharge schemes • Compliance target delivery • Number of cancellations • 62 day Cancer delivery • Wales – cross border issues and management of demand • IM&T - maintaining effective informatics systems & services • Aging infrastructure (eg W&C Building) and backlog maintenance	• Continue integrated working with local partners • Enhance our focus on building an internal performance assurance culture through new framework • Ensure sufficient escalation capacity • Board development programme • Early identification of variances • Robust monitoring, performance review, and action plans where required • Delivery of 18 week backlog in Q1 14/15 • Cancer, carve out 7 day diagnostic, micro management of PTL, improved tracking, revised access policy, close collaboration with CCG and primary care • IM&T on BAF and Trust reviewing PAS replacement • Regular condition surveys to inform backlog maintenance stratified risk assessment
Clinical Sustainability • 7 day working • Medical staffing numbers to sustain 24/7 rotas as recommended by Royal Colleges and other national bodies • Junior doctor's rotas and availability • Skilled workforce availability, sustainability and flexibility (incl impact of demographic changes). • Ability to meet NHS England's specialised service specifications and relevant public health functions • Catchment and demographics • Patient volume/demand	• Partnership working with other NHS acute providers including joint rotas and clinical collaboration • Close liaison with Deanery • Undertake detailed service reviews • Develop integrated planning arrangements across the local health economy and deliver the 'West Cheshire Way' • Development of a Trust Recruitment & Retention Strategy, as part of the revised People Strategy
Financial Sustainability • Impact of demographic changes (older, sicker population) not reflected in resources • Impact of better care fund in 2015/16 • In ability to take out cost due to fixed overheads • CRS / efficiency delivery • Long term contractual & commissioning intentions – cross border & geo/political systems • External tendering of services • Move of commissioning responsibilities	• Finance & Integrated Governance Committee (exec, non-exec & senior operational/clinical managers) • Quality Value and Delivery Team function with greater focus on benefits realisation • Refreshed medium term financial plan and ensure effective cost efficiency strategy • Integrated service, quality, workforce & capital planning • On-going engagement with Betsi Cadwaladr UHB re their commissioning intentions • Positive contractual agreement • Greater understanding of service line

from CCG to local authority (e.g. sexual health services) • Lack of clarity on specialised commissioning intentions, expectation of increasing provider requirements and restrictions • Competition and costly tendering processes • Medical pay • Emergency care demand • Impact of 7 day working • Impact of IM&T requirements	reporting in context of system wide Long Term Financial Model (LTFM) • Pursuing transitional support from commissioners
Quality, Safety & Patient Experience • Delivery of CQUIN, quality measures & implementing Francis Report recommendations • Clinical engagement & leadership • Culture and morale • Resistance and capacity to deliver change • Communication challenges. • System-wide quality improvement strategy • Access to quality data & information • Patient experience feedback • Infection control • Trust values & behaviours • Information Governance risks	• Quality, Safety & Patient Experience Committee established and chaired by a non-executive director • Francis Report action plan monitoring • Governors Quality Forum • Refreshed Leadership Development & Staff Engagement & Experience Programme • Developing new quality & performance dashboards and integrated ward-to-board reporting • Review and major investment in nursing workforce • Clinical leadership development programme • Real time patient experience • Positive values and behaviours are encouraged • Enhanced infection prevention and control practices • Speak out safely adopted • Communications team enhanced • External Maternity Review • Refreshed IM&T governance structures and arrangements

3. QUALITY, SAFETY & PATIENT EXPERIENCE

Background and context

Quality drives the Board agenda and strategy and ensures that the priorities agreed are focused on delivering high standards of care to our patients. Throughout 2013/14, we have continued to deliver our services in line with our Quality Improvement Strategy, which in light of new challenges, and priorities as well as a revised governance structure will be refreshed in 2014/15. It is essential that we develop the strategy further so that it does not simply encompass us as a secondary care provider but also engages with our community and commissioning colleagues to develop a system-wide focus on patient pathways as opposed to individual services.

Significant progress has been made on the achievement of our quality targets via both national and local CQUIN indicators as set out in the annual publication of our Quality Accounts. We received excellent results previously in achieving CNST (Maternity) and NHSLA Level 3 for the whole Trust. We will continue to build upon and sustain this success during 2014/15. This will inform the new CQC inspection process from 1 April which we are

preparing for.

In terms of priorities going forward, we have made our choices based on our patient, staff and public involvement events; information taken from our patient survey responses both nationally and locally; complaints and concerns raised by commissioners following feedback received from colleagues in primary care as well as themes from incidents. Our key priorities have been chosen to reflect the three domains of quality defined, as follows:

i. Experience: Improving the experience as described by 'you' our patient when using the service for any reason.
ii. Clinical Effectiveness: Improving the outcome of any assessment, treatment and care you receive in order to optimise health and wellbeing at all stages of illness.
iii. Safety: Improving and increasing the safety of any care or service provided.

Throughout 2014-16 we will continue to:

- Maintain high standards of infection prevention and control as detailed in the Health Act 2009.
- Embed our 2013/14 Commissioning for Quality and Innovation (CQUIN) initiatives so they become 'business as usual', and work to implement the new CQUIN programme.
- Meet the requirements of our Quality Contract with our commissioners.
- Continue to develop our workforce to ensure they have the skills to deliver quality care in the most effective way.

The CQUIN contract for 2014/15 is a challenging one, however, overall good performance was demonstrated in 2013/14 and we will continue to focus on this with named clinical leads. We will strive to further improve our performance this year.

Governance and monitoring

The Quality & Patient Safety Committee is a subcommittee of the Board. It is responsible for ensuring all quality, safety and patient experience topics are discussed and challenged. This committee is chaired by a Non-Executive Director supported by the Trust's clinical leadership including the Director of Nursing & Quality and Medical Director. Divisional representatives sit on this committee, and there is a two-way approach to feeding issues and best practice from divisions to the Board. All significant risks associated with quality, safety and patient experience are articulated and monitored.

Progress against our aims for each of the domains of quality will continue to be reported:

- To our Board of Directors through our meeting channels 'From Ward to Board' and through our monthly Quality Performance reporting arrangements.
- To the Council of Governors at regular workshop events and Quality Forum meetings.
- To our commissioners through our joint Quality and Performance Contract meetings.

Managing Quality, Safety and Patient Experience challenges and risks

Response to The Francis Report

The Government saw the Francis recommendations as resonating across health and social care, and is explicit that its response applies equally to mental health and physical health services. The government published its full response Francis report in November 2013. The report 'Hard Truths' sets out how the whole health and care system will prioritise and build on current governance and practice, including major new action on the following vital areas:

- Preventing problems
- Detecting problems quickly
- Taking action promptly
- Ensuring robust accountability
- Ensuring staff are trained and motivated

This is a journey for the Trust and work will continue to develop our approach on the areas identified in the Government response. This is being supported by identified work streams and will continue to ensure the Trust puts the patient at the heart of its care.

'*Putting Patients Back in the Picture'* A review of the NHS complaints process

In October 2013, the Government published the above report. The Rt. Hon Ann Clwyd (MP for the Cynon Valley) and Professor Tricia Hart (Chief Executive, South Tees Hospitals NHS Foundation Trust) were commissioned by the Secretary of State for Health to conduct a review of the NHS complaints process. This came as part of a response to the Francis report, which highlighted that complaints are a warning sign of problems in a hospital.

The report made recommendations to improve the quality of care, address the causes of dissatisfaction, improve access and responsiveness of the complaints system and ensure that hospitals adopt an entirely new attitude to complaints. It also considered issues such as raising concerns and staff appraisals.

The Trust has acknowledged the recommendations in the report and is taking forward a number of actions. Our commitment to improving patient experience was confirmed in a recent report which gave us 'significant assurance'. It also identified a number of areas that will improve complaints handling and these will in turn lead to positive change, an improved patient journey and support the improvement in the public's confidence in complaints handling nationally.

Safeguarding

The Trust has now agreed a safeguarding strategy for vulnerable adults. In 2013/14 the Trust invested in a safeguarding vulnerable adult post. The agenda for safeguarding adults is now significant and additional capacity maybe required to meet the growing local and national agenda. The Trust has a robust action plan going forward to meet the agenda.

Infection, Prevention and Control

Infection prevention and control remains a constant challenge within healthcare provision and ensuring that we have robust systems and processes embedded within the organisation is an essential part of delivering safe, high quality care. The Chief Medical Officer has highlighted that

antimicrobial resistance is a real threat, with an even greater focus on infection prevention, as resistance to the drugs that we use to treat infections increases, rendering them ineffective. The development of new antimicrobials has also dramatically slowed down, so we need to ensure prudent use of the drugs available to us.

The Trust experienced a number of these challenges during 2013/14 including the ongoing objectives for MRSA bacteraemia and C- difficile reduction, plus the identification of antimicrobial resistant organisms that are a national, as well as local, challenge to healthcare i.e. Vancomycin Resistant Enterococcus (VRE), multi-drug resistant Acinetobacter and carbapenemase-producing Enterobacteriaceae (CPE). Moving forward into 2014/15, the Trust plans to maintain the intensity of both infection prevention and control and antimicrobial stewardship at all levels of the organisation, led by the Medical Director (also Director for Infection Prevention and Control (DIPC)) and the Director of Nursing and Quality, with the aim of ensuring that preventable infections do not occur (zero tolerance). Reviewing policy and procedure against the existing and emerging evidence-base, including how this is implemented in service delivery, while driving improvement through lessons learned in clinical practice, remain high on our agenda.

Understanding the patient experience

We have continued to listen to what our patients say about the service we provide and the care we deliver. This includes both qualitative and quantitative information and feedback that is collected from a range of sources including:

- Friends and Family Test submissions (FFT)
- 'Real time' patient feedback
- On-line forums (NHS Patient Choices)
- Social media platforms (twitter, Instagram)
- National and local survey programmes
- Regulatory and external visits
- Governor Visits
- Complaints and PALs enquiries
- Filmed patient stories (the way these are utilised is currently under development)

Now that the systems for obtaining patient feedback are starting to become more embedded, there is focus on triangulating themes and issues raised and identifying key actions regarding how these will be addressed. It will also be important that the actions that are being taken are shared with patients and the public with the support of the Communications and Engagement Team. We intend to ensure outcomes of patient experience is also linked to staff experience.

The information we have obtained has helped shape the service we provide and when necessary make changes. Our Governors have actively sought feedback as well as providing us with the capacity to support 'enter and view' activity within our wards and departments using the recognised '15 steps' toolkit. The Trust has also supported and assisted in the local Healthwatch to enable them to also perform their role in 'enter and view'. The feedback obtained has proved to be a valuable resource. It has helped us in redefining our focus in a number of key areas, for example becoming a totally smoke free site, improving signage and managing car park pressures at the hospital.

As well as developing our understanding of the patient experience, we recognise the valuable contribution of carers and families and our intention is to ensure we develop a Carers Strategy to

further enhance the delivery of our Quality Improvement Strategy.

4. WORKFORCE

Background and context

As a Trust we recognise an approach to developing our services by developing our people. Quite simple, our workforce strategy is our People Strategy and it can be summarised as 'people at their best'. Recent national guidance, including the Francis, Keogh and Berwick reports, as well as updated Trust priorities, has presented an opportunity for the Trust to review its People Strategy. As part of this we are focussing on the development of a clinically engaged and led workforce that is empowered to deliver improvements to the patient and staff experience. We need to ensure all of our patients are seen and treated at the right time and the in the right place. We aim to achieve this with the right numbers of people with the right skills, in both clinical and non-clinical roles. Many of our staff will need to work more closely with external partners in outward facing roles, based within the communities in which our patients live.

The annual NHS staff survey results show the Countess as performing above the national average for acute trusts in relation to staff engagement, staff motivation, staff agreeing their role makes a difference to patients and recommendation of the Trust as a place to work or receive treatment. Within the last year, its most statistically significant improvement has been in increasing the effectiveness of team working. More work will be undertaken over the next year to understand how this can be improved further so that we shift our position to the top 20% of acute trusts nationally, in keeping with our plans to be the most clinically engaged and led NHS organisation. While the Trust did not feature in the bottom 20% of acute Trusts nationally for any of the national survey indicators, areas for focus in 2014-16 will include improving the percentage of staff who have had appraisals within that last 12 months, supporting staff to contribute more to improvements in work, focussing the support we offer to the health and wellbeing of staff, and ensuring good communication between senior management and staff.

Maintaining safe and effective staffing levels through strategic workforce planning, training and development, needs to be balanced with the need to reduce the cost of our workforce. As part of this we are clear that our workforce priorities for 2014-16 are:

- To manage the pay bill and workforce numbers in line with savings requirements, the workforce plan, and our response to 7 day working.
- To introduce strategic workforce planning, particularly in clinical areas so that we are better able to anticipate and respond to changes in our workforce and the integrated approach to care, closely working with our partners across the health economy
- To reduce reliance on medical agency staff and reduce medical agency spend
- Develop a talent and succession plan for senior leadership specialist roles, supervisors and team leaders
- Develop a Trust-wide recruitment and retention strategy, to enable us to attract and recruit to values, including the 6C's.
- To embed staff engagement as part of the culture of the team working within the Countess.

To support the delivery of these workforce priorities, our People Strategy has been developed in close partnership with our staff and has five main themes –

- Workforce Strategy and Planning
- Leadership Development
- Skills Development
- Performance and Recognition
- Staff Engagement & Experience

Workforce strategy and planning

Workforce numbers

The Trust recognises that if we are to have a workforce fit for the future then we need to plan for it and develop it differently. This means we need to work more collaboratively with our partners to support the system wide commitment to delivering integrated care. At the same time we must support the required financial savings, and maintain the quality of the patient and staff experience.

To complement the work of the system, and the delivery of the West Cheshire Way, we will continue to contribute to a strategic workforce plan across the health economy that is responsive to changes in the community, in terms of supply and demand.

In addition we will:

- Seek to recruit staff on a timely basis
- Retain staff by providing a positive and safe staffing experience
- Develop a recruitment and retention approach that covers all staff groups
- Continue to reshape and restructure the organisation around patient pathways and carry out a number of skill mix reviews
- Review the analysis of the workforce, identifying areas where there is a shortage of skilled clinicians and where there are age clusters that could potentially pose a risk
- Refresh our HR & Organisational Development processes to identify where they can be simplified, made more cost effective and relevant to managers and staff
- Robustly review vacancies via a Job Vacancy Panel by extending its remit to review all vacant posts and hours during 2014/15

Medical staffing pressures

Given continued medical pay pressures we will focus on better understanding how we mitigate these costs. We recognise that staffing figures fluctuate throughout the year, increasing with the seasonal winter pressures of health services. Our plans to reduce cost will take this into account and be staggered accordingly.

Clinical workforce strategy

It is important to note that in respect of the nursing and midwifery workforce nationally, numbers are expected to decrease over the next few years – this in addition, to a number of our own staff locally preparing for retirement provides us with a challenge. We are working with our local university to ensure, that as a healthcare provider, we are involved in the recruitment of our nurses and midwives for the future. There will be further development of Advanced Practitioner roles within the Trust to support doctor's rotas and contribute to the delivery of patient pathways. In working with our partners externally, there will be great opportunity to progress 'joint' organisational roles and also to transfer specialist skills and knowledge into community setting to support patient pathways. We are also exploring international recruitment opportunities, including

the recruitment of nurses from Spain.

The Trust has continued to attract strong fields of applicants for consultant posts and has a good record of retention of staff. There is limited projected impact of retirement at Consultant grade in the next five years. The greatest risks are, and will be, around gaps in middle grade and more junior rotas. These will be mitigated by Advanced Practitioner role developments, exploring collaborative work with partners and the development of Trust training rotations for those not appointed to regional schemes.

Governance and monitoring

Regular monitoring of our workforce numbers and pay bill forms part of the monthly integrated performance report. The People & Organisational Development Committee monitors workforce plans at a more detailed level on behalf of the Board, on a bi-monthly basis which is supported by a revised and enhanced governance structure within the HR & OD Function. In addition, HR work very closely with the Finance and Planning teams to understand the impact on quality, finance and workforce plans.

Leadership development

Leaders at all levels

The Trust aims to have capable and confident leaders at all levels that live our values and act in line with our leadership behaviours. During 2014-16 we will:

- Commit to continuously improving staff engagement and staff experience, drawing from staff surveys and insights and triangulating results across patient surveys as part of a new strategic approach.
- Refresh the Trust appraisal process to enable an increased level of performance and compliance in this key staffing indicator.
- Implement the outcomes the Leadership Development Programme to encourage continuous learning and development, including the outcomes of national reports such as Francis, Keogh and Berwick.
- Deliver a series of external speaker master classes to support, sustain and refresh leadership thinking.
- Introduce a refreshed development programme for our cadre of new managers, middle managers, supervisors and team leaders, in addition to our Clinical Leadership Development Programme.
- Progress the implementation of ward managers being supernumerary to lead, support and supervise.
- Support Board development with the key focus on team-building and effective communication, internally, externally and in relation to finances, performance and innovative solutions**.**

As part of our aim for clinical engagement, we will continue to develop our medical workforce to enable them to become stronger clinical leaders and managers, and have added the Senior Clinicians Role Profile tool into the Leadership Programme for additional support over the coming year. We are also working with local trusts to further develop this programme to provide additional management skills. The development of the Nursing Education Strategy is being progressed in conjunction with the Director of Nursing & Quality.

Medical Education: The Countess Way

At the Countess, as well as striving to provide the best clinical care for our patients, we are also responsible, each year, for the educational development of over eighty medical undergraduates

from the University of Liverpool and two hundred and fifty doctors in training most of whom are on Mersey Deanery rotations following postgraduate educational curricula set and regulated by the General Medical Council. All doctors in the UK are now required to undergo Revalidation on a five yearly basis. This makes Medical Education a key element of our Trust's core business.

Life as a doctor is a continuous process of personal and professional development. The Medical Education Faculty at the Trust aims to provide education through the hospital as a continuous process of nurturing medical professionals to continue to live and grow and so become a better kind of professional. We do this because we believe that this underpins safe patient care.

In line with our philosophy, and responding to the fact that young doctors now spend fewer hours each week in clinical practice and so require better clinical teachers, we have embarked over the last four years, on a unique multidisciplinary educational leadership programme. The Director of Medical Education, strongly supported by the Trust Board, the University of Chester and an expert educator has established a new Master's in Education for Postgraduate Medical Practice. The first six Master's students will graduate this year, three more have diplomas and twenty seven have postgraduate certificates. The Deanery Annual Assessment visit in January 2014 highly commended this programme, along with our new Professional Support Group, as Notable Practice. Evaluations of this programme are beginning to show a change in culture with respect to Medical Education across the organisation.

We are only one of two hospitals in Mersey who have a non-executive board member dedicated to medical education and for this we were complimented at the Deanery visit. The strong Board support for education is essential to maintaining our position as a popular place for medical graduates to want to come and learn.

Skills development

We aim to have a skilled, flexible and talented workforce, with individuals who are able to adapt to our future needs. This will be achieved during 2014-16 by:

- Continuing to improve attendance and perception of Learning & Development (L&D) activity
- Building on management skills programme, especially with regard to the development of people management skills at all levels
- Continuing to develop customer care skills and awareness of Equality & Diversity (E&D) issues
- Implementing skills-related recommendations from Francis and other national reports
- Developing a stronger approach to mandatory training, through the use of blended learning options, including E-learning.
- Supporting the development of further education strategies across our workforce, such as the Nursing Education Strategy.

Demand for Learning and Development programmes continues to increase and where possible these are provided in multi-disciplinary and inter-professional environments.

Performance & recognition

We want to provide a high quality and consistent service that is valued by our patients, their relatives and others who come in to contact with us. Our people can make this happen, supported by the right mechanisms for managing performance and giving recognition. This will be achieved in 2014-16 by:

- Improving the quality and participation rates for appraisals
- Continuing the revalidation arrangements for doctors and to explore the revalidation arrangements for nursing

- Continuing to develop, promote and celebrate the Outstanding Achievements Award scheme, to recognise outstanding examples of patient care, team working and staff endeavours.

The Francis Report highlights the importance of having a robust appraisal system in place, one that is afforded a high priority and recognises the role of performance management. The performance management system will include:

- Communicating the importance of the appraisal system to both managers and staff.
- A scheme that is clearly linked to objectives and attitude in equal measure, with poor performers placed on development plans to improve. This is intended to support individuals as well as driving a quality experience for patients.
- Providing appraisal system guidelines for managers and staff in addition to on-going training;
- Improving training for staff, ensuring the appraisal system can identify L&D needs aligned to objectives.
- Increasing appraisal compliance rates supported by management and monitoring of the system.

We will continue to use the appraisal and revalidation requirements for doctors as a framework to focus more clearly on the skills of our doctors, and in particular to ensure we have the best support mechanisms in place for any doctors who are in difficulty.

Staff engagement & experience

Our aim is to make ourselves the most clinically led and engaged organisation in the NHS by focussing on the culture of the organisation, and having motivated staff who feel able to contribute towards improvements at work, where their positive staff experience will support the patient experience. We are committed to openness, transparency and candour enabling all staff to feel they are able to raise concerns about patient care safely and without fear of victimisation. Priorities for 2014-16 include:

- Developing, promote and embed a Trust health and wellbeing strategy;
- Promoting the Trust's support of the Nursing Times "Speak Out Safely" Campaign, with regular joint communication and Board updates on staff concerns;
- Improving perceptions and understanding of the importance of the staff experience and engagement;
- Implementing the Staff Friends & Family Test;
- Continuing to develop and seek opportunities for partnership working with staff side colleagues and develop jointly owned action plans in response to survey results, focussing on those aspects which impact on our staff and patient experiences;
- Clinical Engagement: Continuing to ensure our clinical leaders are at the heart of engagement and equipped to lead and support the organisation and their staff through organisational change;
- Communication: Investigating different and more effective ways to communicate with staff and potential staff, including the use of social media.

5. OPERATIONAL REQUIREMENTS AND CAPACITY

Expected demand on services

The table below demonstrates the demand expected on our services over the next 3 years:

Activity	2014/15	2015/16	2016/17
Outpatient	+ 2%	+ 2%	+ 2%
Elective Inpatient	+ 2%	+ 2%	0%
Emergency Inpatient	-3%	-3%	-3%

Whilst our emergency activity is expected to reduce overall, we are seeing a continued increase as indicated by the demographics, in patients aged over 65. These patients are typically of higher acuity and present with significant complex comorbidities, with a resultant extended LoS and higher cost.

All of the increases in patient demand will also impact on diagnostics activity, and this growth is recognised in our capital equipment replacement programme, which will give us opportunities for new, more efficient working practices.

Local health challenge

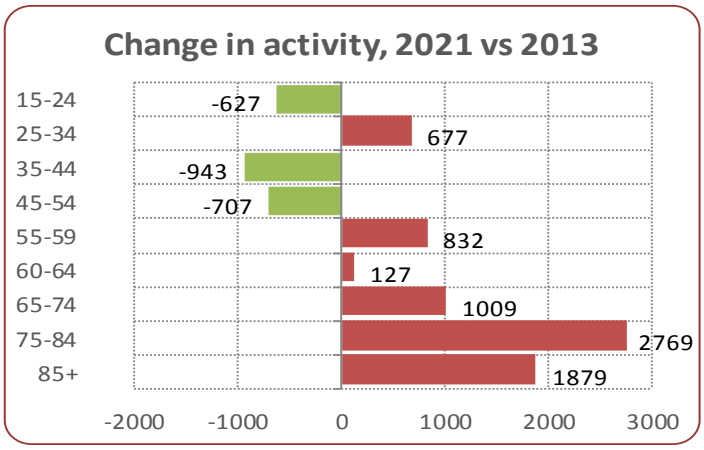
We have a clear understanding of the public health challenges for our local population. These include :

- An increase in the number of young children in Ellesmere Port & Chester
- 7% of babies born to mothers who are under 20 years of age
- A total of 23% of adults being obese and 37% overweight
- The average number of patients on the diabetes register having grown by 750 per year
- An estimated 19,000 high risk drinkers and 53,000 increased risk drinkers
- Hospital admissions in relation to drink increasing by 8% per annum, which is higher than the national average
- Approximately 1,146 smoking attributable admissions per 100,000 adults over 35 years of age
- Bowel screening age extension applied to our locality but expected to grow by circa. 4,831 by 2021

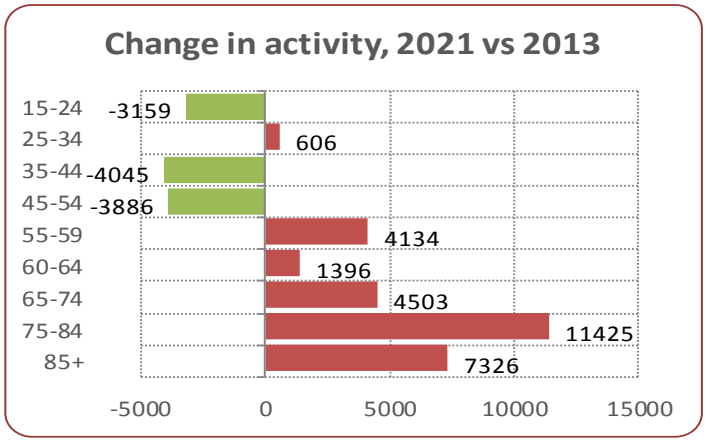
Demographic change

We have reviewed the local demographic data up to the year 2021, and projected the impact of population change on our inpatient and outpatient activity compared with a 2013 baseline. This information is set out in the charts below:

Forecast change in all inpatient activity



Forecast change in all outpatient activity



The key headlines are:

- The local population is predicted to increase by 1.9%, circa 6,200 individuals and 3,840 more households, which is a 2.3% increase
- The number of 20-65 year olds will reduce by 2.6%
- There will be a 27.7% increase in over 70s.
- Single person and lone parent households made up 19.3% of households in 2013 and this is predicted to increase to 20.1% in 2021, an increase of 1,666 households

In the next six years the demographics for the area of Cheshire West and Chester, which the Countess of Chester Hospital NHS Foundation Trust serves, is predicted to grow by 1.9% equivalent to circa 6,200 more individuals. The detail behind these figures shows that the growth will not be uniform with the male population growing by 2.4% and female by 1.4%. This gender growth mix highlights implications for specific services, e.g. Urology.

Of more significant interest is the shift in age profile of the areas demographics, some of which is already impacting on services. By 2020 our growth of five to nine year olds will be 11%. Due to the date range this has already started to impact on child services within the hospital and therefore service changes have already be instigated to mitigate growth.

In terms of the elderly population (aged 70 plus), predictions are of a growth of 28% over six years equivalent to circa 11,800 people within this age rage. Research tells us the number of co-morbidities per patient for individuals in this age range is higher than the average, hence greater impact on acute services.

If the health economy was to continue operating in the same way as 2013, the impact of demographics would provide a growth of inpatients by 5,016 and 18,300 in outpatients by 2021. Therefore the demographics are a driver for change.

Additionally, the contraction by 3%, circa 4,900 people, of the traditional age range for workforce (20 to 64 years of age) will impact the organisation in terms of resourcing and delivery.

Improving health

In our planning, we have identified an ambition to clearly articulate our contribution to improving the health of the population. Specific examples will include:

- Sexual health services
- Weight management
- Alcohol harm reduction
- Falls prevention

Capacity availability, gaps and shortfalls

We have set our activity assumptions based on the 2013/14 forecast outturn with an element of growth. However, it is recognised that there is a non-recurrent elective inpatient backlog issue to address in 2014/15, as a result of an increase in the number of patients waiting. This is due to an increase in referrals and outpatient activity, subsequent conversion to inpatients and a significant number of inpatient cancellations due infection control bed closures in Q1 of 2013/14 and emergency pressures in Q3.

As a consequence of this, it is expected that the Trust will fail the 18 week Referral To Treatment (RTT) target for Q1 in 2014/15 as the backlog is addressed. This risk was notified to Monitor in the Q3 (2013) return. A number of initiatives have been planned during the Q1 period and it is expected that the target will be met in Q2 2014. The main specialties affected are General Surgery, Pain Management, Oral Surgery and Ophthalmology. The additional activity will be undertaken in a number of ways including increased day case activity, outsourcing to private providers and additional lists in-house where possible.

To address the seasonal variation that the Trust experiences due to winter emergency pressures, additional activity will be scheduled in for Q1 and Q2. This will aim to clear the backlog and to decrease the size of the overall waiting list. A planned reduction in activity is scheduled for Q3 and Q4 with the cancellation of non-urgent elective activity for 2 weeks over the Christmas period.

Wards have been reconfigured to facilitate the ring-fencing of elective beds which will result in a reduction in the number of cancellations and protect elective activity. The Trust has the required theatre capacity to deliver this activity and is reviewing theatre productivity also.

Wales

While in recent years it has been a risk to the Trust that Welsh residents are repatriated to Welsh providers, we have entered into discussions with the leadership of Betsi Cadwalader University Health Board to understand what we may be able to do together to improve access to services for patients on the Wales/Chester border. The Trust is committed to working in partnership to service the needs specifically of the Deeside and Flintshire populations both in terms of urgent and planned care.

Describing our operational ambition

We have worked with our clinical community to describe a simple set of aspirations that we intend to further refine and then once agreed, are embedded into operational measures. These aspirations will help to guide our approach to how we will deliver the 'High Quality Care Costs Less' programme described below:

- Reducing harm
- Prevention falls
- Minimising infection
- Right patient, right bed
- No unnecessary moves for patients between wards
- Reducing unplanned bed days
- No elective cancellations due to lack of beds
- No wasted diagnostic tests
- Not spending money when we don't need to due to the waste in our processes
- Reducing unplanned bed days

Building a Performance Assurance Framework (PAF)

In March 2014 the Board approved a new Performance Assurance Framework to measure and manage performance across all services provided by the hospital. At its core, the purpose of the PAF is to create a transparent and triangulated view of performance achievement by measuring the most important metrics within four key elements, namely:

- Quality
- Operations
- Workforce
- Finance

This will ensure alignment between clinical and non-clinical performance such that decisions are made quickly and effectively to improve quality of patient care, clinical outcomes and balanced with value for money and ensure timely remedial intervention. It will enable the Executive Team to:

- Agree and manage to a consistent and regular (e.g. daily) set of standards
- Recognise and reward achievements
- Assess past performance against targets

- Predict future performance and agree improvement milestones
- Focus resource and attention on priority areas
- Agree proportionate actions to improve performance

The PAF will be the key internal approach to managing performance within the Board governance arrangements. During the period of 2014-16 the Trust will develop and implement this new framework.

6. FINANCIAL PLAN

We are working with our local healthcare partners to model the financial pressures facing the health economy over the coming year. The organisations included in the model are this Trust, West Cheshire CCG and Cheshire & Wirral Partnership Trust. The challenge to the health economy is estimated to be £63m over the next three years with the challenge for the Trust at £30m over the same period.

The transfer of funds which has been identified within the Trust's contract for the pooled Better Care Fund has been estimated at c£6m, discussions are taking place regarding the challenge and opportunities, however the net impact to the Trust is currently unknown along with the non-recurrent support from the CCG and therefore is highlighted as a risk at this stage.

	2014/15 £m	**2015/16 £m**	**2016/17 £m**
Health Economy Efficiency Requirement	20	23	20
CoCH Efficiency Requirement	9	9	9
Better Care Fund pool (from CoCH contract) *Net impact to CoCH unknown at this stage*	-	6	-

The table below summarises the income and expenditure plan for the Trust for the next two years, with the planning assumptions as outlined by NHS England in relation to tariff changes and cost inflation for 2015/16.

Income & Expd	2014/15	2015/16
	£,000	£,000
Income		
Clinical income	194.600	195.056
Non-clinical income	12.501	12.472
Total income	207.101	207.528
Expenses		
Pay costs	-140.397	-139.923
Non-pay costs	-59.223	-59.567
EBITDA	**7.481**	**8.038**
Interest Rec'd	0.156	0.185
Interest Paid	-0.646	-0.664
Profit/Loss on disposal	0.000	0.000
Depreciation	-5.574	-5.946
PDC Dividend	-0.915	-1.029
Net surplus / (deficit) before exceptional items	**0.502**	**0.584**

Efficiency saving target incl. in above	**8.892**	**8.749**

Income

The main contract has been signed with our English commissioners. Subject to the appropriate CCG approval, we have assumed that £3m previous transitional support will be secured recurrently following the success of the development of services outside the hospital. The contract with Betsi Cadwaladr University Health Board is yet to be agreed however. Our activity plans for 2014/15 are in the main to consolidate 2013/14 outturn activity with a little growth built in with our main commissioner Western Cheshire, we have also planned to undertake additional non recurrent activity in Q1 to address the increase of patients waiting as a result of emergency pressures and VRE outbreak in 2013/14 to reduce the waiting list back to a manageable level. April 2014 also sees the implementation of the South Mersey Arterial Centre (SMART), this is a major service change and has been reflected in our income, costs and workforce plans from 2014/15.

Clinical Income	2014/15	2015/16
	Activity (000's)	Activity (000's)
Elective	5.440	5.777
Day Cases	31.616	32.766
Non-elective	29.446	28.563
Outpatients	315.377	317.848
Other Activity	988.541	988.541
A&E	69.303	69.303
Total	**1439.723**	**1442.798**

Expenditure

As well as consolidating existing resources to undertake the current levels of activity, the Trust will continue to undertake a number of investments in line with our strategy, to re-align and reconfigure services not just at the Trust but across the local economy and these are highlighted below.

A number of pressures identified in 2013/14 have been recognised in 2014/15 in relation to increased costs for medical pay to address gaps in junior doctor rotas, higher levels of maternity cover and vacancies. The Trust is also recognising the difficulty in achieving savings whilst staff posts are vacant and has reduced the vacancy factor target in 2014/15.

There are a number of additional cost pressures for 2014/15 which exceed the levels recognised in tariff such as the additional investment within nursing in relation to our nursing strategy at £1m and the NHSLA premium cost increase in excess of 20%. The Trust has also invested in additional staffing to support our new integrated critical care unit which commences in April 2014.

The Trust was not able to deliver all of its recurrent efficiency savings in 2013/14 of £1.4m and this has been reflected in our plans and has contributed to the increased financial pressure in 2014/15.

The Trust has ring-fenced a recurrent contingency reserve of £700k.

Service developments

The financial plans reflect our strategy to respond to the financial challenge to ensure Western Cheshire remains a viable health system with a whole system approach to re-design services across organisational boundaries with commissioner support to pump prime initiatives. A number of key developments which commenced in 2013/14 will continue with more planned in 2014/15 as outlined below:

- To enhance and develop further our ambulatory care units for both medical and surgical patients
- Further enhancement of early supported discharge
- Enhanced clinical streaming
- Development of the South Mersey Arterial Centre (SMART) for vascular patients (commencing April 2014)
- Increasing our endoscopy and day capacity to ensure patients are cared for in the most appropriate setting and to deliver improved productivity

Workforce

The table below summarises the workforce changes for the next two years which shows a net increase after efficiency savings of 101 wte in 14/15 following investment into our nursing establishment and also the increased workforce for the commencement of the South Mersey Arterial Centre.

Workforce numbers	WTE's
Baseline 14/15	**3381**
Smart Centre (Vascular)	81
Nursing Strategy investment	26.5
Anaesthetics medical investment	4.5
Facilities new build expansion	15
Expansion of Amb Care/ESD etc	19
Misc other	6
Efficiency savings	-51
Total 14/15	**3482**
Misc Investments	6
Efficiency savings	-53
Total 15/16	**3435**

Liquidity & metrics

The impact of the plan on the Trust's risk rating is set out in the table below:

Risk Assessment Framework		2013/14 Plan		2014/15 Plan		2015/16 Plan
Liquidity Ratio	(4)	17.6	(4)	15.4	(4)	12.7
Capital Servicing Capacity	(4)	2.64	(2)	1.49	(1)	1.25
Overall Weighted Average	**(4)**		**(3)**		**(3)**	

The risk rating falls to a 3 in 2014/15 as the additional costs of servicing the significant capital loans drawn down in 2013/14 start to manifest. This reduces both liquidity (by virtue of the increase on loans due within one year) and the capital service costs

Financial performance

The financial challenge facing the NHS has never been more difficult than it is today. Since becoming a Foundation Trust in 2004 the Countess of Chester has continuously delivered financial compliance with robust financial management. The Trust has also demonstrated efficient use of resources with a reference cost index constantly below 100 and currently at 92 (95 mff adjusted). It is important however to continue to build on this solid performance to ensure delivery of planned efficiency savings as outlined in this document and also enhance financial management and control through:

- Regular financial awareness training
- Enhanced communications and regular updates
- More clinical engagement
- Introduction of a new Performance Assessment Framework
- Regular stocktake meetings with Divisions

The Trust will also continue to engage with its commissioners and work in partnership to ensure continuous support through contractual agreements to maintain financial compliance and sustainability both for the Trust and the local health system.

Capital programme

In 2013/14 stage one of our site development plan was completed with the opening of the new build housing our expanded Critical Care Unit and Endoscopy facilities. Stage two will commence in 2014/15 with the expansion of the Trust's day case theatre capacity in our Jubilee Unit which is scheduled for completion in August 2015.

We also opened a second MRI scanner during 2013/14 and made a number of other infrastructure changes and improvements to support the overall running and efficiency of the hospital site, at the same time as safeguarding patient services. In 2014/15 we aim to replace one of our CT scanners with a more modern equivalent that will allow us to improve further diagnostic imaging, potentially leading to further efficiencies and improved patient care.

In 2015/16 we aim to create a new, hybrid imaging theatre to support vascular surgery as part of the SMART Centre.

In summary our proposed capital programme for the next two years is as follows:

Capital Category	**2014/15** **£000s**	**2015/16** **£000s**
Rolling Replacement & Maintenance	**5,448**	**3,070**
Site Strategy	**2,450**	**2,100**
Service Efficiency & Delivery	**1,232**	**1700**
Donated Assets	**50**	**50**
Total	**9,376**	**6,920**

Integrated full site strategy

The Trust is currently exploring an integrated full site strategy review which will explore how and where services will be provided in the future. The first stage review will be complete by mid-2014, and will take into account our aim to be the accountable provider for integrated services, and the requirement to review our Emergency Department / Urgent Care estate provision. Our aim is not to expand the hospital floor area in the future, but make better use of the available space. The review will direct the capital programme over the next 10 years.

Key financial risks

The Trust has reviewed all the key financial risks it faces and these are shown in the table below.

Category of risk	Description of risk (including timing)	Potential impact	Mitigating actions / contingency plans in place	Residual concerns	How Trust Board will monitor residual concerns
Tariff Structural Changes & Business Rules	Tariff deflator & impact of future business rules for each year	0.5% decrease on tariff assumption equates to £830k income reduction	Further efficiency savings required / service re-configuration / reduce capital spend / contingency reserve.	Future economic outlook and impact on tariff.	Regular updates to Committees of the Board and BOD on relevant issues. To include on BAF
Welsh Contractual Framework	Withdrawal of PBR tariffs for cross border commissioners from 2014/15	Welsh contract not yet signed – impact unknown.	Local negotiation to ensure financial stability and sustainability.	Overall financial climate in Wales. Lack of support to English providers.	Regular updates to Committees of the Board and BoD on relevant issues. To include on BAF
Contract Penalties & Non Delivery of CQUIN schemes	Financial penalties within contract such as CDiff, E-Discharge, RTT, cancer etc and non-delivery of CQUIN schemes	Cdiff penalty at £50k min for each breach and 2% of service lines for majority of others	Robust action plans in place with a range of improvements being implemented.	Targets are very challenging, and time to complete the site strategy to release capacity to deliver activity.	Robust performance monitoring and capital updates to Committees of the Board and BoD To include on BAF
Changes to Demand / service Reviews	Reduction in activity such as further Welsh repatriation. Transfers to Public Health, and tenders.	Reduction in income, and inability to realise cost savings.	Reduce capital spend / Review capacity and reduce associated costs / marketing of services to mitigate lost income	Inability to reduce costs equivalent to reductions in income.	Regular updates to Committees of the Board and BoD To include on BAF
Delivery of Efficiency Target	Efficiency savings from 2014/15 onwards not all identified or delivered	For each 0.5% not identified equates to £1m.	Reduce capital spend / contingency reserve / review surplus required to maintain CoSRR of 3.	Any further increase to efficiency target due to risks identified above.	Regular updates to Committees of the Board and BOD To include on BAF

Better Care Fund	Impact of new BCF services (£6m) provided outside the hospital.	Worst case loss of £4m income without appropriate cost savings being realised.	Joint working arrangements in place and validation and agreement through the Health & Wellbeing Board.	Failure of schemes to deliver and Trust still sees the patients concerned.	Regular updates to Committees of the Board and BoD To include on BAF
7 Day Working	Impact of 7 day working.	Unknown at present. Working to quantify value.	Medical Director led specialty service reviews, to adapt and change rotas. Ongoing discussions with local partner organisations.	Cross organisational impact to be identified	Regular updates to Committees of the Board and BoD To include on BAF

Sensitivity Analysis

The Trust has applied a number of downside risks highlighted above to the detailed financial templates with a number of mitigating actions. Although the potential impact will result in an I&E deficit the CoSRR will still remain a 3. The sensitivity analysis can be seen in the detailed templates.

7. PRODUCTIVITY, EFFICIENCY AND COST IMPROVEMENT PROGRAMMES (CIPS)

Delivering *High Quality Care Costs Less*

We have developed a new approach to delivering our cost reduction strategy. Called '*High Quality Care Costs Less'*, this clinically focussed programme of work builds on the growing (and historical) evidence that optimising quality in healthcare leads to cost reductions. Indeed, evidence suggests that cost constraints actually drive quality improvement.

The cost reduction requirements for the Trust are significant. Incremental savings can no longer deliver what is required and there is a focus on continued quality improvement. With a back-drop like this, new ways of approaching cost reduction need to be investigated.

Research shows three main concepts that healthcare organisations need to concentrate on to achieve high quality care which costs less. These are:

- Improving quality
- Reducing variation
- Identifying and removing waste

Improving Quality

Common sense tells us that if we get something right first time, it will cost less and will be of a higher quality (from the patient's perspective). In terms of identifying opportunities for this much

of the hard work has already been done for us through the 10 High Impact Changes (2004); Better Care, Better Value (2009); NICE Guidelines; CQuINs & Best Practice Tariff – all of which offer opportunities for improving quality and either saving money or gaining financial incentives for doing so.

Reducing variation

"Many of the significant opportunities to improve productivity will come from focusing on …reducing variations in clinical practice." Chris Ham (2010).

As a Trust we recognise that by improving performance to the level of the highest performing individual, team or hospital the scale of productivity opportunity could be huge.

Identifying and removing waste

Examples of waste can be found in every service in every process. Identifying them and removing them can significantly improve quality and reduce costs. Categorising wastes can assist in identifying them. Operational staff are well aware of where there is waste in their local processes. The programme aims to help with identifying the waste, quantifying it and removing it.

To be successful, these key opportunities need to be underpinned by capability (knowledge), people (clinical leadership & ownership) and metrics (to ensure optimisation of opportunity). This is where our *High Quality Care Costs Less* programme will add value. The programme will draw on existing skills from service improvement leads, programme management specialists, finance, as well as clinical and operational departments to provide education, tools and techniques to develop high quality services and processes which cost less. All of this will be supported by the Advancing Quality Alliance North West (AQuA) of which the Trust is a member organisation.

Quality Impact Assessments

In line with Monitor guidance, cost savings schemes should have a neutral or positive impact on the quality of patient care, therefore quality must be appropriately assessed before a project is implemented and reviewed on an on-going basis.

As part of the method used by the Quality and Value Delivery Team, a Quality Impact Assessment (QIA) will be completed for each scheme to assess whether it has any potential impact on patient care, safety of experience. This template is completed by a clinician and must be approved by the Medical Director and Director of Nursing before a scheme can progress. An assessment of the key operational and quality risks will be undertaken as part of this process. If the project is not deemed to have a positive or neutral impact on quality it will be withdrawn.

The Quality and Value Delivery Team will produce a monthly report for the Medical Director and Director of Nursing on progress against QIAs, this will highlight the exceptions of where QIAs are required but have not been completed and those areas where QIAs have been completed but the perceived risk is amber or red. This report will be presented to the Quality, Safety and Patient Experience Committee on a quarterly basis.

Cost Improvement Programme enablers

Strong clinical leadership is critical to the success and financial viability of the Trust. Ownership of the financial challenges at a clinical level will ensure that a clinically balanced approach is taken

to reducing costs.

Our capital programme will support the development of clinical efficiencies and the development of services to strengthen the financial position of the Trust.

IT is a key enabler and the Trust has commenced a project to replace its existing Patient Administration System. As part of the 2012/13 capital programme the Trust introduced an electronic case note system, this will continue to be rolled out throughout 2013/14. Saving associated with this change in working practice has been included within the CRS.

Through the work of the Quality and Value Delivery Team, clinical leadership, pan-health economy working and strategic enablers, the Trust has a robust infrastructure to support, facilitate and deliver a challenging cost efficiency programme.

Cost Improvement Programme Profile

The table below summarises the main CIP work programs for the next 2 years. There are detailed plans to support each of these work programs and numerous smaller schemes across the organisation. The Trust recognises that the delivery of these financial efficiencies will be challenging and have processes in place to assess the risks associated with each project. These risks will be managed by the Quality and Value Delivery Team in conjunction with the lead manager or clinician and reported internally through the Trust's governance arrangements.

Efficiency Plans		2014/15 £,000	2014/15 WTE	2015/16 £,000	2015/16 WTE
Productivity	Theatre utilisation OP clinic utlisation / reducing DNA's DC/IP - reduce cancellations (incl FTA's) Endoscopy & Day Case throughput Support Services Reducing Variation Enhanced recovery Help desk/OP Reception rationalisation Reduce Rolling Haf Days	1,861	4	2,200	
Care in the right setting	Reduce unplanned beddays (Amb Care/ESD/Clin Streaming)	1,279	35	1,550	44
Cost Reduction	Market testing / reduce contractors Drugs Energy	936	1	450	
Waste	Reduce Innapropriate Scans/tests Drugs	180		250	
Procurement	Procurement	300		350	
Workforce	Reduction in PA's Reduction in ACA's and rates Reduce medical pay locum & agency spend Reduce non medical agency spend MARS/MAFS Skill Mix vacancy control & Pay progression Reduce clinical excellence awards	603	11	1,474	9
Income Generation	Welsh activity Best Practice Tariffs Increased Market share (net gain) Improved counting/coding Misc Inc Generation	490		500	
Other	Miscellaneous	3,243		1,975	
Total		**8,892**	**51**	**8,749**	**53**

At the time of writing, constructive talks continue between ourselves and the CCG, which reflect the CCG's ambitious plan for an accountable care provider, which we have reflected in our plan narrative, particularly in regard to Urgent Care services. We understand the scale of the CCG's ambition to be a c£5m investment to support the redesign of the system, and the shift in scale and pace of care, from inside to outside of hospital.