Salford Royal NHS
NHS Foundation Trust

University Teaching Trust

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Operational Plan Document for 2014-16

Salford Royal NHS Foundation Trust

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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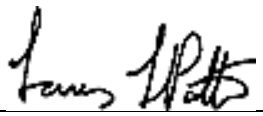
Date	4th April 2014

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:

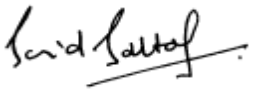
- The Operational Plan is an accurate reflection of the current shared vision of the Trust Board having had regard to the views of the Council of Governors and is underpinned by the strategic plan;
- The Operational Plan has been subject to at least the same level of Trust Board scrutiny as any of the 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:

Signature *(Chair)*	

Name **Mr J J Potter**

Approved on behalf of the Board of Directors by:

Signature *(Chief Executive)*	

Name **Sir D N Dalton**

Approved on behalf of the Board of Directors by:

Signature *(Acting Finance Director)*	

Name **Mr S Kennedy**

1.2 Executive Summary

During 2013/14 the Trust has been developing both its operational plan for 2014/15 and the Service Development Strategy (SDS) for 2014/15 to 2018/19. In producing these plans the Trust has engaged with stakeholders within and outside the Trust and commissioned McKinsey to support this work.
In developing these plans the Trust has considered:

- Changing demographics and health trends
- The economic climate and Commissioner Plans
- Reconfiguration of services to achieve clinically sustainable models
- Delivery of reliable 24/7 services meeting the required clinical standards and outcomes
- Workforce plans
- Productivity and efficiency
- Service redesign and innovation

The Board of Directors has recognised that the NHS is entering a period of significant uncertainty and challenges over the next five years, including changes within the commissioning landscape, impact of deficit reduction on the wider public sector and a general election in 2015. It is more important than ever that the Trust has robust plans for the future.

Having delivered an unprecedented level of cash-releasing savings over the last three years, the Trust faces the prospect of needing to deliver 5% year-on-year savings for at least the next five years (over £100m based on current turnover). This will need to be delivered in an environment where expectations and demands on the NHS are likely to increase and, given the Trust's ambition to be the safest organisation in NHS, not at the expense of service quality or patient experience.

Given this challenging context, the Trust is addressing in its plans every opportunity to develop new transformational models of care, in partnership with other organisations, that both manage population demand and safely reduce the cost of service provision.

The Trust has undertaken a review of its approach to strategic planning using Monitor's assessment tool. As part of this process, external advise was sought from McKinsey, who have been assisting the Trust in developing its next 5-year SDS. The outcome of this assessment has been reviewed by the Board of Directors, which has confirmed that it is satisfied that the Trust meets the majority of the "hallmarks of success" and has robust arrangements in place to address the three key steps of effective strategic planning. The Trust has identified a small number of areas where it could make improvements and is developing plans to address these. The Trust intends to undertake a review of its strategic planning approach on an annual basis.

The SDS specifically addresses the need to adopt new service innovations and develop systematic processes to continue to identify harness ideas and new solutions, - from both within and outside the Trust.

The strategy will be signed off by the Board in June and submitted to Monitor with the 30th June 2014 return.

1.3 Operational Plan

External Environment

Changing demographics and health trends
Key features of demographics of the Salford population include:

- A deprived local population
- High incidence of long term conditions
- Premature deaths
- High hospital admission rate
- High proportion of children living in poverty
- Increasing pressures from an aging population

The NHS Mandate sets national priorities to address the changing demographics and health trends:

- Prevent ill-health and provide better early diagnosis and treatment (e.g. Cancer, Heart disease, dementia)
- Managing ongoing physical and mental health conditions (e.g. dementia, diabetes)
- Provide services for those recovering from ill health such as stroke or following injury.
- Provide better care, not just better treatment (compassion, dignity and respect)
- Provide safe care
- Support vulnerable people
- Learn the lessons from the Francis enquiry

and sets priorities to ensure:

- Patient inclusion and empowerment.
- Wider primary care.
- A modern model of integrated care.
- Access to the highest quality urgent and emergency care.
- A step-change in the productivity of elective care.
- Specialised services concentrate in centres of excellence.

These are reflected in both local commissioner and the Trust plans.

Partners within Salford have developed a model and shared plan to integrate care for older people and other vulnerable adults. This is a key element of Salford's Health and Wellbeing Strategy, which aims to improve the lives of citizens of Salford by improving health, wellbeing and removing health inequalities. The aim is to create an integrated system of care that responds to local needs, gains public trust and helps people to help themselves to improve lives and the long-term health of the population.

Building on a history of excellent joint working arrangements in Salford, and specifically in response to the joint planning guidance, the Trust has aligned specific parts of the plan to that of Salford Clinical Commissioning Group, Salford City Council and Greater Manchester West Mental Health NHS FT.

Many of the commitments contained in Salford CCG's Operating Plan will depend on Salford Royal, the CCG's primary provider of community and hospital services, and focus on:

- Ensuring all children have the best start in life and develop during their early years
- Local residents achieve and maintain a sense of wellbeing by leading a healthy lifestyle supported by resilient communities
- All local residents can access quality health and social care and use it appropriately

By:

- Developing community based NHS care
- Integrating care for older people
- Strengthening community mental health services

Salford Royal has worked closely with the CCG and other commissioners to agree KPIs and CQUIN indicators for 2014/15. Salford Royal has strong history of performance in in this area, though it should be noted that there are a number of the targets for 2014/15 that will be particularly challenging.

Salford Royal is working closely with Specialist Commissioners in the development of models of care for Intestinal Failure, Metabolic Medicine, Neurosciences and Renal Medicine.

Reconfiguration of services to achieve clinically sustainable models & delivery of reliable 24/7 services meeting the required clinical standards and outcomes

The national recommendations in respect of urgent, emergency and 7 day services is to provide

- Better support for self-care to reduce avoidable attendances and admissions.
- More help for people with urgent care needs to get the right advice first time.
- A more responsive out of hospital service to prevent Accident & Emergency (A & E) being the default choice for urgent care.
- Ensuring medical emergencies are treated in the right facilities with the right expertise.
- Connecting the whole urgent & emergency care system together through networks.
- Consistent clinical standards across 7 days with a roll out plan over 3 years.

Salford Royal is already one part of a three organisation Trauma Network in Greater Manchester and the lead organisation for Neurosciences.

Salford Royal is also the Comprehensive Stroke Centre for Greater Manchester, with the network including Rochdale and Stockport Stroke units, and will roll out the Hyper Acute model in 2014.

Greater Manchester's 'Healthier Together' strategy proposes how services will be reconfigured to improve clinical outcomes and provide sustainable service models for the future. Salford Royal's clinicians have played key leadership and advisory roles in developing these models, leading clinical engagement and local consultation.

The Trust's strategic intent is to consolidate surgical services wherever it can be demonstrated that this will enable quality standards to be reliably delivered and costs to be safely reduced. This will need to be delivered in partnership with other organisations.

Workforce plans

The Trust is developing workforce plans at service level – and specifically to address 7 day working and changes to junior doctor staffing. The Trust is committed to the on-going development of roles and staff and this is detailed in the organisational development part (see section 3.3) of the plan.

Productivity and efficiency

The Trust has recently commissioned McKinsey to undertake a benchmarking exercise for 2012/13. This compared the Trust against all NHS Trusts in England (Acute & combined Acute & Community) and specifically against a group of selected peers. The exercise identified some areas for further work, including opportunities to drive productivity improvement, which are reflected with the plan for 2014/15 and will be included in the SDS. Details are provided in the Financial Appendix.

Service redesign and innovation

The plan outlines a number of service redesign and developments, which are set out in section 3.4. These are focused under the micro (Salford), meso (Northwest sector of Greater Manchester), and macro (Greater Manchester) sections of the plan and in the section that details service developments, standardisation of services at scale and innovation.

Service Plans

The Service Plans are presented under the same Strategic Themes identified as 'The Salford Royal way' since 2010/11.

The Strategic Themes and Principal Objectives are outlined below

Strategic Theme	Principal Objective
Pursuing Quality Improvement to become the safest organisation in the NHS	1.1 Maintain the relative risk of mortality to be within the top 10% of acute Trusts in the NHS
	1.2 Improve the reliability of care to be the safest organisation in the NHS
	1.3 Improve patient experience & customer care to maintain indicators in the top 20% nationally
Safely reducing costs by £19m	2.1 Improve productivity and cost improvements to improve margins
Supporting high performance and improvement	3.1 Improve Staff Contribution to Corporate Objectives & Values
	3.2 Improve employee well being
	3.3 Develop workforce plans
	3.4 Improve culture & engagement
	3.5 Implement the Membership & Public Engagement Strategy
Improving care & services through integration & Collaboration	4.1 Develop Integrated Care in Salford
	4.2 Integration & Collaboration within the North West Sector
	4.3 Collaborate within Greater Manchester & beyond
	4.4 Service Developments, Redesign & Innovation
Demonstrate Compliance with Mandatory Standards	5.1 Clinical & Quality Standards
	5.2 Financial Standards
	5.3 IM&T Standards
	5.4 Access Standards
	5.5 Workforce Standards
	5.6 Buildings & Facilities Standards
Implement Enabling Strategies	6.1 Research & Development Strategy
	6.2 Under & Post Graduate Education
	6.3 Hospital Redevelopment/Estates Strategy
	6.4 IM&T Strategy
	6.5 Corporate Social Responsibility & Public Health Strategy

Theme 1: Pursuing Quality Improvement to become the safest organisation in the NHS

2014/15 will be the seventh year of a sustained focus on Quality Improvement, with the Trust currently finalising its third three-year Quality Strategy. The aim continues to be '*the safest organisation in the NHS*'.

The principal priorities within the strategy are to reduce mortality and harmful events and to improve reliability of care and patient experience.

The Trust aims to provide safe, clean and personal care to every patient, every time.

The new strategy addresses the recommendations of the Francis and Berwick reports, with wide staff engagement through training sessions. Key developments include:

- Development of an accreditation system being for doctors with the ambition to combine with the current NAAS (Nursing Assessment & Accreditation System) once fully functioning.
- A system to rigorously review compliance against NICE guidance.
- An internal mock CQC assessment process.
- Joint nursing and doctor learning and problem solving processes across the Trust.
- Engagement with Safe and Reliable Health Care (previously known as Pascal Metrics) to roll out the culture and teamwork survey and training across the Trust.
- Specific emphasis on Theatres including the culture collaborative and human factors training to facilitate improving the quality of the use of the WHO checklist.
- Medical engagement in quality improvement being piloted in the sepsis project.

Themes also emerging for inclusion in the new strategy include:

- Leadership and culture (Doctor involvement, duty of candour, communication and staffing)
- Focus on community services (Community nursing, collaboration with GPs, integrated care)
- Patient and carer experience (shared decision making, individualised care, coaching & customer care and communication)
- Capability and measurement (Analytics, real time data, Human Factors, Trainees Improving Care through Leadership and Education (TICKLE), Consultant level data, demand and capacity planning)
- Development of learning systems (Listening to & supporting staff, integrated governance, coaching, prospective thinking)
- Collaborative projects supporting key themes

Further details will be published in the Trust's SDS in June 2014.
Existing plans for 2014/15 incorporate the following priorities.

Maintain the relative risk of mortality to be within the top 10% of acute Trusts in the NHS
Mortality is measured by both HSMR (Hospital Standardised Mortality Rate) and SHIMI (Standardised Hospital Level Mortality Indicator). SHIMI has added a focus on deaths within 30 days of leaving the hospital.

The mortality review process put in place in 2011/2012 continues to identify themes and learning, which are reviewed within Divisional Governance arrangements and learning shared between Divisions where appropriate (e.g. for services such as Critical Care, which span Divisions).

A tool has been developed within the new Electronic Patient Record to support mortality reviews, identifying deaths to the core team and prompting data collection to support the review process.

Improve the reliability of care to be the safest organisation in the NHS
In 2014/15 there will be ongoing measurement of harms, and a focus on reducing avoidable harm. These include:

- Healthcare acquired infections including surgical site infection rates
- Cardiac arrests
- Safety Thermometer measures: **Pressure Ulcers, Falls, CAUTI & Venous Thromboembolism**
- Medication errors

- Sepsis

Reliable care will also be measured by achieving 95% reliability in the following care processes and packages, using the principals of reliability science to maintain high performance.

- Community acquired pneumonia care bundle
- Heart failure care bundle
- Hip and knee care bundle
- Myocardial infarction care bundle
- Stroke care bundle
- Intentional rounding
- Structured ward rounds
- Infection bundles

Consistently high standards of care across 7 days
Plans to implement 7 day working have progressed over the last 12 months with every service identifying their requirements to meet these standards.

Initial plans to implement 7 day standards have been focused on delivery of the 'Salford' and Trauma Standards, initially focused on the emergency village for the assessment, diagnosis and treatment of patients admitted non-electively. This includes early and on-going assessment by senior medical staff.

Further roll out of this project will extend beyond the emergency village and is being scoped internally, with particular focus on working towards the Greater Manchester standards for the treatment of emergency surgical cases and improving patient flow. Beyond this, discussions have commenced to consider models of care between Trusts as part of the development of service models within Healthier Together workstreams. Staffing to provide 24/7 cover in hospitals receiving acute cases is within this review.

The Trust already has the best access to Radiology outside weekday working hours in Greater Manchester but will be making a wider range of services available out of hours in 2014/15, including improved access to Angiography, Doppler and CT.

Improving Patient Flow & Reducing Readmissions
There will be a focus on improving patient flow into, through and from the Trust, with discharging planning commencing earlier, improved patient information and follow up post discharge. Implementation of the patient flow system and a focus within quality improvement collaboratives will support this work. Quality improvement work is also focused on reducing 30 days emergency readmissions.

Improve patient experience to maintain indicators in the top 20% nationally
The experience of patients continues to be of utmost importance and it is the Trust's ambition that we make that experience the best that it can possibly be. The priorities are to:

- Respect patients' values, preferences and expressed needs
- Coordinate and integrate care across boundaries of the system
- Provide the information, communication, and education that people need and want
- Guarantee physical comfort, emotional support, and the involvement of family and friends

Key themes with the Trust's Patient, Family and Carer Experience project include:

- Explanation of medication side effects to patients
- Ensuring patients know who to talk to about their worries and fears
- Ensuring patients are involved as much as they want to be in decisions about their care
- Ensuring that when patients have important questions

Services will be reviewed and redesigned to enable more patients to be more involved and take responsibility for their care.

Theme 2: Achieving cost improvements, income & cost targets to improve margins

Financial Plan

The Trust has an excellent record of financial management, posting ahead of plan out turn in each year since it was granted its licence as a Foundation Trust. Significant cost reductions have been delivered throughout that time alongside developing Salford Royal as one of the safest hospitals within the NHS. The Trust has also commissioned a major PFI during this same time frame and the full cost consequences funded within the baseline budgets.

Income and Expenditure Position : Overview of Position for 2014/15 and 2015/16

The following table is a summary of the Income and Expenditure position for 2014/15 and 2015/16. As can be seen from the table the Trust is forecasting a normalised surplus of £2.89 million in 2014/15 and £2.54 million in 2015/16.

	2014/15 £000's	2015/16 £000's
Income	474,536	475,116
Expenditure	(449,701)	(448,311)
EBITDA	24,834	26,805
Interest Receivable	65	65
Depreciation	(11,577)	(13,478)
Interest Payable – PFI	(5,324)	(4,928)
Contingent Rent	(1,816)	(2,191)
Interest Payable on Loans (£10m repaid over 20 years)	(156)	(156)
Unwinding of Discounts	(75)	(75)
PDC Dividend	(3,066)	(3,500)
Normalised Surplus	2,885	2,541
Exceptional items		
Accelerated depreciation - CSB	393	0
AQuA deficit	5,000	0
Surplus / (Deficit) after Exceptional Items	(2,508)	2,541
Continuity of Service Rating - overall	3	3
Safely Reducing Costs target	19,000	21,000

The surpluses will be delivered by the application of the following agreements, assumptions and budgets

Impact on Income : Activity

The Trust has an agreed methodology for establishing the activity plans that are within the signed contracts with Commissioners for 2014/15. The start point for these activity plans is the activity that is forecast to be delivered in 2013/14, with the month 9 position being the start point. This position is then forecast forward to give an estimated full year position. Any known changes to this forecast are then agreed with Commissioners by the Trust (including the Service Management Teams).

POD	13/14 Forecast	14/15 Plan	Variance
A&E	87,435	90,112	2,677
Day case	35,567	36,281	714
Elective	10,629	10,780	151
NEL	25,212	29,065	3,853
Outpatients	388,033	388,537	504
Community	647,511	647,312	-199

Contract Sign Off - 2014/15
The Payment By Results and Contractual Guidance suggested Trusts and Commissioners should look to agree contracts by the 28th February 2014. Whilst this is not a mandatory date it is looked upon as good practise. With regards to Clinical Commissioning Groups the overall value of contracts equate to £182 million, with £140 million agreed by the 28th February 2014. The remaining CCGs are being followed up to ensure sign off as soon as possible (and a further £9 million has been agreed as at 24th March 2014). No issues have been raised by the CCGs concerned during the negotiation process and the delay merely reflects the individual CCGs focus on other more significant contracts (to them). Agreement has also been reached with NHS England with a contract value of circa. £176 million which reflects the level of over performance experienced during 2013/14.

Tariff
a.**Inflation Uplift (Tariff Deflator)**
Since the publication of the PBR rules for 2014/15, which contain the details of the construct of the inflation (deflation for 2014/15 again) there have been a number of discussions about the application of the deflator across the various sectors of the provider sector. The following sets out the original position plus also the clarification received to date from NHS England.

The original tariff deflator was set out in the letter dated 4th November 2013, which identified that tariff deflation would be 1.9%, made up of Acute Sector cost pressures of 2.1%, and a sector efficiency requirement of 4%, leaving a net deflator of -1.9%.

The PBR rules published in December 2013 clarified this position with Acute Sector provider cost pressures averaging at 2.5% with the efficiency requirement remaining at 4%. This gives an average tariff deflator of -1.5%. In addition further targeted cost pressures are included within individual national tariffs that are felt to have the largest cost pressure around CNST, this adds a further 0.3% to the cost pressures and reduces the overall deflator to -1.2% for National tariff prices.

However, clarification is still being sought as to which element of the tariff deflator should be applied to Local Tariffs within the Acute Sector.

For non-Acute Sector contracts the tariff deflator is -1.8% with the 0.3% that is included within the cost pressures assumptions (relating to implementing the Francis Report) being excluded. This has the effect of increasing the tariff deflator for non-acute sector services. This is assumed at this stage to relate to Community Services.

The overall financial value of the application of these deflators to the SRFT activity is a reduction of £4.0 million.

The Financial Appendix includes details of the cost pressures within the various tariff deflators.
Based upon the latest guidance published by Monitor and NHS England it is anticipated that Tariff deflation will equate to 1.1% (£4.5 million) and this has been included within the plans for 2015/16.
b. Impact of Tariff

NHS England and Monitor published guidance which contains a whole series of revisions to the tariffs and in some cases the tariff structure. The headlines from the tariff guidance are as follows:

- Construct is based upon 2013/14 prices rather than a refresh using Reference Costs data.
- Adjusted for changes to pay and prices and known issues e.g. CNST
- Efficiency requirement within tariffs of 4%.
- Market Forces Factor remains unchanged
- Penalties for unplanned readmissions to remain in place
- 30% rules remain in place but local changes allowable for service reconfigurations (based upon a review undertaken)
- Local Pricing approach to be introduced with Monitor sign off where mandated currencies are not used.

NHS Bank Funding and Other Transitional Funding

The approved business case for the hospital development included a strategic change funding stream designed to enable Trusts going through major hospital redevelopments to deal with elements of double running costs as well as assistance with the affordability of the Unitary Payment. This funding stream has traditionally been labelled as "NHS Bank" funding.

With the structural changes implemented as at 1st April 2013 within the NHS, responsibility for administering the "NHS Bank" transferred to NHS England, who is now the paymaster for this income stream. The Trust has received payments in line with the agreed profile for a number of years and the following table sets out the position to date, along with a forecast utilisation of the "NHS Bank" funding across the life of this funding stream.

'NHS Bank' - PFI transitional support - funding

	Funding received/ forecast £000s	Value recognised in SoCI £000s
2010/11	4,749	0
2011/12	2,000	2,000
2012/13	1,690	3,190
2013/14	2,531	3,690
2014/15	1,580	3,670
2015/16	900	900
2016/17	700	700
Total	**14,150**	**14,150**

CQUINs and Penalties

CQUIN

In line with previous years the Payment By Results guidance sets out the role that CQUIN should play within the Contracting round. Trusts and Commissioners should agree a suite of CQUIN measures that improve the quality of the services under the heading of CQUIN along with agreeing the desired outcome and monitoring approach to be taken.

The CQUIN payment is set at 2.4% of overall contractual income with a sub division of this overall sum allocated to each individual CQUIN scheme. This minimises the financial risk should any of the individual schemes fail to achieve the desired outcome. The Trust has an excellent track record of delivery of CQUIN and securing the value agreed with Commissioners. The total value of CQUIN within this annual plan equates to £7.3 million.

Of this £1.4 million is tagged against National CQUIN Schemes, with a further £0.8 million tagged to schemes developed at Greater Manchester Level. In addition £2.3 million has been agreed against Local CQUIN schemes with Salford CCG and a further £2.6 million agreed with NHS England for Specialist Services CQUINS. There are a set of small schemes agreed with NHS England Local Area Team for their Commissioned Services, and Local Authority.

No material expenditure requirements have been identified to deliver these CQUINs, however a Reserve of £460K has been set aside.

The schedule at Appendix 2 sets out the full listing of CQUIN schemes that have been agreed with Commissioners for 2014/15.

In line with previous years the NHS Standard Contract includes a clause for providers to reduce avoidable re-admissions, the plans for 2014/15 include circa £1 million of penalties associated with this issue. This

is in line with previous years.

This position has been replicated within 2015/16 element of the financial plans.

Re-ablement and Other Salford CCG Funding
Part of the Better Care Fund will be investment in the Trust of the Penalties for Re-admissions (£500K) and also the 70% retained by the CCG from non-elective activity above the 08/09 level (£300K), along with penalties from other providers from Re-admissions (£200K).

Impact on Expenditure
Pay Costs
The latest information available from NHS Employers is as follows:

- All Agenda for Change staff and employed doctors and dentists who are not eligible to receive incremental pay, will be given a 1% non-consolidated payment in April 2014/15. Other staff will receive an increase of at least 1% through incremental progression.
- The 1% increase will be non-consolidated and non-pensionable and apply with effect from 1 April 2014. The consolidated pay scales remain unchanged and these will continue to be the basis for any additional earnings such as banding supplements, overtime and unsocial hours enhancements.
- All other staff will receive any incremental progression to which they are eligible during the year, subject to meeting requirements in their terms and conditions and where necessary local performance requirements.
- In addition the Government has also determined that in in 2015/16 the same approach will apply and staff who are not eligible to receive incremental pay will receive a non-consolidated payment of 2% of pay (equivalent to an additional 1% non-consolidated in each of the two years concerned), while other staff receive incremental progression.
- As this will be a two year pay award, the NHSPRB and DDRB will not be asked to make recommendations on a pay award in the 2015 pay round.

This means that the costs of increments already built into the plan will pick up a significant proportion of this announcement and it is anticipated that approximately 35% to 40% of staff will be eligible for the non-consolidated payment. This means that circa £0.8 million to £1.0 million will be required to fund this increase. This has been set aside within the Reserves.

Given that this agreement covers two years these assumptions have been also used for 2015/16 financial plans.

Pay Drift (Increments)
The Trust's workforce (in line with all Trusts) continues to move through the Agenda for Change pay points with the consequent increase in costs of pay. This has been estimated at £3 million, and budgets have been uplifted by the value of the change in incremental points for staff employed. This value has also been assumed for 2015/16.

Clinical Excellence Awards (CEA's)
In line with other Foundation Trusts the Salford Royal allocates a number of Clinical Excellence Awards to its Consultants and the financial plans for 2014/15 onwards each contain £350K Reserve for the allocation of CEA's.

Pensions Costs - 2015/16 and 2016/17
The NHS Pension Scheme is undergoing a number of changes the most significant of which from an employers perspective is the increase in the contributions that are made. Whilst the fine detail of the actual changes are yet to be published Monitor and NHS England are advising NHS organisations that significant increases in employers contributions will be in place commencing in 2015/16. The planning guidance is instructing NHS organisations to expect an increase of 0.6% of turnover in 2015/16 and a further 1.7% increase in 2016/17. The planning guidance is also advising that this increase in employers costs will be funded within the Tariff uplifts for those years. It has therefore been assumed that these increases are funded within the tariff deflators for these years. The plans for 2015/16 include a cost pressure of £1.7 million.

Divisional Cost Pressures and Current Expenditure (2013/14)
Within 2013/14 the Trust has over performed against the Contractual plans and this has been reflected in the opening position for 2013/14. This has an expenditure requirement of circa £3.0 million and this has been included within the budgets for 2014/15. Further details can be found in Appendix 3.
The plans for 2015/16 include an estimate of £1.6 million for the any potential cost pressures in 2015/16.

Quality and Safety Standards – Nursing Costs
The Trust delivers high quality, safe care which is based upon agreed staffing levels that reflect the appropriate casemix and acuity of patients across the various wards within the Trust. These staffing levels are flexed across the day reflecting the differing requirements across the day and night.

The budgets include additional investment in nurse staffing based upon what is considered to be safe levels of staffing. Whilst this will vary dependent on Ward and casemix these budgets include an additional £2.0 million of investment in Safe Staffing levels.

The plans also include an estimate of £3.0 million for 2015/16 for further enhancements to staffing levels.

Clinical Negligence Scheme for Trusts
The NHSLA is changing the weightings within the calculations they use to assess Trusts contributions towards the CNST pooling scheme. Neurosurgical work is now the highest weighted and therefore attracts the highest cost within the CNST premium calculation. This will increase the premium by circa £1 million, with the estimate included in previous plans being £0.3 million, an increase of £0.7 million.

The financial plans for 2015/16 include an estimated increase in premium of £0.3 million, on the basis that the major increase in costs has been felt within 2014/15.

Drugs
The financial plans include additional costs associated with increases in drugs expenditure as follows, (1) General Drugs Inflation £0.4 million, (2) Extra PBR excluded Drugs £1.8 million, (3) Additional Homecare Drugs £16.5 million. Items (2) and (3) are all income backed with Commissioners.

Other Non Pay Costs
In line with previous years the general non pay budgets (not highlighted within this section) of the Trust will be subject to inflationary rises of varying levels. To ensure that these are appropriately funded within the budgets of the Trust a Reserve of £1 million has been set aside to fund general increases in Non Pay spend. This is in line with previous years approach.

Asset Valuations and Capital Charges
The Trust regularly reviews the valuation of the total estate with a valuation received from the District Valuer. This is seen as good practise and ensures that during periods where site rationalisation is taking place that the value of the estate held within the Trusts books reflects the changes to the physical estate. In addition any changes to estate values due to changes in the wider economic climate are also reflected. The overall value of the estate has been revalued as at 31st March 2014 with an increase of circa 8%. The major changes planned to the site (CSB demolition et al) have all been materially written down within the March 2014 revaluation. The financial impact of this revaluation is within these financial plans. There are no further changes anticipated within these financial plans.

Reserves
The Trust has a number of Reserves that are set aside to ensure that appropriate costs that are required to be incurred are funded at the appropriate time. In addition the Trust holds Reserves as part of its financial contingency planning and as part of the mitigation approach should the Trust face any unforeseen cost pressures during the financial year.

The following table sets out the Reserves held by the Trust analysed into those which are committed and those that are contingency.

Description	Reserves 2014/15	Committed	Un Committed/ Contingency
Pay Award	760,925	760,925	
Non Pay Inflation	695,826	695,826	
Drugs	816,924	816,924	
Trauma Centre costs	232,975	232,975	
CQUIN	469,994		469,994
Education/CEA's	550,000	550,000	
Contribution Framework	300,000	300,000	
Better Care	500,000	500,000	
Trust-wide Funds	864,598	864,598	
CNST	500,000	500,000	
Homecare Drugs	16,450,416	16,450,416	
Contingency	2,773,906		2,773,906
Total	24,915,564	21,671,664	3,243,900

Theme 2 Safely Reducing Costs

2014/15 Position

The Trust has an excellent track record of delivery of cost reductions under the Trust's Safely Reducing Costs (SRC) programme, with circa 5% reduction to the cost base being delivered in each of the last 4 years. Given the medium term financial outlook set out in this plan and the forecasts from both Monitor and NHS England the Trust will be required to continue to deliver significant savings in the coming years.

Based upon the analysis within this plan the Trust has a requirement to delivery cost reductions of £19 million. This target will be deducted from budgets as at 1st April 2014, with the requisite budget headings reduced to reflect the savings agreed. This will enable the Trust to monitor the overall financial performance net of the savings targets.

The key themes for achieving the SRC targets are:-

Workforce

The Trust will be undertaking a range of reviews of staffing across the Trust to ensure that the most appropriate staff mix are deployed to deliver safe patient services. This will include things such as review of use of non contractual staffing, multi skilling of Facilities support staff and a range of other smaller initiatives.

Service Developments

As part of the contractual negotiations and subsequent agreement with commissioners, the Trust will be developing a range of services for which an additional income stream will be generated. As part of the delivery of these services the Trust will be able to safely provide the required service specifications at a cost that is less than the agreed tariffs, this benefit will be used as part of the Safely Reducing Costs programme.

Efficiency

The Trust continues to drive efficiencies through its existing services and this will include the delivery of additional activity through the existing infrastructure, rationalisation of the patient flow through the hospital and the continued focus on the efficient use of Trust resources.

Procurement

The Trust will continue its work plan to ensure that all areas of non pay expenditure are subject to a review and re-tender where appropriate. The Trust will utilise a combination of in-house and NHS SBS expertise to deliver savings across a wide range of products.

McKinsey

As part of the work to develop the Service Development Strategy the benchmarking work which McKinsey's undertook has identified the need for focused effort in improving productivity and this is a theme which has been prioritised in both the strategy and 2014/15 plan. At service level this will be reflected in redesign of services and have associated KPI's. These changes are not reflected in the activity templates in respect of changes to beds or length of stay as experience is this cannot be predicted at Trust level, with shifts from inpatients to daycase and outpatient delivered services increasing the length of stay for the remaining inpatient activity. Further beds will fluctuate during this period to reflect seasonal changes (winter pressures beds), service developments (stroke in 2014/15) and the impact of Healthier Together implementation in future years.

2015/16 Main Headings

The Trust operates a rigorous planning process and is constantly reviewing opportunities to safely reduce

costs as a part of this process. The Trust enshrines its strategic intent within its Service Development Strategy which was initially developed as part of the Foundation Trust planning application. This strategy has been updated on a regular basis and the Trust is well on the way to a further revision of its Service Development Strategy (SDS).

A major part of the SDS development will be the need to deliver 5% of cash releasing savings for the forthcoming years. The success of the SDS will require that significant savings are achieved and the deployment of the underpinning SDS work streams will enable the Trust to deliver the required savings whilst continuing to develop high quality services.

Clinical and service teams are focused on improving the efficient delivery of clinical activity and supporting functions, including planned service developments, making optimum use of beds, theatre and outpatient capacity. As part of the work to develop the Trust's Service Development Strategy McKinsey has been engaged to help the Trust think through where its performance strengths and improvement opportunities are based upon the Trust's current position and range of services provided.

The McKinsey team were engaged to help the Trust in two main areas

- to undertake a high level bench mark across a whole range of service and performance metrics and
- help the Trust to understand what innovation options are available that can be deployed, including material inroads into the cost reductions required across the time frame of the SDS and Annual Plan.

The overall results of the analysis undertaken by McKinsey would suggest that opportunities exist for Salford Royal to improve its operational performance that would have a beneficial financial value of within the range of £28 million to £78 million, should peer group performance be delivered.

Whilst the work to understand and implement the changes required that will secure these opportunities work streams are being developed that will allow the Trust to Safely Reduce Cost and liberate the appropriate level of efficiency.

Contracts, service level agreements and leases are kept under constant review to ensure they reflect services provided and received within and outside the organisation.

Workforce plans are being continually reviewed to ensure they meet service demands, compare favourably when benchmarked and minimise the use of temporary staff at premium cost.

The Trust will continue to review its back office and logistics functions to ensure that they deliver high quality but cost effective services for Salford Royal. There are a number of options that will be considered as part of this review, as follows:

- Partnering with other NHS organisations
- Running back office functions on behalf of others
- Outsourcing services

Procurement is continuously being scrutinised to ensure costs are minimised. The Trust continues with its drive to ensure best value is driven from its procurement of goods and services utilised across the Trust. Excellent progress has been made in recent years with the delivery of this agenda and ambitious targets will be set for the delivery of value for every pound spent on non pay items. It is anticipated that targets of circa. £3 million per annum will be set.

The Trust delivers best value procurement from a combination of internal and external procurement approaches. Membership and utilisation of the NHS SBS Procurement Team will ensure that the Trust can benefit from wider footprint savings initiatives that are leveraged from the SBS client purchasing power.
In addition the In-house procurement team have delivered significant savings and will be targeted to ensure similar significant savings are delivered through the local work plan deployment.

All Cost improvement programmes are subject to quality impact and risk assessments.

The traditional approach to the delivery of SRC within Salford Royal will continue through the work done

within the Divisions and Departments to look for differing ways of delivering the services they provide but at a lower cost base. This will focus on the lower level of service delivery and be designed to ensure that the operational teams are focused on ensuring optimum resource utilisation whilst delivering patient care. The Divisions and Departments will continue to have SRC targets applied to them for each of the years where savings are required to be delivered. Collaborative working will be also be undertaken between Divisions, within the Health Economy and between Trusts to identify savings

The following table provides a summary of the Safely Reducing Costs plans for the next two years.

SRC 2014-15 and 2015-16 Summary By Theme

Monitor Theme	14-15 Value £000s	15-16 Value £000s
Service Development	2,423	2,000
Income	2,028	
Workforce	1,865	
Procurement	3,882	2,500
Drugs	121	
Efficiency	6,635	2,000
Other Identified	1,011	
Electronic Patient Record		3,000
Salford Integrated Care for Older People		1,000
Back Office & Logistics		800
McKinsey Projects		2,000
Divisional: Local Schemes		1,000
Sub Total	**17,965**	**14,300**
Unidentified	1,035	6,700
TOTAL	**19,000**	**21,000**

Financial Risks

The Trust has an excellent track of financial management and has delivered a surplus ahead of plan in each of the years as a Foundation Trust. The Trust operates a robust financial management accountability regime with Managing Directors and Chair of Divisions being accountable for the performance of all aspects of their Divisions.

The following section of this narrative describes the high level financial risks that face the Trust along with the mitigation that is planned to be in place should the risks materialise.

Delivery of Safely Reducing Costs Programme

In line with all Acute Trusts (including FT's) the Trust is anticipating that costs will outstrip income in the coming years by approximately £20 million per annum, or 5% of Trust turnover. Given that these high levels of savings requirements are in addition to and on top of those significant reductions made previously that it is likely that the traditional methods of cost reduction will be unable to identify sufficient savings. Therefore, alternative approaches will need to be deployed to deliver the required savings.

Achievement of activity targets and KPI's.

Robust activity planning and delivery is a cornerstone of the Trust's performance management approach, and this will continue to be the case throughout the coming years. Given that there is a major requirement

to deliver hospital services at a reduced cost this may have an impact on the Trust's ability to continue to deliver its contractual activity commitments.

The NHS contractual arrangements continue to require Trusts to deliver against targets with failure to do so resulting in financial penalties as well as withholding of tariff payments and CQUIN payments. The value of these penalties is a significant financial value should all targets fail to be delivered against. It is highly unlikely that all the targets will not be delivered and that commissioners would impose the full value of contractual penalties and no specific provision has been made in the plans for penalty payments. The total value of the CQUIN and penalties is in excess of £8 million. (CQUIN £6 million, re-admissions £1million, other penalties / KPI's £1 million). The Trust has a good track record in delivery of CQUIN and targets.

Mitigation

Strong Financial Performance Management

The Trust has a first class reputation of delivering against its financial plans. This is achieved through a strong performance management approach supplemented by a Governance approach that enables accountability for service delivery to be carried out effectively. The Trust's Finance and Information Committee hold the Trust's Senior Leadership to account for financial performance.

Board Assurance Framework

In addition to the strong performance management focus the Trust has a developed Board Assurance Framework that identifies the material risks facing the Trust. This is a live framework document and is updated and reviewed by the Board of Directors on a quarterly basis. This enables the Board to be sighted on the key risks facing the Trust along with ensuring approach mitigation is taking place.
This is complemented by Divisional and Departmental Risk Registers that contain the greater detailed assessment of the Trusts Risks along with other Risks that are material for each Division / Department that do not warrant Board level involvement.

Scale Back Discretionary Spend

Should the situation arise where the Trusts overall financial position was materially off plan then a part of the action to redress this situation is the slow down and in some cases stopping of all discretionary expenditure until such time as the position is back in line with plan.

Slowing Down on Capital Expenditure

A further element of any mitigation plan would be the impact that slowing down the Trust capex plans would have on both Income and Expenditure and also cash flow.

In Year Savings Schemes

Given that the Trust is developing a portfolio of Safely Reducing Costs Schemes for delivery of future savings targets, should the need arise a number of the schemes would be fast tracked to deliver savings in year to assist with balancing the in year financial plan.

Reserves

Deployment of reserves both committed and uncommitted.

Theme 3: Supporting high performance and improvement

Improve staff contribution to corporate objectives and values
The contribution framework in place for the last three years has been reviewed and simplified for roll out in 2014/15. It will align individual and team objectives to the Trust's plan and monitor progress through the appraisal process. Adherence to Trust values is also aligned to this and recruitment processes.
Leadership development is focussed on driving high performance and collaboration.
A rewards and recognition strategy will be developed for implementation in 2015/16.

Improve employee well being
A strategy to improve the health and well-being of staff will be agreed and implemented in 2014/15.
Patient and staff health and wellbeing has been a focus over the last few years with the implementation of the 'Live Well, Work Well' strategy. The Trust will continue to run exercise classes (SRFiT) and provide access to Salford Community Leisure facilities.
There will also be an increased focus on reducing sickness absence rates and reducing the instances of bullying and harassment.

Develop workforce plans
A five year workforce strategy will be developed to ensure the Trust has sufficient numbers and the right skill mix of staff within the affordability envelop. This will incorporate a strategy for learning and development.
Workforce plans are being developed within each service team, to address issues of staff shortage. Plans also identify the required skills necessary to ensure staff are developed to meet the needs of the service and include talent identification.
The plan will seek to reduce the turnover rate of staff. An ideal set of terms of conditions will be developed and a small scale trail considered.

Improve culture and engagement
The Trust has developed a communication strategy to ensure staff are engaged and informed . There is particular emphasis on ensuring communication is effective and supporting learning within the Trust and with partner organisations.

There will be a specific focus on targeted engagement with junior doctors and trainees to:

- Help identify areas of both good and poor practice within the Trust and reduce risk.
- Engage doctors to become integral and valued members of Trust, including QI projects.
- Use their knowledge to aid further developments to EPR and Trust polices.
- Increase involvement in learning from adverse incidents.

There will be ongoing engagement in quality improvement including the theatre culture collaborative.

The Trust will apply for the Times Top 100 places to work.

Implement the Membership and Public Engagement Strategy
In 2014/15, the Trust and Council of Governors will continue to implement the Membership and Public Engagement Strategy and the related Membership and Public Engagement Plan.

Key priorities will be to:

- Ensure the Trust's membership is representative of the population served, focussing membership recruitment activities on the geographic constituency areas least represented and those in the age range of 16-30.
- Support Governors to fulfil their responsibility to represent members' and public interest particularly in relation to the strategic direction of the Trust.
- Ensure the membership and Public Engagement Strategy is aligned to the Patient, Family and Carer Experience Strategy to ensure complementary and strategic patient and public engagement throughout the Trust.

Theme 4: Improving care & services through integration & collaboration

The Trust addresses three broad population groups in the organisation of its plans. The micro population of Salford (circa 250k), the meso population (circa 1m) associated with North West sector of Greater Manchester and macro population of Greater Manchester (circa 3m)

Salford: Deliver the Integrated Care Programme (ICP) for Older People
A new integrated care model for older people has been developed for Salford, following the testing phase in 2013/14. The new model will be rolled out citywide using a phased approach from April 2014 to July 2015, and will initially be embedded in the two pilot neighbourhoods of Swinton and Eccles. Key components include the development of standards for different areas of care provision and the use of a shared care record to summarise and make accessible all important aspects of care in one place.

The model has three inter-related parts:

- Promotion and increased use of Local Community Assets (e.g. carer support, self-management, community groups) to support increased independence and resilience for older people.
- Establishment of Multi-Disciplinary Groups (i.e. structured, multi-disciplinary population based care) to support older people who are most at risk as well as a providing a broader focus on screening, primary prevention and signposting to community support;

and

- Development of an Integrated Contact Centre (i.e. a hub to support navigation, monitoring and support) that brings together aspects of telephony and telecare support for older people.

The Trust and partners have developed a joint Service and Financial Plan, which covers the next four years and includes the requirements of the Better Care Fund.

An Alliance Agreement is being developed between the four statutory partners (Salford CCG, Salford City Council, Salford Royal and Greater Manchester West), taking effect in shadow form in 2014/15. The Agreement will enable the pooling of resources, to support risk and benefit sharing across services and partners, whilst facilitating true integration of care and delivery of new ways of working to benefit older people.

The Alliance Agreement will incorporate a pooled Commissioning budget which will include funding streams from both Salford CCG and Salford City Council along with costs of existing service delivery for the Older Peoples Services for the four partners. In addition, the fund includes a range of investments in Community Health Services, Adult Social Care Services and other areas. The Trust and other partners will have the opportunity to participate in the provision of elements of the new service model, along with other specific investments in both existing and new service delivery models. It is anticipated that this will bring some benefit to Salford Royal, as the investments are enacted.

The main element of the ICP that impacts on Salford Royal is the agreement to reduce the number of hospital admissions for Older People circa by 2,000 across the life of the Alliance Agreement. This will reduce the Trust's income across the planning period by £4 million (£1 million in 2015/16, £2 million in 2016/17 and a further £1 million in 2017/18). The new model of care that has been developed by the partners will enable the reduction in admission, allowing Salford Royal to reduce its costs base by circa £4 million across the same time frame. It is assumed that this will be through the closure of two medical wards, with associated costs.

It has been agreed that the reduction in income from this reduced level of admissions will match the Trust's ability to save money by reducing its bed capacity, and these changes will be lock stepped into the Alliance Agreement. The Financial Plans within this Annual Plan assume a reduction of income and expenditure of equal value, with the cost reduction being part of the Trust's Safely Reducing Costs agenda across the timeframe of the ICP. No additional investments or margin has been assumed within the Financial Plan but will be included within the year, as appropriate, once agreement is reached about the proposed investments.

The full details of the ICP can be found in the Service and Financial Plan that was approved by the Health and Wellbeing Board at its meeting on 18th March 2014, and presented to the Salford Royal Board of Directors at its meeting on 31st March 2014.

Integration & Collaboration within the North West Sector
The Salford Royal and Wrightington Wigan and Leigh Trusts have worked closely to develop joint Sterile and Pathology services and these are now running well under a joint services board.

The Trust is working closely with Wrightington, Wigan & Leigh and Bolton FTs to develop sector solutions to the 'Healthier Together' strategy, focusing on the model for emergency surgery. This will provide financial and operational benefits but it is likely to be within years 3-5 of the plan period before any impact is materially felt.

Collaborate within Greater Manchester & beyond
The Trust will continue to strengthen its position in respect of specialist services including Neurosciences, Intestinal Failure, Renal Medicine, Cancer surgery, Metabolic medicine and Dermatology.

As a Major Trauma Centre, the Trust will continue to raise standards in Regional Trauma care by meeting the requirements of the service specification.

Further developments planned include, the establishment of an Orthopaedic Spoke for Pelvic reconstruction with Wrightington, Wigan and Leigh, a link for Plastics support with South Manchester and capacity for Trauma follow up in the Central Manchester maxillofacial clinic

Within Neurosciences, the collaborative model will be further explored including Neurology in Stockport and Neurosurgery in Pennine.

Plans for further development of the Comprehensive Stroke Centre have been agreed, with the Hyper Acute stroke model being implemented in year. This will require the Trust to develop additional capacity to receive more stroke admissions from Greater Manchester and East Cheshire CCGs. 2014/15 financial plans contain both the Income and Expenditure plans that have been agreed with Greater Manchester CCGs.

Progress has been made over the last two years to collaboratively commission Neurosciences across Greater Manchester, with Salford Royal now managing the provision of most outpatient Neurology services. Completion of the model will be progressed for the remaining outpatient service in Stockport and discussions will be pursued in respect of neurosurgery. Community and GP clinics will be developed in neurology.

Salford Royal will lead, develop and improve access to neuro-rehabilitation for Greater Manchester, working closely with commissioners and other providers. The trust is providing additional services on site in the short term and planning with Central Manchester NHS FT to transfer beds to the Trafford General site in year, where they will be co-located with other Neuro-rehabilitation, and will be managed by Salford Royal. Provision of Neuro-rehabilitation Services across Greater Manchester requires additional investment from Commissioners to ensure that the correct capacity exists across the conurbation. It has been agreed that 10 beds will be commissioned from Salford Royal that will allow the already over stretched capacity to deal with demand. The financial plan includes the income and expenditure relating to the commissioning of this additional bed capacity.

As part of the re-configuration of services across Trafford, the business case jointly developed by Trafford CCG and Central Manchester FT has changed to the provision of emergency care on the Trafford hospital site. This has resulted in an increase in both attendances through A&E and admissions into the hospital. The Trust has expanded A&E provision to ensure the delivery of safe care for Trafford residents as well as ensuring that the inpatient admissions are managed appropriately through Salford Royal's medical beds . This plan includes both income and expenditure relating to this increase in service requirement with Trafford CCG.
The Trust will also pilot a community based Pain Management service in Manchester in 2014.

Spinal services will continue to develop to address demand from within and outside Greater Manchester and, in particular, to meet the needs of an adolescent population.

The Oldham Dialysis Unit will open in Spring 2014 and outpatient clinics will be developed in satellite units.

The Greater Manchester Healthier Together team has developed a programme structure which is overseeing the activity, financial and estate modelling associated with the planned reconfiguration ahead of the consultation period. Salford Royal Consultant staff have been engaged in this process and taking leadership roles in developing the model and local implementation of it. Salford Royal is expecting to be identified as a specialist centre for surgery and planning to increase capacity to accommodate this, working with partners to agree sustainable staffing models to deliver the associated clinical standards. This is expected to result in additional activity, contribution to margin and overall unit cost reductions.

The Trust will respond to tenders to secure the position of Salford Royal as a centre for cancer surgery, including Urology and Upper Gastrointestinal surgery in-year. It will work in partnership with screening centres to agree a delivery model for Breast surgery and support the North West sector bowel screening programme, by providing additional scope sessions in 2015. Mohs (dermatology) surgery and Stereotactic Radio Surgery (neurosurgery) capacity will also be expanded.

Implementation of the Radiology Strategy will continue, including securing additional MR capacity, equipment replacement, exploring home reporting options and a joint venture model for plain film reporting. Collaboration with other Trusts will continue to improve access to Vascular and Interventional radiology.

Further progress will be pursued in delivery of the Dermatology Strategy, including expansion of the Moh's service, development of Paediatric services and services in collaboration with Stockport FT from April 2014.

The Trust will work in partnership with Christie Trust to agree a new model for the provision of Gynae-oncology services, with inpatient surgery moving from Salford Royal. Discussions will continue to develop a model for in-reach provision of Pain Management services from Salford Royal into Christie. Stereotactic surgery developments continue, using the Christie@Salford Royal linear accelerators, with particular focus on extra cranial SRS. The Trust is now hosting the Christie Trust mobile PET scanner 3 days a week and will continue to work with Christie to develop plans to meet the increasing demand for service.

The Trust will work in partnership with Central Manchester FT to develop Neuro-rehabilitation and Elective Orthopaedic services at Trafford General hospital. A new model of service for Gynae-oncology is being developed in conjunction with the Christie Trust. The Trusts will also work together to plan the provision of clinical and laboratory immunology, paediatric dermatology and interventional/vascular radiology. The two Trusts will work together to ensure ENT services address the need for 7-day working.

Service Developments, Redesign & Innovation
In response to commissioning intentions, the Trust will have secured the following additional income associated with a number of Service Developments. These are a combination of both expansions of current services along with the development of new services.

Service Developments	2014/15 £000s	
	Expenditure	Contribution
Stroke Expansion	5,278	1,098
Trafford Closure	1,166	1,024
INRU	449	258
Total Service Developments	**6,893**	**2,380**

The following table sets out the expenditure and contribution relating to the business cases included within the financial plans.

Internal Business Cases	2014/15 £000s	
	Expenditure	Contribution
EPR	1,019	-1,019
Neuro Psychology	803	129
Urology Consultant	308	49
Foot & Ankle Consultant	294	288
Early Stroke Discharge	238	-238
Other	237	-237
Total Internal Business Cases	**2,900**	**-1,029**

The Outpatient Improvement Plan has implemented a number of improvements over the last 2 years and will build on this in 2014/15 with a focus on:

- Reducing DNAs with appointment reminders
- Identifying meaningful measures which better demonstrate appropriate clinical follow-up in line with national pathways.
- Roll out managed bookings
- Improve customer service using the patient engagement collaborative
- Reduce waiting times in clinic
- Implement new technology including Patient Portals and e-Consultation
- Undertake rapid improvement events to pursue service redesign

The Trust will develop capacity planning methodologies in year for hospital, community and support services.

The Trust continues to host QUEST and will work with other members to improve quality and innovation, including provision of a leadership network, development of measurement, running an improvement programme and building capacity.

The Trust will pursue opportunities to innovate models of service delivery and standardise services at scale. The Trust will also provide management support to other Trusts including Buckinghamshire and East Lancashire.

The Trust continues to host a number of services that carry out a variety of functions e.g. AQuA. The Trust charges a hosting fee for delivery of services, as well as benefitting from the cash flow that has historically flowed with these services. The Trust reported a (cash backed) surplus of £4.0 million in 2012/13, which was a normalising adjustment within the Monitor plan. It is anticipated that AQuA will utilise this surplus with the deficit in 2014/15 adjusted through the normalisation process in line with previous years and Monitor guidance. This has a neutral impact on SRFT.

A series of other service developments, redesign and innovations will be further explored in year. These include;

- Metabolic medicine satellite services
- Expansion to chronic fatigue, sleep, weight management and psychology services
- Development of functional neuropsychology & neurophysiology
- Cell salvage
- Homecare services
- Self care models

The Trust will also incorporate the development of an innovation pipeline as party of a longer term business planning process.

Theme 5: Demonstrate compliance with Mandatory Standards

There are an increasing number of, Monitor, National, Specialist Commissioner and Local Commissioner CQUIN standards:

- 16 operational standards
- 12 national quality requirements
- 15 Greater Manchester KPIs
- 13 Community KPIs
- 13 Local Authority KPIs
- 9 Health Visiting Indicators
- 5 Local KPIs
- 25 ‘never events’

In addition, on-going compliance with NHSLA and CQC standards will continue to be monitored, working towards the new CQC inspection requirements.

These are assigned within the organisation, in line with the assurance framework to be managed by service lines, directorates and divisions.

Assurance on compliance will be received through the divisional and corporate assurance committees. Risk assessments are undertaken for each and routinely monitored.

In line with guidance, the Trust has agreed a range of CQUIN schemes across Local, Greater Manchester and NHS England. Given theTrust’s approach to the delivery of the quality agenda, we are well-placed to deliver a number of the CQUINs through the existing service teams. It is not anticipated that material investments will be required to deliver the CQUIN targets, however, should some investments be required a reserve of £470k has been set aside within these financial plans.

In line with previous years and the Trust’s continued commitment to medical equipment, the costs of maintenance and repair of such equipment will require continued funding. The in-house team are supplemented by a range of maintenance contracts to ensure the Trust’s medical equipment functions safely and effectively. These plans contain an additional £250K as a reserve for the anticipated cost increases.

Theme 6: Implement Enabling Strategies

The enabling strategies in this section are reviewed and updated as part of the annual planning process and will be further considered in the SDS.

Deliver the Research & Development Strategy
The focus of the Research & Development strategy is for Salford Royal to lead on Population Health Improvement, through participation in the Greater Manchester Academic Health Science Network (GM AHSN) and Manchester Academic Health Science Centre (MAHSC).

The R&D Strategy of the Trust continues to develop and the Trust has been successful at growing its revenue for R&D over the recent years. It is anticipated that the growth in R&D revenue will continue in the coming years and that an appropriate level of overhead and margin will be available. The sources of revenue for R&D are varied, with the material sources of revenue being gained from National Institute of Health Research (NIHR) grants along with receipt of Research Capability Funding and revenue generated from Commercial Clinical Trials.

The following table provides a summary of the overall level of Income and Expenditure within these financial plans from all sources of funding**.**

R&D Planning 2014/2015	£000s
Pay	6,218
Non-pay	6,041
Total Income	**12,259**
NIHR/DOH	5,719
CLRN	2,536
Other NHS	500
Commercial	4,038
Total Expenditure	**12,793**
Surplus/(Deficit)	**534**

Deliver Under & Post Graduate Teaching
The focus of the Trust's education strategy is to:

- Improve teaching capacity.
- Respond to the National Education tariff and associated Education Standards
- Respond to the University of Manchester curriculum "evolution" in line with GMC requirements.
- Consolidate Salford as a "test bed" for new developments in Undergraduate Medical Education
- Develop new Quality Assurance processes to support the new Manchester Medical School system of Sector Review.
- Support the organisation of additional workplace assessments, specialty blocks and adoption of new systems.
- Address issues arising from the shortage of junior doctors.

Plans to engage more with trainee doctors are outlined in other sections.

The focus of plans is to:

- Promote divisional accountability for the safe effective supervision of all doctors with educational governance as part of clinical governance.
- Development of educational supervision structures to allow early identification of and management of Doctors in Difficulty and to provide assurances that these groups are both trained and supervised to an appropriate standard in order to reduce risks to patients.
- Assure appropriate appraisal and transfer of information for all doctors.
- Recruit and retain the best medical workforce to reduce the amount of short term locum cover needed.

Health Education North West is implementing the new funding model for Medical Education, which is based upon a national tariff for medical student weeks, effective from 1st April 2014. The impact assessment of these changes has been finalised, with the Trust losing income of circa £3 million. However, the implementation of these tariffs includes a transition path that limits the losses suffered by Trusts in any one year to either 0.25% of turnover or £2 million, whichever is the lower value. On this basis, the Trust will have the losses limited to circa £850K per annum for 4 years, at which point the full impact of the tariffs will be in use.

Salford Royal, as one of three teaching hospitals within Greater Manchester provides direct education to students based at the hospital but additionally provides support to students who are based at the non-teaching hospitals. This is referred to as the "Hub and Spoke" model. Agreement in principle has been reached that allows the teaching hospitals to recharge costs incurred by Hubs to the Spokes. The detailed work to agree the value of the recharge will be completed by the end of May 2014. This is being facilitated by Health Education North West. It is anticipated that this approach will yield circa £600K of additional income for the Trust, once agreement is reached.

Deliver the Hospital Redevelopment Strategy
The Trust has developed its capital programme to support our two year plan for 2014/15 and 2015/16. It is part-way through the creation of it next five-year SDS, covering the period 2014/15 to 2018/19. As part of emerging priorities, the Trust is exploring opportunities to bring forward key projects to support this, some of which may require capital investment. In particular, in the context of Greater Manchester's Healthier Together Programme, the Trust is considering how it best creates surgical capacity to support the consolidation of inpatients services across the wider conurbation.

The focus of the programme for 2014/15 and 2015/16 will be to demolish the Clinical Sciences Building, in preparation for a new building, with delivery of the enabling programme.

A Community Estate Strategy will be developed to rationalise the locations of services and make provision for more community based services.

The theatre backlog and ward refurbishment programmes is ongoing.

PFI Unitary Payment
The Unitary payment made by the Trust to the PFI partner Consort is fully funded within the baseline budgets for 2014/15. The Contract signed with Consort has an annual (inflationary) uplift which is based upon the value of the Retail Prices Index (RPI) based upon the year February to February. Once the February 2014 RPI is published, the value of the inflation required within this agreement will be calculated. The plans include an estimate of 2.5% which equates to an increase of £0.37 million.

The Contract Agreement allows for the Consort Financial Model to be re-run should the Trust require additional elements (or variation) to be included within the agreement. The Consort Financial Model has been re-run with a small value of £106k being built into the financial plans.

Deliver the IM&T Strategy
The IM&T priorities for 2014/15 include:

- Continued enhancement and development of integrated records within Salford, including shared health and social care records, and developing links with partner organisations across Greater Manchester to support coordinated care.
- Realising the benefits of the new Electronic Patient Record (EPR) system
- Improved support to clinical pathways within the Trust by harnessing the increase capabilities of the New Electronic Patient Record System (EPR) to enhance clinical outcomes for patients and support evidence based practise.
- Implementation of new EPR functionality in A&E and Critical care to support efficient and effective practise to enhance clinical outcomes for patients.
- Deployment of new mobile technologies to community staff including District nurses to support delivery of care in patients' homes.
- Implementation of a replacement PACS and RIS systems to support the reporting of radiology images

(X-Rays, CT and MRI scans) in partnership with other trusts across Greater Manchester.
- Continued support the Outpatient Improvement plan, through identify and harnessing new technologies and capability within the new EPR.

The financial plans include the EPR expenditure plans agreed as part of the business case approved by the Board. The plans also include a further £250k of additional investment which the Trust has been investing in technology through its IM&T Strategy.

Electronic Patient Record (EPR) Benefits realisation

The roll out of the Trust's Allscripts EPR will continue through the coming years. The following is a summary of the modules that will be implemented, along with some details of what is included within each module's implementation. The benefits realisation process is also described. The implementation of these modules is seen as a major enabler within the areas concerned and this will be pursued to leverage efficiencies in the various processes and reduce costs.

Patient Flow

The Patient Flow project will deploy the Allscripts Patient Flow system. It will provide a 360-degree view to all stakeholders involved in hospital patient flow, allowing them to optimise patient placement and movement through the Trust. The system matches patients to beds based on clinical needs and real-time bed availability and helps expedite the patient's transition from admission throughout their movements within SRFT.

Implementation of the system will look to reduce length of stay, increase occupancy and reduce wait times in Accident and Emergency. The system will also provide efficiency benefits for bed management teams, domestic services and portering, though workflow and demand management capability.

Critical Care

The Critical Care functionality will deliver extensive documentation templates for example vital signs and fluid balance and clinician review documentation, care bundles, workflow and task management capability and automated capture of patient monitors and ventilators into the patient record.

Implementation of the system will enable more accurate and reflective clinical coding supporting the transition to organ supported payment methods. The system will also support reliability of care and compliance with safety bundles and care management within critical care. Documentation will enable improved efficiency in recording and wider reflection of activities undertaken within Critical Care.

Emergency Department

The Emergency Care content delivers extensive documentation templates with physician notes, procedure notes, triage notes, and nursing documentation. It will also provide workflow management capability, electronic prescribing and ordering capability.

Implementation will enable increased throughput through the emergency department. The system will also support improvements in efficiency though reduced documentation time for staff in ED and EAU due to streamlined and consistent documentation and well as reduced administration effort within ED reception. Reliability of care improvements are also anticipated due to structured documentation and treatment planning capability.

Patient Portal

The Patient Portal allows patients to securely and remotely access and manage their personal health record (update allergies and medications, view scheduled appointments and clinical results, review patient information for demographics, request appointments or prescription refills with Secure Health Messaging, update their Microsoft's HealthVault record, and provide their care provider access to data from their PHR in HealthVault.

Early adopter implementation will look to improve efficiency in documentation and consultation with clinical teams and potential reduction in the number of follow up outpatient appointments. It will also look to improve patient satisfaction with outpatient services and improve patients time in range compliance for

long term conditions.

Electronic Prescribing & Medication Administration Optimisation
Optimisation of Electronic Prescribing & Medication Administration will harness the new functionality within the system to enhance existing prescribing capability within the system, implement new functionality in areas not previously covered including outpatients, chemotherapy and variable rate medications. Implementation will deliver improvements in medication safety and accuracy using auto calculated doses, complete information and allergy recording. It will improve efficiency of prescribing and medication supply. Reduction in the number of paper documents produced and levels of supplementary scanning required to support paperless working.

Benefits Realisation Process
For each of the projects that sit within the EPR Programme a benefits realisation and measurement process has been identified to ensure clear identification, baselining and measurement of benefits achieved by each of the EPR projects. This process has been support by an EPR benefits realisation expert who has facilitated this process. Each project has undertaken the following steps:

- Systematic review of the projects objectives and brainstorming session to identify what the project will deliver "what will it do for you"
- For each benefit item a potential measure was identified that could be applied
- Review of benefits and prioritisation was undertaken to identify 5 key benefit targets for each project.
- Initial measures were collated for the 5 priority benefits and gaps in measures identified.
- Baseline measures have been collated to give a core baseline for each measure going back a period of 3 years where possible

Deliver the Corporate & Social Responsibility & Public Health Strategy
The Trust continues to implement the 'Live Well, Work Well' strategy agreed in 2011/12, with the following priority themes.

The Patient & Staff Health & Well Being objectives include:
- Alcohol screening & referral in pre-operative assessment.
- Brief intervention & referral to smoking cessation services.
- Reduced Accidental injuries in children.
- Supporting Infection Control measures in hospital and community.

The social responsibility element of the strategy includes:
- Further Implementation of the Volunteering strategy and sustainable alliance a city wide volunteer programme. Projects include hospital guides, support to older patients in intermediate care centres and Renal Youth mentors promoting digital technology to older people.
- Engagement with REACHE.
- Increased community engagement.
- Work placements and career opportunities. Roles are being developed with the Princes Trust programme to develop roles to support patients for the 2014 intake.
- Engagement with the membership in respect of service developments and redesign.

The sustainability and environmental impact part of the strategy builds on the work done so far and has set further targets to:
Reduce and recycle waste
- Reduce energy use
- Reduce carbon emissions through increased awareness and a sustainability event.
- Implement the Green travel plan including improving facilities for cycles
- Increase the use of local and fair-trade goods