Aintree University Hospital NHS
NHS Foundation Trust

Strategic Plan Document for 2014-19

Aintree University Hospital NHS Foundation Trust

1.1 Strategic Plan for y/e 31 March 2015 to 2019

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

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Date	**30th June 2014**

In signing below, the Trust is confirming that:

- **The Strategic Plan is an accurate reflection of the current shared vision and strategy of the Trust Board having had regard to the views of the Council of Governors;**
- **The Strategic 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 Strategic 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;**
- **All plans discussed and any numbers quoted in the Strategic Plan directly relate to the Trust's financial template submission; and,**
- **The 'declaration of sustainability' is true to the best of its knowledge.**

Approved on behalf of the Board of Directors by:

Name *(Chair)*	Mr. Christopher Baker, MBE

Signature

Approved on behalf of the Board of Directors by:

Name *(Chief Executive)*	Mrs. Catherine Beardshaw

Signature

Approved on behalf of the Board of Directors by:

Name *(Finance Director)*	Mr. Steve Warburton

Signature

1.2 Declaration of Sustainability

The board declares that, on the basis of the plans as set out in this document, the Trust will be financially, operationally and clinically sustainable according to current regulatory standards in one, three and five years time.	***Confirmed***

The population served by Aintree is probably the most socially deprived in the country (Liverpool is ranked as the most deprived out of all 326 Local Authorities), with high levels of illness and some of the worst rates for heart disease and cancer in the UK. A long history of underfunding in primary care and over provision of secondary care services (with four acute hospitals within a few miles of one another) has also been associated with a culture among patients of low empowerment and a high reliance on the availability of hospital-based care.

The potential risks to financial, operational and clinical sustainability are:

- The assumption that 4.5% financial efficiencies will be required for each of the next five years.
- The National agenda to promote a reduction in the number of specialist centres; to encourage integration of health and social care; and, to provide care closer to home.
- The fact that Liverpool has too many hospitals (and trusts) delivering care from too many sites.
- The fact that the leadership of the local health and social care economy is fragmented and weak with commissioning coming from a combination of Liverpool CCG, Liverpool City Council, South Sefton CCG, South Sefton Borough Council, Knowsley CCG and NW Specialised Commissioning.

Following a full Care Quality Commission (CQC) Inspection on 6 March 2014 Aintree Hospital received an excellent report in May 2014 with all clinical services rated as “Good” and an overall rating of “Good”. At the end of 2013/14, the Trust achieved a surplus of £5.7M, had fixed assets of just over £178 million and an annual income in excess £297m. Following the completion of contract negotiations the Trust is facing a recurrent financial gap of £19.5M in 2014/15. Although the Trust has submitted a balanced plan for the current year, it is extremely unlikely that the Trust will be able to recover this level of shortfall recurrently either by taking on additional work or by reducing costs in line with cost and quality improvement plan and will have to use non-recurrent resources to address any shortfall in 2014/15.

The Trust’s plan assumes that a further 4.5% of efficiencies will be required in 2015/16, and anticipates that this and the shortfall in the recurrent plan for 2014/15 will be met through activity growth of £3.5M net of costs, £5.5M in cost reductions and £10M from a health economy wide review of the sustainability of urgent care within the existing tariff structure.

The continued net impact of the required efficiency challenge from 2016/17 forward will not be able to be delivered from internal service changes within the trust and will only be achievable through a health economy wide reconfiguration of services involving partner organisations within the city. Designating services to particular sites should allow significant economies of scale in clinical service provision and this assumption provides the core delivery of savings in the latter years of the planning cycle and ensuring the continued financial viability of the trust.

The Trust’s strategic plan submission builds on the work of the Healthy Liverpool Programme which is due to report in the Autumn. The range of strategic options considered for integrating and re-aligning care all appear to offer potential economies of scale and/or scope and lead to improvements in the quality and sustainability of services; moreover, they are not mutually exclusive and may be pursued in parallel.

The strategic plan assumes that future opportunities will arise from competitive tenders and the creation of strategic partnerships with other providers and Commissioners to integrate care and move it into the community resulting in a transformation of service delivery across the health (and social care) economy. Therefore, the Trust is in discussion with a number of trusts in the local health economy about the potential for reconfiguring services across the City (and beyond) with a view to improving care delivery. As a part of this we have committed to working with Royal Liverpool & Broadgreen Hospitals to redesign services and assess options for reducing duplication, increasing integration and improving outcomes.

1.3 Market Analysis and Context

In February 2014, Aintree University Hospital NHS Foundation Trust approved its Corporate Strategy for the period 2014 – 2019. This strategic document sets out the Trust's strategic vision for the future, the context in which the Trust leadership team will operate and the strategy we will follow as an organisation to enable us to achieve our agreed vision between now and 2019.

This Strategic Plan submission to Monitor aligns with the Trust's Corporate Strategy and with local commissioning intentions and priorities. It takes account of the challenges facing the local health economy and Local Authority sector and sets out the supporting work streams which will be required if we are to continue to deliver appropriate, high quality and cost effective care to our catchment population over the next five years.

The History of Aintree University Hospital

Aintree University Hospital NHS Foundation Trust (the Trust) is a teaching hospital in Liverpool serving a population of around 330,000 in North Liverpool, South Sefton and Kirkby. Aintree is one of the largest employers locally with more than 4,800 staff (4,000 whole time equivalents). The Trust gained Foundation Trust status in 2006, as one of the first hospitals in Merseyside to do so, and has over 13,000 public and staff members. The Trust is a recognised centre for multidisciplinary health research and education enjoying close collaboration with the University of Liverpool, Edge Hill University, Liverpool John Moores University and other NHS Trusts. A new Medical Director was appointed in December and a new Director of Nursing and Patient Experience and a Chief Operating Officer joined the Trust in April 2014. Three non-executive appointments were made in 2013/14 and the Trust is currently recruiting a new Chairman.

The hospital provides general acute services along with major trauma, hyper-acute stroke, complex obesity services (including bariatric surgery) and also works with partners to provide a range of services in community settings, including: respiratory, weight management, diabetes, musculo-skeletal assessment services, ENT, anticoagulation services and alcohol services. Other tertiary services provided by the Trust to a much wider population of around 1.5 million in Merseyside, Cheshire, South Lancashire and North Wales, include: respiratory medicine, rheumatology, maxillofacial, upper GI cancer services and liver surgery.

In 2013/14 the Trust saw approximately 86,000 A&E attendances, 72,000 elective admissions and over 325,000 outpatient attendances. The Aintree Hospital site is the core location for inpatient emergency care, specialist emergency facilities, and elective care for higher risk patients and this site has 706 beds and 19 theatres. This site also offers the full range of outpatient and diagnostic services.

The Royal College of Surgeons has recommended that the catchment population size for an acute general hospital providing both elective and emergency medical and surgical care should be between 450,000 and 500,000 people and without this scale the Trust could be expected to find long term financially sustainability a challenge.

Merseyside Demographic Challenges

The population served by Aintree is probably the most socially deprived in the country (Liverpool has a population of 466,000 and is ranked as the 1st most deprived out of 326 Local Authorities), with high levels of illness creating a high demand for hospital-based care. Merseyside has some of the worst rates for heart disease and cancer in the UK. 23% of children are classified as obese and estimated levels of adult 'healthy eating' and smoking are worse than the England average. However, the estimated level of adult obesity is better than the England average. In Liverpool, 11% belong to non-White minorities. Of these, Asian constitutes the largest ethnic group at 4% of the population. As elsewhere, predicted demographic change will see fastest growth in the age groups known to be the highest users of health services.

A long history of underfunding in primary care and over provision of secondary care services has also been associated with a culture among patients of low empowerment over their health status and a reliance on the availability of hospital care. The majority of the population is evenly distributed with the highest proportion between the ages of 20 and 29 unlike England's proportion which lies between the ages of 40 to 49. However, the population profile is also ageing rapidly with some neighbourhoods having a projected growth of around 45% expected in the over 75s. Life expectancy is 75.7 years for men and 80.1 years for women, both lower than the England averages. Over the years, rates of mortality such as early death from cancer, heart disease and stroke have fallen, but all remain worse than the England average. All of these factors combine to create significant demand for hospital-based care.

Commissioning Priorities

The strategic aims and ambitions of our key Commissioners are presented in more detail under the following headings:

- NHS England – Challenges and Commissioning Priorities
- Local Health Economy – Challenges and Commissioning Priorities
- The Patients' Perspective
- The Financial Challenge

NHS England – Challenges and Commissioning Priorities

The NHS is under significant pressure to improve quality and give even greater focus on the holistic needs of patients. In addition, the NHS faces the prospect of continued financial constraint which can only be addressed if providers of healthcare make radical changes in the way services are delivered. The challenge for the NHS is to raise the quality of care for all in our communities whilst closing a potential funding gap of £30bn by 2020/21 through creativity, innovation and transformation to achieve:

- A significant shift in activity and resource from the hospital sector to the community (15% reduction in hospital emergency activity)
- Use of the Better Care Fund - £3.8bn - to lever reductions in hospital emergency activity, improving sustainability and raising quality.

In December 2013, to provide support and direction to address these challenges, NHS England issued its 5-year planning guidance, Everyone Counts, which identified 3 priorities for improving health status:

- Improving health;
- Reducing inequalities; and,
- Ensuring mental health problems are focused on as much as physical well being.

This document also set out 6 key drivers to be used to support the delivery of transformational change:

- Making sure public/patients are involved in service design and empowered in their own care
- Wider use of the resources of primary care, provided at scale
- Care integrated around vulnerable and older people
- Access to high quality urgent/emergency care
- Best use of elective care
- Specialised services concentrated in centres of excellence

Local Health Economy – Challenges and Commissioning Priorities

Merseyside has an extremely complex provision of healthcare. Aintree University Hospital NHS Foundation Trust catchment population spans three Local Authority boundaries and its health and public health services are commissioned by three Clinical Commissioning Groups (CCGs), numerous NHS England Local Area Teams and three Local Authorities. The agreed priorities of our local Commissioners and Health and Wellbeing boards are to:

Liverpool City Council and Liverpool CCG's strategic ambitions

- Reduce child poverty and its consequences
- Reducing levels of cancer
- More people achieving and maintaining good mental health
- Reducing maternal alcohol consumption
- Supporting children and families will be a cross cutting theme

To achieve these strategic ambitions programmes of work are being developed to realign the provision of hospital based care so that health promotion, health education and health care services are delivered in more local settings. This will facilitate an increased focus on the prevention of ill health in order to:

- Reduce life years lost by 24%
- Improve quality of life for people with long term conditions from the second worst in the country at 65% to 71%
- Reduce emergency admissions by 11%
- Improve hospital patient experience to average of top 10 CCGs
- Improve out of hospital patient experience to average top 5 CCGs

Figure 1: Liverpool's Blueprint for Re-aligned Hospital-based Care

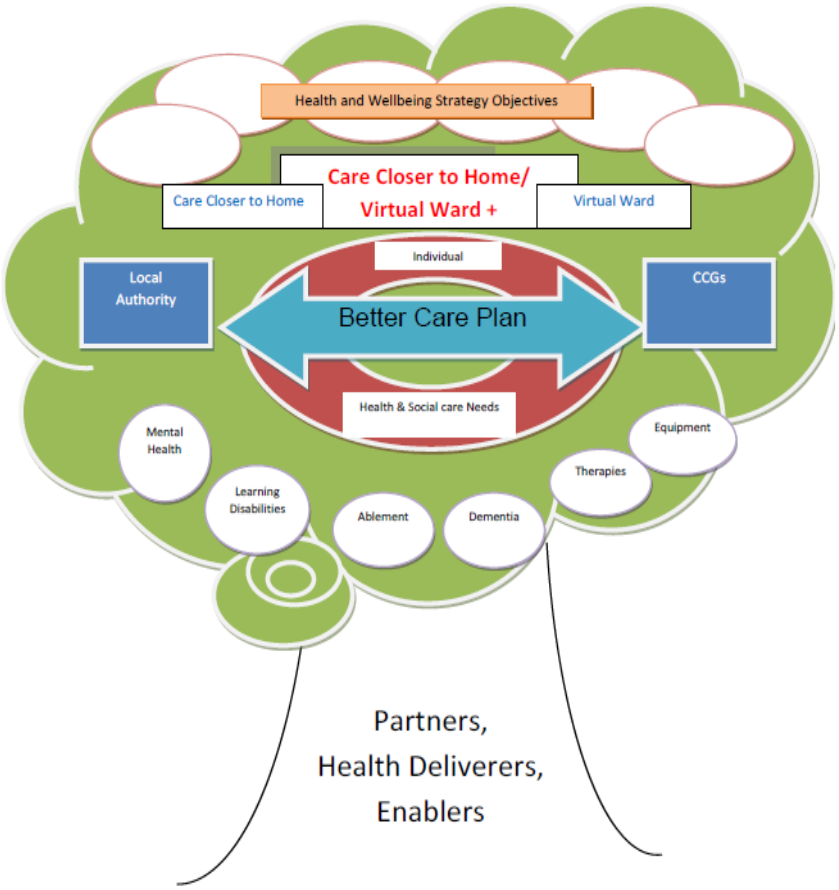
Sefton Borough Council and South Sefton CCG's strategic ambitions

- Ensure all children have a positive start in life
- Support people early to prevent and treat avoidable illnesses and reduce inequalities in health
- Support older people and those with long term conditions and disabilities to remain independent and in their own homes
- Promote positive health and well being
- Seek to address the wider social, environmental and economic issues that contribute to poor health and well being
- Build capacity and resilience to empower and strengthen communities.

To achieve these strategic ambitions the CCG and Council are developing and expanding two models of integrated care: the Virtual Ward in South Sefton and the Care Closer to Home Programme in Southport and Formby. Both models use risk stratification of people as the basis for implementing interventions to promote and maintain the independence of frail older people and those with long term disabilities who are at increased risk of unplanned care. The aim is to promote integration of care delivery across organisations to:

- Reduce non elective emergency admissions by 15% over the next 5 years
- Reduce life years lost by 19.7%
- Improve patient experience of hospital inpatient care by 10%
- Improve out of hospital patient experience to average top 5 CCGs
- Improve patient experience of out of hour's services.
- Improve quality of life for people with long term conditions by 9%

Figure 2: Sefton's Blueprint for Integrated Care



Knowlsey Borough Council and Knowsley CCG's strategic ambitions

- Mothers and fathers are well prepared for pregnancy and choose to have babies
- Healthy conception, pregnancy and birth
- Children are ready for school, physically, emotionally and developmentally
- Children make a positive transition between primary and secondary school
- Young people have the skills and resources required to make positive transition choice into adulthood
- Adults have the resources and support to enable them to manage their own health and well being and have a good quality of life
- People are able to maintain independence for as long as possible
- People are able to approach the end of life with dignity.

To achieve these strategic ambitions the CCG and Council are seeking to commission innovative models of service provision which will enable increased levels of acuity to be managed in the community supported by wide ranging prevention interventions; from promoting health to preventing ill health and exacerbations. The key to success will be the establishment of locally based integration through a '*Neighbourhub*' model which has one philosophy of care which is to support people to retain their place within the community, in order to:

- Reduce non elective emergency admissions by 25% over the next 5 years
- Reduce life years lost by 7%
- Improve patient experience of hospital inpatient care
- Improve out of hospital patient experience to average top 5 CCGs
- Improve quality of life for people with long term conditions from 62.5% to 76%

NHS (E) Cheshire, Warrington & Wirral Area Team (specialist commissioning) strategic ambitions

- Improve access, reduce variation in clinical outcomes and improve patient experience
- Consolidate and develop sustainable services based within networks of excellence and aligned to research and innovation
- Engage patients and the public in planning, commissioning and service development
- Ensure services are value for money and meet National service specifications and quality standards

The Cheshire, Warrington and Wirral (specialist commissioning) area team plans to commission specialised and non-specialised high quality, safe, integrated, evidence-based services to prevent premature death, ensure people have the best quality of life possible, to ensure successful and quick recovery and positive experience of care. The key priorities for Merseyside include:

- Cancer and compliance with improving outcomes guidance for upper GI cancer services
- Major trauma and the expansion of adult neuro-rehabilitation services which will address the need for intermediate step down beds for spinal injured patients
- Confirmation of the centres for cardiac device implanting in line with national specification
- Work with Liverpool CCG as pilot for national pathfinder projects in developing pathways for acute kidney injury patients
- Neonatal services - Co-location of neonatal surgical services in Cheshire and Merseyside
- Management of waiting lists neurosurgery and for paediatric spinal surgery

The Patients' Perspective

In April 2013 the Trust introduced the NHS Friends and Family Test (possible range -100 to +100). A significant amount of work was undertaken to engage with staff to ensure the launch of FFT was successful. Whilst the Trust's results for A&E have lagged behind the national average, the results for Inpatients have consistently exceeded it by a significant margin (results from April 2014 show Aintree at +80 compared to national average of +73) so the Trust's combined "net promoter" score for A&E and inpatients has remained consistent with the national average. It is expected that the opening of the new £35M Urgent Care & Trauma Centre will improve the FFT score significantly for A&E. The Patient Experience Team have introduced a process to ensure all comments are fed back to the relevant managers on a weekly basis and all comments are filtered for constructive feedback from our patients and relatives. If comments indicate suggestions for improvement, they are uploaded onto a specific action plan which is monitored for progress and completion within the Divisions. Changes to practice are subsequently reported to Board via the Patient Experience Group through the Patient Experience Report.

Following a full Care Quality Commission (CQC) inspection on 6 March 2014 the Trust received an excellent report in May 2014 with all clinical services rated as "Good" and an overall rating of "Good".

The Financial Challenge

At the end of 2013/14, the Trust had fixed assets of just over £178 million and an annual income in excess £297m. Despite achieving a £5.7m surplus at the year end, this was in part due to the receipt of £5m transitional support funding from Liverpool CCG which had been identified in the early part of the year to support the ongoing delivery of services.

Following the completion of contract negotiations the Trust is facing a recurrent financial gap of £19.5m in 2014/15. Although the Trust has submitted a balanced plan for the current year, it is extremely unlikely that the Trust will be able to recover this level of shortfall recurrently either by taking on additional work or by reducing costs in line with cost and quality improvement plan. The Trust does however have non-recurrent resources which could be utilised to address any shortfall in year. It is therefore expected that circa £10m of the forecast deficit will be carried forward into 2015/16.

The Trust's plan assumes that a further 4.5% of efficiencies will be required in 2015/16, and anticipates that this and the shortfall in the recurrent plan for 2014/15 will be met through activity growth of £3.5M net of costs, £5.5M in cost reductions and £10M from a health economy wide review of the sustainability of urgent care within the existing tariff structure.

The Trust's plan assumes that a further 4.5% of efficiencies will be required in 2015/16, and anticipates that this and the shortfall in the recurrent plan for 2014/15 will be met through activity growth of £3.5M net of costs, £5.5M in cost reductions and £10M from a health economy wide review of the sustainability of urgent care services within the existing tariff structure.

The continued net impact of the required efficiency challenge from 2016/17 forward will not be able to be delivered from internal service changes within the trust and will only be achievable through a health economy wide reconfiguration of services involving partner organisations within the city. Designating services to particular sites should allow significant economies of scale in clinical service provision and this assumption provides the core delivery of savings in the latter years of the planning cycle and ensuring the continued financial viability of the trust.

The urgent care review and the strategic solution will ensure the trust has sufficient cash resources to continue to trade of the 5 years of the planning cycle. CoSRR will be maintained at a 3 or above for all years. A more detailed analysis of the financial challenges and risks facing the Trust is set out in Section 1.6

Market Analysis, Future Challenges and Opportunities

Market Analysis

People living in Merseyside have lots of choice between local hospitals with four acute hospitals within a few miles of one another. Other major acute providers in the area are the Royal Liverpool and Broadgreen University Hospitals NHS Trust and St Helens & Knowsley Teaching Hospitals NHS Trust (Whiston Hospital). For historical reasons, a large number of separate specialist Trusts exist in Merseyside, including: Liverpool Women's NHS Foundation Trust, Alder Hey Children's NHS Foundation Trust, Clatterbridge Cancer Centre NHS Foundation Trust and The Walton Centre NHS Foundation Trust.

Overall, the Trust accounts for 45% of South Sefton Clinical Commissioning Group's (CCG) spend as host commissioner, with 40% of Liverpool CCG's spend and 10% of Knowsley CCG's. A four year analysis (Q2 2010/11 to Q4 2013/14) of elective inpatient activity, non-elective activity and A&E attendances is shown in Appendix 1. This analysis demonstrates the following changes:

Elective Activity

- 10.0% growth in elective activity provided by all providers across the local health economy
- 11.4% growth in elective activity provided by Aintree University Hospital
- 7.5% growth in elective activity provided by Royal Liverpool & Broadgreen University Hospitals
- 14.7% growth in elective activity provided by St Helens and Knowsley Hospitals NHS Trust
- 6.9% growth in elective activity provided by Southport and Ormskirk Hospital NHS Trust

This analysis indicates that St Helens & Knowsley Hospitals has been the most successful Trust in increasing its elective activity. A more detailed analysis of elective activity by CCG catchment area over the same time period indicates that the growth in elective activity at St Helens & Knowsley hospital has not been at the expense of Aintree market share for Knowsley CCG. The Aintree market share for Knowsley CCG catchment population appears to have increased from 21% in Q2 2010/11 to 25% in Q4 2013/14.

Elective Activity	Liverpool CCG Catchment		Sefton CCGs Catchment		Knowsley CCG Catchment	
	Q2 2010/11	Q4 2013/14	Q2 2010/11	Q4 2013/14	Q2 2010/11	Q4 2013/14
RLBUH	48%	46%	7%	8%		
Aintree	20%	19%	34%	34%	21%	25%
Southport &Ormskirk			35%	36%		
St Helens and Knowsley					33%	33%
Other Trusts	24%	27%	24%	22%	25%	24%

Non-elective Activity

- 3.1% reduction in non-elective activity at all providers across the local health economy
- 7.6% reduction in non-elective activity at Aintree University Hospital
- 0.2% reduction in non-elective activity at Royal Liverpool & Broadgreen University Hospitals
- 7.2% growth in non-elective activity at St Helens & Knowsley Hospitals NHS Trust
- 6.5% growth in non-elective activity at Southport & Ormskirk Hospital NHS Trust

Across the whole health economy fewer patients are being admitted as non-elective inpatients. However, it appears that this reduction in non-elective activity has principally been observed at Aintree University Hospital and Alder Hey Children's Hospital NHS Foundation Trust. Growth in non-elective activity has been observed at both St Health & Knowsley Hospitals NHS Foundation Trust and Southport & Ormskirk Hospital NHS Trust. This could indicate that strategies to reduce avoidable hospital admissions at Aintree and Alder Hey have been successful.

A more detailed analysis of non elective activity by CCG catchment area over the same time period indicates that the growth in non elective activity at St Helens & Knowsley hospital is from within the Knowsley CCG catchment population which has increased from 49% in Q2 2010/11 to 54% in Q4 2013/14. The Aintree hospital market share of non-elective activity for Knowsley CCG has remained fairly static over the time period reviewed.

Non Elective Activity	Liverpool CCG Catchment		Sefton CCGs Catchment		Knowsley CCG Catchment	
	Q2 2010/11	Q4 2013/14	Q2 2010/11	Q4 2013/14	Q2 2010/11	Q4 2013/14
RLBUH	38%	40%				
Aintree	15%	15%	35%	32%	16%	17%
Southport & Ormskirk			39%	43%		
St Helens and Knowsley					49%	54%
Other Trusts	26%	20%	16%	14%	26%	19%

A&E Attendances

- 8.1% growth in the A&E activity provided by all providers across the local health economy
- 27.0% growth in the A&E activity at Aintree University Hospital.
- 2.6% growth in the A&E activity at Royal Liverpool & Broadgreen University Hospitals NHS Trust
- 0.6% growth in the A&E activity at St Helens and Knowsley Hospitals NHS Trust
- 11.9% growth in the A&E activity at Southport and Ormskirk Hospital NHS Trust

With the exception of Aintree and Southport & Ormskirk hospitals attendance at A&E departments has been fairly static over the time period reviewed. The increase in activity associated with Aintree University Hospital NHS Foundation Trust observed from November 2013 is the result of the Trust becoming clinically responsible for the delivery of care at the Kirkby walk-in-Centre so is only a technical increase.

Future Challenges and Competitor Analysis

The market analysis indicates the provider market share of local CCG activity has remained fairly static over the time period reviewed. The data also indicates that St Helen's & Knowsley Hospitals NHS Trust, which delivers care from two relatively new PFI hospital facilities, has increased its market share of elective activity from CCG's catchment populations outside the Merseyside boundaries.

Future Opportunities

Future opportunities for the Trust will arise from competitive tender opportunities and the creation of strategic partnerships with other providers and Commissioners to integrate care and move it into the community resulting in a transformation of service delivery across the health (and social care) economy.

Current known opportunities to increase our service portfolio through competitive tender include:

- Improving access to psychological therapies - ongoing
- Telecare and home response services - ongoing
- GP Practice integration
- Community-based dermatology services for Sefton CCG
- Community-based COPD services for Knowsley CCG
- Centralisation of Upper GI cancer services
- Community-based musculoskeletal assessment and pain services for Liverpool CCG
- Specialist weight management services for Liverpool CCG - re-procurement
- Community-based alcohol services for Liverpool CCG - re-procurement

The following opportunities have also been identified as being important to the Trust's future success:

- Community-based diagnostic assessment and treatment services from Kirkby LIFT centre
- Community-based cardiology and cardiac rehabilitation services
- Development of integrated pathways of care and delivery of community-based services for ENT, diabetes, dermatology, urology, ophthalmology, COPD, cardiology & cardiac rehabilitation services
- Development of intermediate care step-up facilities to prevent unnecessary admissions to hospital

SWOT Analysis

The Trust Board has considered the Merseyside demographic challenge, the financial challenges, the recent market and competitor analysis and has undertaken a SWOT analysis in order to:

- Maximise the potential that can be gained from future commissioning and tender opportunities
- Identify solutions to mitigate the potential risks of the challenges which need to be addressed

The Trust Board has concluded that given the level of commissioning complexity and the economies of scale that are required to deliver services efficiently it is important for the Trust to work in partnership with Commissioners and other providers to meet the health care needs of the local population.

Alignment of Findings with Local Health Economy Intelligence

Aintree's strategy for the future takes account of local Commissioners strategic aims and commissioning priorities, and the national drivers for change. This strategic plan submission is aligned to the Health Liverpool Programme to realign hospital based care and the strategic plan proposals and commissioning priorities which have submitted by our local Commissioners.

1.4 Risks to Sustainability and Strategic Options

The potential risks to financial, operational and clinical sustainability are:

- The assumption that 4.5% financial efficiencies required for each of the next five years will not be matched through efficiency/productivity savings and the strategic review of urgent care sustainability and the economy wide service reconfiguration does not come to fruition.
- The National agenda to promote a reduction in the number of specialist centres; to encourage integration of health and social care; and, to provide care closer to home.
- The fact that Liverpool has too many hospitals (and trusts) delivering care from too many sites.
- The fact that the leadership of the local health and social care economy is fragmented and weak with commissioning coming from a combination of Liverpool CCG, Liverpool City Council, South Sefton CCG, South Sefton Borough Council, Knowsley CCG and NW Specialised Commissioning.

Whilst Aintree has been very successful in transforming the way services are delivered and moving the delivery of care from the secondary care setting to a community based setting, further work is required to integrate primary, secondary, mental health and social care services and to realign the provision of hospital based care.

The Trust Board believes that transformational change of this scale will enable service delivery to become focused on preventing ill health and supporting people achieve a quick and successful recovery from ill-health/injury; thereby improving health, reducing inequalities and closing the potential funding gap across the health economy.

Therefore, in considering the options available, the Trust's strategic plan submission builds on the work of the Healthy Liverpool Programme which is due to report in the Autumn. The range of strategic options that the Trust has considered for re-aligning care (with associated sub-options) is detailed below. All appear to offer potential economies of scale and/or scope and lead to improvements in the quality and sustainability of services; moreover, they are not mutually exclusive and may be pursued in parallel.

Horizontal Integration

a. Royal Liverpool & Broadgreen University Hospitals NHS Trust
b. Southport & Ormskirk Hospital NHS Trust

Vertical Integration

a. Liverpool Community Health (community services):
   i. Intermediate care
   ii. Specialised community nursing and community therapy services
   iii. Public health services
b. GP PMS practice services (primary care)
c. Social care services (Liverpool City Council and Sefton Borough Council)
d. Mersey Care (mental health care services)

Full Integration - Creation of an Integrated Care Organisation for the whole health economy.

Maintain Status Quo - This option is included for completeness but is not expected to be sustainable in the medium term (2-5 years). The financial burden for the local economy of supporting two new PFI hospital builds combined with the known pressure on public funds and a likely change in the basis for distributing NHS funding (which may diminish the link to deprivation that has benefitted Liverpool compared to other areas over the last 15 years) will make maintenance of financial sustainability a key driver for change.

Criteria for Assessing Options

A number of criteria (or tests) for decision making have been established as follows:

- ***Best Interests of Patients.*** Decisions must support the patient's clinical needs and preferred locations for delivery of care (not those of organizations or individuals) and maintain existing 24/7 emergency care services where possible with improvements in:
    - Clinical Effectiveness;
    - Patient Experience;
    - Staff Experience; and,
    - Accessibility (care that is easier for patients to access).
- ***Financial Sustainability.*** Options must improve financial and clinical sustainability and support the delivery of acute and emergency services across 7-days.
- ***Centre of Excellence.*** Options should ideally contribute to the creation of National Centre of Excellence in Liverpool for Patient Care, Research and Education & Training and provide strong regional competition for Manchester in the delivery of specialist services.
- ***National Policy & Commissioner Support.*** Any option should align with emerging national policy (such as the integration of Health & Social Care and delivery of care that is convenient for people to access) and have the full support of commissioners.

Principles for Joint Working and/or Potential Mergers

A number of specific principles for joint working and/or potential mergers have been established (that would apply in addition to the criteria above) as follows:

- ***Clinical Leadership***. Any process to decide the most appropriate model of care for clinical services and the location(s) for delivery of services should be clinically-led with commissioner/patient participation and public consultation wherever possible.
- ***Clinical Services***. Transactional integration of services from the perspective of the patient / carer / service user should be implemented in advance of any organisational integration (which would take longer to deliver). Cross-site rotas for the delivery of emergency 'on-call' should be developed at the earliest opportunity with harmonisation of Job Plans. It is to be hoped that merger of the two main acute Trusts may encourage further integration of clinical services across the Liverpool City Region.
- ***Recruitment***. Key appointments should be made as 'joint appointments' wherever possible with all clinical appointments made jointly. The first Chief Executive / Chairman / Medical Director to leave should be replaced as the designated Chief Executive / Chairman / Medical Director for the potential merged entity with interim, fixed-term appointments made to bridge any gap.
- ***Research & Development***. A joint research and development service should be created at the earliest opportunity to maximise research income.

- ***Training & Education***. A joint training and education function should be created at the earliest opportunity with cross-site training rotations.

- ***Non-Clinical Support Services***. Non-clinical support functions should be merged as soon as practicable with a guarantee of no compulsory redundancies (or incentives for staff to leave).

- ***Information Management & Technology (IM&T)***. IM&T should be jointly procured and standardised wherever possible.

- ***Facilities***. All facilities support should be reviewed jointly as soon as possible to consider the possible benefits of joint procurement or merger across sites.

- ***Estates***. Best use should be made of existing care facilities until appropriate facilities can be made available on the preferred site(s).

- ***Strategies, Policies, Procedures and Reports***. Strategies, policies, procedures and reports should be harmonised between organisations wherever possible as a joint regulatory and governance framework is developed and implemented.

- ***Strategic Communications/Engagement***. Appropriate language (including clear definition of terms), behaviours and a joint vision should be established early in any process to reflect mutual respect and ensure the maintenance of open communications.

- ***Timescales***. The time between consultation and any implementation should be kept as short as possible to minimize the risk of uncertainty for both staff and patients.

Options Appraisal

The strategic options have been assessed against the identified assessment criteria as shown in Table 1 below:

Strategic Option	Best Interests of Patients	Financial Sustainability	National Centre of Excellence	National Policy & Commissioner Support
Horizontal Integration	↗	↗	↗	↗
Vertical Integration	↗	↗	→	↗
Full Integration (ICO)	↗	→	↗	↗
Maintain Status Quo	↘	↘	↘	↘

These strategic options are not mutually exclusive; therefore, there is potential for the Trust to develop a number of complementary work streams in parallel to achieve one or more of the options for realigning the delivery of care across Liverpool City region and the North Mersey health economy.

1.5 Strategic Plans

There are three specific projects which would support the delivery of the Trust's strategic plan:

a. Formation of a single entity with the Royal Liverpool & Broadgreen University Hospitals NHS Trust.
b. Integration of some services with community service providers (including the creation of a "single point of access" to all health & social care services).
c. Integration of services with some primary care providers.

Horizontal Integration – Single legal entity with Royal Liverpool & Broadgreen University Hospitals

Ultimately both institutions would have to commit to creating a "National Centre of Excellence" in Liverpool City region as a single legal entity by an ambitious target date such as the end of March 2016. To date initial meetings between the two respective organisations have taken place which have resulted in a fair degree of consensus on the emerging pattern of services, however there is not yet an agreed consensus on the creation of a single organisation. The proposals do, however, have strong commissioner support both at a local CCG level and with NHS England.

The Aintree site would be designated as the Major Emergency Centre for the delivery of major emergency care and would incorporate the Major Trauma Centre (MTC) for Cheshire and Merseyside. The MTC would provide all the major specialist services relevant to the care of major trauma, i.e. general, emergency medicine, vascular, orthopaedic, plastic, spinal, maxillofacial, cardiothoracic and neurological surgery and interventional radiology, along with appropriate supporting services, such as critical care with consultants available on site within 30 minutes. The Aintree site would also be the preferred location for long term chronic disease management and for caring for patients in the community.

The Royal Liverpool site would be designated as the single Specialist Care Centre for the delivery of complex *elective* surgery and comprehensive cancer care. The Centre would provide all complex elective surgery including cancer surgery as the only Cancer Centre and laboratory-based research consistent with the delivery of non-emergency care on a "Cold site". Combined rotas would be established for the delivery of on-call emergency care at the Major Trauma Centre. Routine elective day surgery and clinical services supporting the care of long-term conditions in the community would be transferred to the Aintree site.

A possible configuration of specialties across the two main hospital sites is shown in Table 2:

Table 2: Service Reconfiguration with the Royal Liverpool & Broadgreen Hospitals NHS Trust

"Liverpool University Hospitals"	
Aintree site	**Royal site**
A&E (Major 24/7 Emergency Centre)	**A&E (24/7 Emergency Centre)**
Stroke Services (including HASU)	Stroke services
Liverpool Heart Attack Centre (P-PCI) (LHCH)	
All General Medical Specialties	**All General Medical Specialties**
All General Surgical Specialties	**All General Surgical Specialties**

Major Trauma Centre supported by:	**Specialist Surgical Centre** including:
General Surgery (children) (Alder Hey)	Renal Surgery
Neurosurgery major trauma (Walton Centre)	Pancreatic Surgery
Plastic Surgery major trauma (Whiston)	Liver Surgery
Cardiothoracic major trauma (LHCH)	Cardiothoracic surgery (LHCH)
Major Trauma and Orthopaedic Surgery	Orthopaedic Surgery
Vascular Surgery major trauma	Vascular Surgery
	Upper GI Surgery
Bariatric Surgery	Breast Surgery
ENT Surgery	Complex Gynaecology
Maxillofacial Surgery	
Head and Neck Surgery	
Chemotherapy/Radiotherapy (CCC)	**Comprehensive Cancer Centre** (CCC)
Integrated Community Care Centre (ICO)	
(inc Rheumatology/Diabetes/Respiratory)	
Maternity (Midwifery Led Unit) (LW)	
Rehabilitation Services	
Applied Research (Patient Trials)	**Biomedical Research Centre**
	Infectious Diseases
	Haematology
	Genetics
Laboratories	Liverpool Clinical Laboratories
Diagnostic Services (including PET CT)	**Diagnostic Services** (including research PET CT)

Vertical Integration – Community Services, Social Care and Mental Health Care Services

The delivery of this project work stream would require commitment from Aintree, Liverpool Community Health, Mersey Care and Social Services across Liverpool City and South Sefton to develop integrated pathways of care, again using an ambitious target date such as the end of March 2016.

The services which might comprise the new integrated model of care are shown in Table 3:

Table 3: Vertical integration of some aspects of community services provision

"Liverpool Integrated Community Services"			
Aintree	**LCH**	**Mersey Care**	**Social Services**
Early discharge services (stroke and orthopaedics)	Community matrons and District nursing		Discharge liaison services
Community diabetes services	Diabetes nursing and diabetes education		
Community anticoagulation services	Community anticoagulation services		
Community weight management services	Child and family weight management services		
Community cardiac diagnostic and rehabilitation services	Community cardiac rehabilitation services and community heart failure services		
Community spirometry and oxygen assessment	Community respiratory services		
Musculoskeletal assessment and pain treatment services	Community therapy services		
Aintree at Home and Reablement and Assessment Treatment Services (REACT)	Intermediate Care Beds and Rehabilitation at Home	Mental health liaison services Psychology services	Assessment & reablement Home care adaptation and home care packages
Community alcohol services		Assertive outreach/ crisis intervention Community-based intervention services	
Chlamydia testing	Chlamydia screening		
Community ENT services	Community dental		
Community ophthalmology services	Optometrists		
Community-based diagnostic assessment treatment services	Community pharmacy services and Walk in Centre Services		
	Community IV therapy services		
	Community Palliative care services		
Psychology services	Telemedicine		Hospital-based social workers

Vertical Integration – Integration with PMS Primary Care Providers

The delivery of this project work stream would require commitment from the organisations detailed above in the option designed to create an Integrated Community Service with the addition of GP PMS practices based in Liverpool and South Sefton.

The additional services which organisations might contribute are shown in Table 4:

Table 4: Vertical Integration with Primary Care Providers

"Liverpool Integrated Community and Primary Care Services"	
Aintree site	**PMS Primary Care Providers**
Community diabetes services	Practice nursing services
Community anticoagulation services	
Community weight management services	
Community spirometry and oxygen assessment services	
Community cardiac diagnostic and rehabilitation services	Atrial Fibrillation screening services and vascular health checks
Community alcohol services	Shared care services
Community ENT services	Minor surgery services
	Enhanced primary care services

Governance Arrangements for Joint Working and Integration of Services

A Joint Steering Board (JSB) should be established to provide shared governance during any re-alignment of services (and obviously for the creation of any new single legal entity). The JSB should be chaired by a NED and would include NEDs from each participating organisation and the Chief Executives of the Trusts involved supported by a Programme Director.

The JSB would establish a Joint Programme Board (JPB) to provide day-to-day leadership of the service re-alignment and integration programme. The JPB would be chaired by the Programme Director (until a Chief Executive (Designate) had been appointed) and would include jointly selected functional and clinical leads along with a representative from the University of Liverpool. Subject to JSB (and any regulatory) approval required on significant matters, the JPB would be responsible for developing initiative-level plans and for implementation.

Communications Plan

Aintree's new Corporate Communication and Engagement Strategy supports the Corporate Strategy, its enabling strategies and this Strategic Plan Document.

Under any of the options considered above, a Communications Compact will be developed to set out strategic aims for communications and engagement and to agree a joint vision and behaviours. The communications and engagement governance framework would sit under the framework agreed for the proposed activity. This would be supported by the joint development of a Communications and Engagement Plan, including SMART objectives, to support the activity.

It is anticipated that, in any activity under this plan, commissioners would lead on communications and engagement activity in line with their statutory role. Aintree would support and facilitate communications and engagement activity and expect to take an operational lead on communications activity including:

- Helping clinical leaders describe the clinical drivers for change, and clinical benefits to patients
- Supporting internal engagement among Aintree staff and volunteers
- Engaging with Aintree's Foundation Trust members
- Engaging with Aintree's patient support groups

Strategic partners in this activity would include CCG's, Specialist Commissioners and NHS England.

Strategic Plans – Next Steps

Discussions with potential partners on the three specific projects which would support the delivery of the Trust's strategic plan are at an early stage.

1.6 Appendices

Supporting Financial Information

Overview

1. In preparing the financial modelling for the 5-year Strategic Plan, the Trust has reviewed and considered whether the assumptions made in the Operational Plan submission at the end of March 2014 remain robust and has amended them where appropriate.
2. The Trust has assessed the likely efficiency target over the planning cycle based on the projected gap outlined in the 2014/15 Operating Framework. This gap is factored in through a 'tariff deflator' or through cost pressures such as pay awards / incremental drift/capital charges.
3. Where considered appropriate, the Trust has factored in any known commissioning intentions, either in the main assessment, or within the sensitivity analysis

Efficiency target

4. The Trust has assessed the efficiency target from 2015/16 through to 2018/19 at 4.0% p.a. a continuation of the assumption used in the Operational Plan submission.
5. Pay inflation over the planning cycle has been included at 1% p.a. for all employees at top of scale or on Trust contracts. Total pay expense uplift includes an assessment of the impact of incremental drift in each year.
6. Non-pay inflation is based on a review of HCI, RPI and prior year's impact assessment.
7. Table 5 below shows the projected tariff and inflationary pressures over the planning cycle:

Table 5: Efficiency Target and Inflation Assumptions

	2014/15	2015/16	2016/17	2017/18	2018/19
Efficiency target	4.0%	4.0%	4.0%	4.0%	4.0%
Tariff deflator	-1.50%	-2.00%	-2.00%	-2.00%	-2.00%
Non-tariff deflator	-1.50%	-2.00%	-2.00%	-2.00%	-2.00%
Pay expense	0.54%	1.78%	1.82%	1.70%	1.70%
Drugs expense	1.00%	1.00%	1.00%	1.00%	1.00%
Clinical supplies expense	2.50%	2.50%	2.50%	2.50%	2.50%
Non-clinical supplies expense	2.00%	2.00%	2.00%	2.00%	2.00%
Misc other operating expense	2.00%	1.00%	1.00%	1.00%	1.00%

Activity

8. The Trust is playing an active part with CCG's to shape the future health service provision within the health economy and is committed to ensure health services are delivered in the most effective way and in the most appropriate settings.
9. The Healthy Liverpool Programme, led by commissioners, will be instrumental in shaping the future of health care services across the area, and Aintree is an active member in the process. The understanding is that the forum will report on its findings in the latter part of 2014 and it is fair to say at this point that the future shape of health services remain embryonic. We remain confident of Aintree's ability to work in partnership to help shape the future provision of health services in our community.

Outpatients and elective

10. In the Operational Plan, the Trust anticipated growth of c£9.0M in income growth over the two-year cycle, based primarily on a re-investment of the tariff reduction (-1.5% p.a.) to deliver more outpatient and elective capacity to meet projected increases in the demand for health services. The trust has reviewed this assumption and considers it to be robust.
11. In respect of patient choice, the Trust has a good reputation in the local economy and considers that the risk of losing market share is low. The Trust is looking to increase market share in appropriate sectors, and this forms part of the overall growth expectations noted above.
12. For 2016/17, along the same lines, the Trust anticipates some modest growth in outpatient, daycase and elective inpatient activity to meet the growing demand for health services over the planning cycle.
13. Projected activity changes over the planning cycle are summarised in table 6 below:

Table 6: Activity Assumptions

	2014/15	2015/16	2016/17	2017/18	2018/19
Outpatients	2.1%	1.0%	1.0%	1.0%	1.0%
Elective	3.2%	1.0%	2.0%	2.0%	2.0%

14. CCG demand management techniques have had limited impact in previous years and there is insufficient detail of any specific plans to impact on flow at the present time, other than high level indicators derived from the national policy directives.
15. The potential impact of any changes in demand, at Trust level, for these areas has been modelled through the sensitivity analysis.

Non-elective and AED

16. Although the national guidance suggests a reduction of 15% in emergency admissions over the coming years, the Trust has not experienced the growth in non-elective admissions seen nationally.
17. As already noted, Aintree has already shown significant reductions in non-elective activity since 2008/09.
18. In conjunction with the fact that the vision and plans emanating from Health Liverpool are yet to be fully developed, the Trust anticipates that demand for non-elective services will remain stable over the planning period, as increases in demand, potentially due to the cuts in social care provision, are offset by commissioner/Trust developed admission avoidance schemes.
19. Projected activity changes over the planning cycle are summarised in table 7 below:

Table 7: Activity Assumptions

	2014/15	2015/16	2016/17	2017/18	2018/19
Non-elective	0.0%	0.0%	0.0%	0.0%	0.0%
AED	0.0%	0.0%	0.0%	0.0%	0.0%

20. The potential impact of the Better Care Fund on non-elective admissions has been modelled through the sensitivity analysis.
21. The trust is in discussion with CCG commissioners on the sustainability of urgent care services in light of tariff prices. The trusts Patient Level Costing system indicates that the cost of providing urgent care is in excess of £12M more than the income derived through tariff. Included within the trusts forecast for 2015/16 is an increase of £10M to support urgent care provision.

Income

22. The impact of the tariff and activity assumptions on income over the 5 year cycle is shown in table 8.

Table 8: Income Projections

	2014/15	2015/16	2016/17	2017/18	2018/19
Contract Income	257.336	265.401	262.731	260.060	257.390
Training, Education, R&D	13.849	13.849	13.849	13.849	13.849
Other	20.776	21.478	21.683	21.890	22.100
Total	291.961	300.728	298.263	295.799	293.339
Movement	-1.7%	+3.0%	-0.8%	-0.8%	-0.8%

23. CQUIN funding totals c£5.6M p.a. in the plan. To reflect that CQUINs income is dependent on successful achievement of KPI's and therefore the inherent risk this contains, a risk reserve of £0.5M has been included in each year's income expectation.

24. Contractual penalties – Whilst the Trust is confident that it will meet all targets and thus avoid incurring penalties, it has included a risk provision of £0.5M to cover financial penalties in all years of the plan.

Expenditure

25. Cost inflation has been applied to each year of the plan as outlined in table 5 above.

26. Capital charge costs have been adjusted to reflect the Trust's capital programme and PDC dividend payments adjusted to reflect the planning assumptions.

27. The Trust is not anticipating any material revenue service developments over the strategic planning phase, other than those identified for 2014/15 in the Operational Plan submission in March 2014.

28. Marginal cost assumptions, as noted above, the Trust is anticipating some growth in outpatients and on daycase and elective inpatient workload. This additional activity will increase costs at a marginal rate. The marginal rate varies depending on the type of work, with the additional cost of delivering outpatient capacity being less than for inpatient work. Much of this work is expected to be delivered through improved productivity of existing sessional work and therefore the increased costs are expected to be minimised.

29. Using average outpatient templates for clinics and similarly theatre throughput for daycase and elective inpatients, the Trust has modelled the increase in capacity/costs required to deliver the projected increase in activity. The rates applied under the planning cycle are summarised below:

Table 9: Marginal Cost Assumptions 2014/15+

	% of Income
Outpatient	10%
Daycase	20%
Inpatient	30%

CIP

30. In 2013/14 the Trust set a recurrent CIP target of £17.0M. Through a mixture of cost savings and income growth this target has been achieved and there is no carry forward of undelivered CIP into 2014/15 (2013/14 £6.6M was carried forward).

31. Following the completion of contract negotiations the Trust is facing a recurrent financial gap of

£19.5m in 2014/15. It is extremely unlikely that the Trust will be able to recover this level of shortfall recurrently and as outlined in paragraph 21 above, the trust is in discussions with commissioners around the sustainability of urgent care services moving forward. This is central to the forecast position in 2015/16.

32. As part of the annual business planning cycle Divisions/Departments have prepared an initial list of CIP plans for 2014/15 and beyond, based on the following core areas which link to the work undertaken by Ernst and Young in the early part of 2013/14 on the 'scope' for potential savings at Aintree.
    - Bed utilisation and length of stay;
    - Theatre efficiency/productivity;
    - Outpatient productivity;
    - Workforce, reviews across all disciplines;
    - Clinical support functions, internal and external demand management;
    - Procurement and drugs;
    - Private patient income generation and non-clinical income generation schemes.

33. These core principles remain the themes that the Trust is exploring and will continue to explore over the 5 years of the Strategic Plan; however, the ability of the Trust to continue to deliver internal efficiency targets of 4.0% p.a. is exhausted.

34. The Healthy Liverpool Programme is looking at the future of health services across the economy and integral to this is the expectation of a major reconfiguration of services in the future.

35. Consequently from 2016/17, delivery of the expected efficiency target of 4.0% p.a, is assumed to be met through service rationalisation.

36. Whilst this remains a concept, discussions between the relevant organisations have commenced, and there is a reasonable expectation that a direction of travel can be formulated and delivered within the planning cycle.

37. The Trust anticipates it will be able to deliver around £25M in savings, around 10% of contract income, from the service reconfiguration over the last three years of the model.

38. The impact of the inflationary and CIP assumptions on expenditure over the 5 year cycle is shown in table 10.

Table 10: Expenditure Projections

	2014/15	2015/16	2016/17	2017/18	2018/19
Employee expenses	(188.685)	(192.621)	(186.799)	(182.347)	(178.129)
Drugs	(21.253)	(21.892)	(22.231)	(22.574)	(22.921)
Clinical supplies and services	(33.660)	(35.366)	(35.926)	(36.500)	(37.105)
Non-clinical supplies	(32.987)	(34.165)	(34.813)	(35.476)	(36.150)
Other operating expenses	(2.038)	(2.209)	(2.230)	(2.252)	(2.275)
OPERATING COSTS	(278.623)	(286.253)	(281.999)	(279.149)	(276.580)
Depreciation	(8.250)	(8.314)	(8.333)	(9.600)	(10.249)
Interest receivable	0.100	0.100	0.100	0.100	0.100
Interest payable	(1.473)	(1.871)	(1.877)	(1.877)	(1.877)
PDC Dividend	(3.650)	(4.064)	(4.372)	(4.355)	(4.308)
TOTAL COSTS	(291.896)	(300.402)	(296.481)	(294.881)	(292.914)

Capital

39. The Trust has a defined capital programme over the 5 year planning horizon, which includes the redevelopment of the A&E department as outlined in the Operational Plan submission in March.
40. This scheme covers the bulk of the capital spend, principally in the first two years of the cycle and is supported by borrowing. The remainder of capital spend covers core issues such as equipment replacement, IT and ward infrastructure.
41. Total capital spend over the five years is £54.7M, with £35.2M in 2014/16.

Summary

42. The revenue position over the planning cycle (together with the impact on CoSRR and cash) is summarised below:

Table 11: I&E Projections

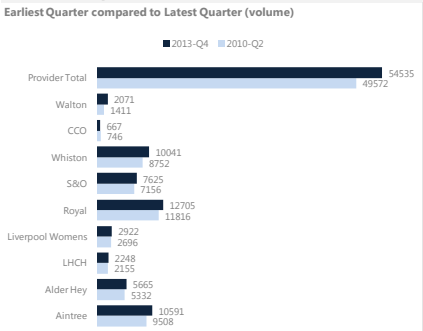
	2014/15	2015/16	2016/17	2017/18	2018/19
Income	291.961	300.728	298.263	295.799	293.339
Expenditure	(291.896)	(300.402)	(296.481)	(294.881)	(292.914)
Surplus / (Deficit)	0.065	0.326	1.782	0.918	0.425
EBITDA %	4.57%	4.81%	5.45%	5.63%	5.71%
CoSRR	4	3	3	4	4
Cash	36.298	24.630	25.292	27.150	29.163

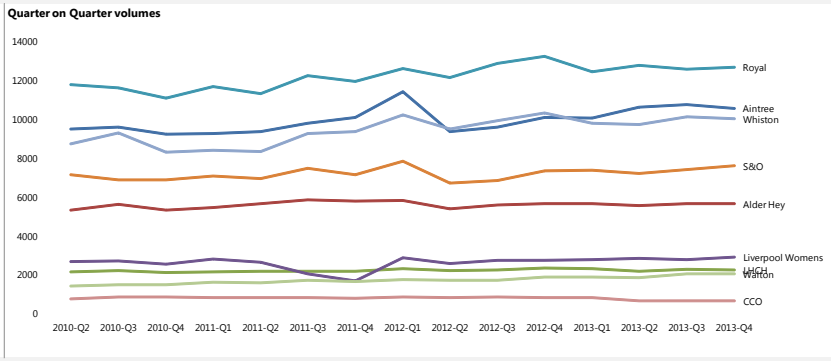
43. Based on the assumptions outlined above, the trust is financially viable over the planning cycle. CoSRR will be at 3 or above over all 5 years.fa

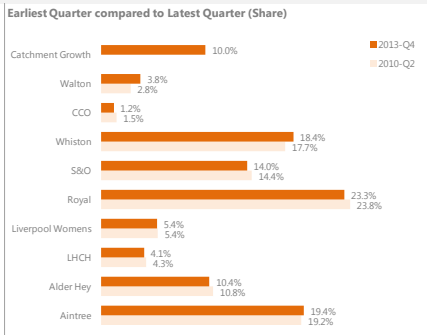
Appendix 1: Market Analysis Q2 2010/11 – Q4 2013/14

Quarterly Activity

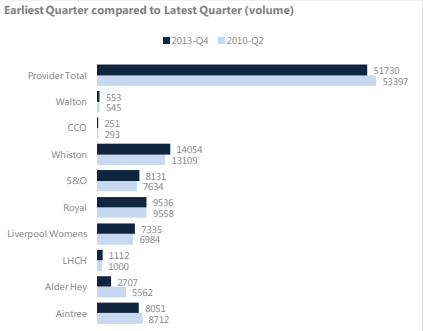
Elective Spells

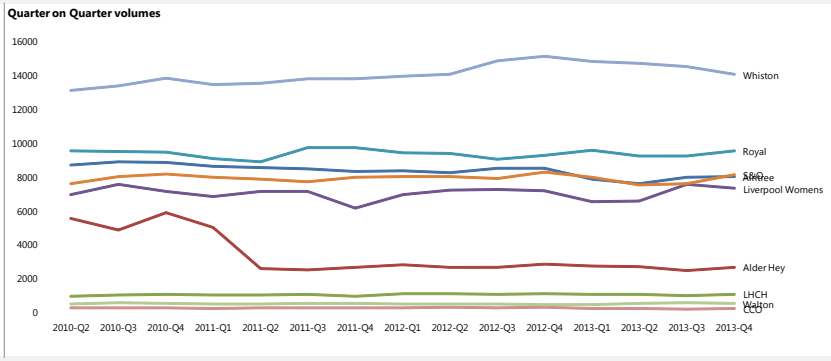


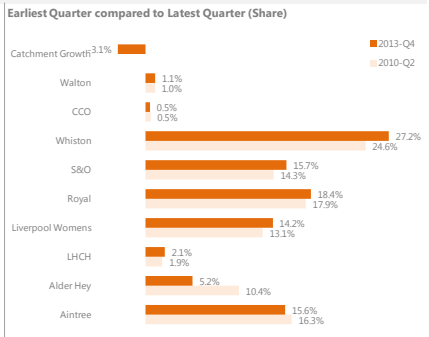




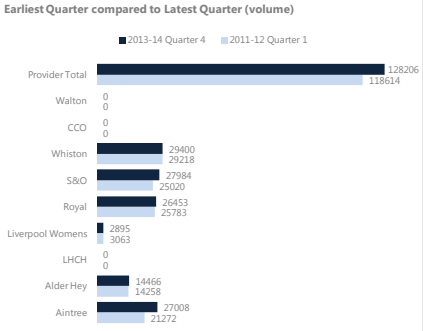
Non-Elective Spells

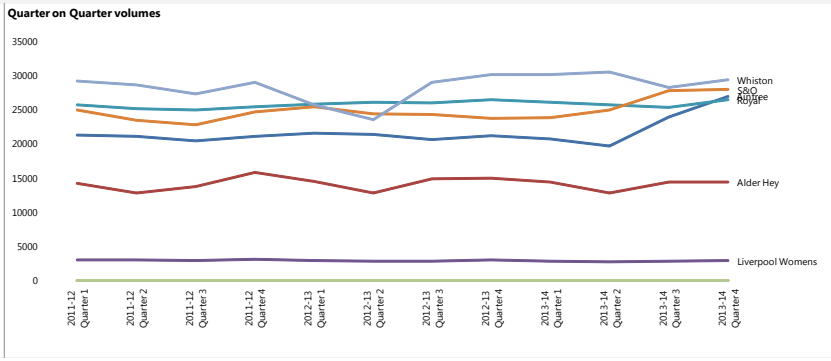


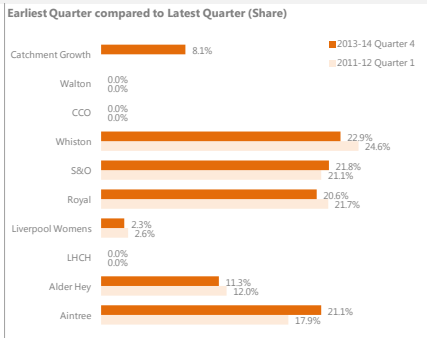




A&E Attendances







Appendix 2: Quality and Financial Sustainability Improvement Programme (QFSIP) - Top CIP Schemes

Ref	Scheme	Scheme description including how scheme will reduce costs	Under-pinning IT / information or management systems	Total savings £m	2014/15	2015/16	2016/17	2017/18	2018/19
1	Length of Stay	Reduced bed base through service redesign, reduced ALOS; service rationalisation with partner organisations; changes in activity	ALOS; daycase utilisation; pre-intervention bed day rates; cancelled operations; readmission data; frequent AED attenders information	£2.4M	£1.3M	£1.1M	£0.0M	£0.0M	£0.0M
2	Theatre efficiency/ productivity	Increase theatre efficiency, improve throughput, increase workload, improved theatre management, reduce agency spend, improve sickness levels, annualised contracts	Theatre utilisation; Peer to peer review of list management, sickness rates; activity delivery	£1.5M	£0.7M	£0.5M	£0.1M	£0.1M	£0.1M
3	Outpatient productivity	Review of outpatient delivery across the Trust, standardisation into consistent model of delivery; reduce FA:FU rates; increase throughput; deliver more FA capacity	Benchmarked output data, peer to peer review, outpatient cancellation rates, outpatient DNA rates. First to follow-up ratios; activity delivery	£0.9M	£0.5M	£0.4M	£0.0M	£0.0M	£0.0M
4	Medical Workforce	Review of job planning; improved efficiency through outpatient and theatre scheduling; review of on-call intensity; review of enhancements; service rationalisation; reduce WLI's	Activity reporting at consultant level; benchmarking both internally (peer to peer) and externally of output volumes; review of junior medical workforce	£1.2M	£0.5M	£0.7M	£0.0M	£0.0M	£0.0M

5	Clinical support functions	Service rationalisation (e.g. pathology joint venture with RLBUH); service redesign	Establishment numbers	£1.5M	£0.8M	£0.4M	£0.1M	£0.1M	£0.1M
6	Workforce review	Review of senior management function and all mid-office and back-office admin functions, reducing A&C workforce costs	overtime rates and usage; establishment numbers; improved sickness levels	£2.8M	£0.5M	£0.8M	£0.0M	£0.0M	£0.0M
7	Procurement and Drugs	Targeted savings based on price negotiation and product rationalisation	Purchase ordering system	£6.4M	£1.2M	£1.0M	£1.4M	£1.4M	£1.4M
8	Reduce agency spend	Reduce agency spend across all staff groups	Finance system	£2.5M	£1.0M	£0.3M	£0.0M	£0.0M	£0.0M
9	Strategic Reconfiguration	Savings derived from service reconfiguration across the Liverpool Health Economy	Healthy Liverpool Outcomes	£25.0M	£0.0M	£0.0M	£9.5M	£7.9M	£7.6M
10	Non recurrent	All areas		£0.0M	£5.5M	£0.3M			
				£54.6M	£12.0M	£5.5M	£11.1M	£9.5M	£9.2M