

Strategic Plan Document for 2014-19

Ashford and St Peter's Hospitals NHS Foundation Trust

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	30 th June 2014

The attached Strategic Plan is intended to reflect the Trust's business plan over the next five 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 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)	Aileen McLeish
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Signature 

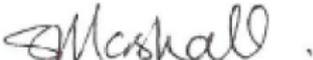
Approved on behalf of the Board of Directors by:

Name (Chief Executive)	Andrew Liles
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Signature 

Approved on behalf of the Board of Directors by:

Name (Finance Director)	Simon Marshall
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Signature 

Summary Strategic Plan 2014/15 - 2018/19

30 June 2014

Executive Summary

Our vision

This document summarises the Strategic Plan for Ashford & St Peter's NHS Foundation Trust for 2014/15-2018/19. During 2013 we refreshed our Trust strategy for the next five years, through a process involving extensive consultation with the Board, with Governors, staff groups from across the organisation, with patient groups and with commissioners.

Our refreshed vision, **to create excellent joined-up patient care**, captures our ambition to:

- **Join up** care **within** our hospitals – to ensure our care is well coordinated, our patients are kept informed, and there is no unnecessary waiting.
- **Join up** care **into and out of** hospitals, enabling good access into our hospitals and ensuring seamless pathways out of hospital to the appropriate next care setting.
- Provide leadership in **creating great systems of care** locally.
- Deliver **excellent care** to our patients. A strong component of feedback from our staff was the ambition to be amongst the best in the care we deliver.
- Put **patients at the centre** of everything we do.

Context for our strategic plan

The population served by ASPH is growing and ageing, and as a consequence, demand for healthcare is forecast to continue to rise. The costs of meeting this demand are expected to rise more quickly than the resources available to the local health and care system.

New national clinical standards for acute care provision are designed to further improve the quality of hospital care. However, as a result of the financial and workforce challenges associated with these standards, it is unlikely that ASPH will be able, in its current form, to meet the national requirements for 7 day consultant delivered care. There is also a significant risk that, as a result of the relatively small population served by the Trust, that it becomes increasingly difficult for ASPH to sustain key specialist services, including the cardiovascular services provided at St Peter's Hospital.

ASPH faces a requirement to generate onerous efficiency savings of 5%-6% per annum for the foreseeable future (equating to c£60m-£70m over the next 5 years). The Trust does not believe that efficiencies of this magnitude are deliverable in the current model. The Trust's financial model forecasts a deficit by 2016/17. Taken together these factors lead to the conclusion that ASPH is not sustainable in its current form.

Proposed merger with Royal Surrey County Hospital NHS Foundation Trust

Over the last 18 months, ASPH and RSCH have created a strong Principal Partnership through which a clear clinical vision and strategic direction has been developed and agreed.

In April 2014, the Boards of ASPH and RSCH approved an Outline Business Case (OBC) for the further development of their partnership. The OBC identified that a merger of ASPH and RSCH provides the greatest benefits to patients, commissioners and the health economy. The OBC identified substantial merger synergies. Financial modelling indicates that the merged Trust will be financially sustainable. Work has now commenced to prepare a Full Business Case and Long

Term Financial Model for the merger. The current timetable for the merger would enable a new merged organisation to form on 1 June 2015.

Development of Integrated Care

Alongside merger with RSCH, ASPH also see the development and delivery of new models of integrated health and social care as pivotal to the long term sustainability of the local NHS. ASPH and NW Surrey CCG are aligned in the belief that patients are best served through joined up, integrated care.

Our strategic plan describes the action ASPH is taking to deliver integrated care. This includes continuing to work with NW Surrey CCG to support the development of new models of care and to integrate pathways and developing a clear proposition setting out how ASPH can support NW Surrey CCG to deliver its ambition for the development of locality hubs.

Service Line Plans

Our strategic plan describes the strategic plans for each of the Trust's major service lines. The strategic priorities for each of the service lines are summarised in the table below.

Service Line	Strategic Priorities
Urgent and Emergency Care	<ul style="list-style-type: none"> • Through the merger with RSCH, enhancing general hospital urgent care services, ensuring patients have access to the care they need 7 days a week and 24 hours a day where appropriate • Working with local partners to realise our vision of joined up healthcare
Planned Care	<ul style="list-style-type: none"> • A targeted approach to defend and grow market share for the Trusts services • Further improvement in pathways and processes within the Trust and with primary care
Women's and Children's Services	<ul style="list-style-type: none"> • Increasing maternity capacity at St Peter's Hospital • Redesigning emergency paediatric services • Becoming Surrey's main paediatric specialist centre, enabled by the merger with RSCH
Specialist Services	<ul style="list-style-type: none"> • Development of Cardiology, Vascular and Inpatient Renal Services in a Major Emergency Centre at St Peter's Hospital, enabled by the merger with RSCH • Development of a cancer and diagnostic treatment service at Ashford Hospital through the merger with RSCH

Financial Plan

Our baseline financial analysis demonstrates that the Trust will be in deficit by 2016/17. The proposed merger with RSCH provides a route to financial sustainability. Although there will be significant transition costs in 2014/15, the merged Trust will be in a position to deliver a sustainable surplus from 2015/16. Delivery of merger synergies in 2015/16 will be critical with an urgent need to ensure a rapid pace of delivery from the outset. Achievement of merger synergies is critical to our long term financial sustainability.

1. Summary of our vision and strategy

1.1 It is now four years since ASPH was authorised as an FT and we have made good progress delivering many of the ambitions we set out in our strategy when it was developed in 2009/10. During 2013 we refreshed our Trust strategy for the next five years, through a process involving extensive consultation with the Board, with Governors, staff groups from across the organisation, with patient groups and with commissioners.

1.2 Our refreshed vision, **to create excellent joined-up patient care**, captures our ambition to:

- **Join up** care **within** our hospitals – to ensure our care is well coordinated, our patients are kept informed, and there is no unnecessary waiting.
- **Join up** care **into and out of** hospitals, enabling good access into our hospitals and ensuring seamless pathways out of hospital to the appropriate next care setting.
- Provide leadership in **creating great systems of care** locally.
- Deliver **excellent care** to our patients. A strong component of feedback from our staff was the ambition to be amongst the best in the care we deliver.
- Put **patients at the centre** of everything we do.

1.3 The diagram below illustrates the architecture of our plan. Each of the key components of our strategy are summarised overleaf.



1.4 Our missions summarise the type and scale of services we offer for our patients, and our two mission statements reflect the equal value we put on our 2 distinct types of services:

- **Developing Integrated Care for our local population.** This mission articulates our role in delivering services for the populations for whom our 2 hospital sites are their closest acute provider and emphasises our desire to integrate care pathways with primary care, and with community and social care providers. It encompasses our core services: A&E, urgent care, planned surgery, obstetric and paediatric care. It involves the majority of our inpatient beds, our day case and our outpatient services.
- **Delivering high quality specialist services in Surrey.** This mission encapsulates our broad range of specialist services, which, whilst delivered in Surrey, serve a population over a much wider area. Our specialist services include cardiovascular services, bariatric surgery and level 3 neonatal care.

1.5 Our values summarise the behaviours to which we aspire as an organisation – Putting Patients first, Personal Responsibility, Passion for Excellence, Pride in Our Team – the 4 Ps. These values remain unchanged – we believe they are enduring and reflect how we want to do things.

1.6 Our Strategies – BEST - provide the framework in which we articulate all our planning. Our priorities in relation to each of these strategies are described in section 6 of this plan.

- **Best Outcomes.** This objective describes our ambitions, priorities and detailed plans for improving clinical outcomes.
- **Excellent Experience.** This objective describes how we deliver great experience for our patients.
- **Skilled Motivated Workforce.** This objective describes our plans to ensure we recruit, retain, develop and motivate our staff and how we enable them to work together to become high performing teams.
- **Top Productivity.** Our plans to maximise financial effectiveness within the Trust, seeking to optimise income where appropriate and deliver cost efficient services without compromising quality.

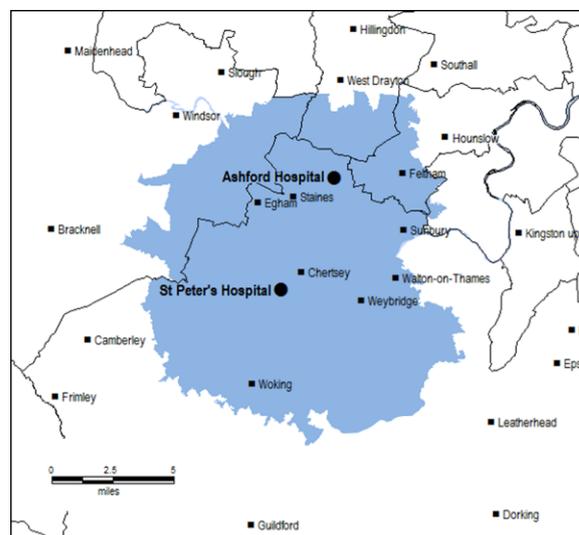
1.7 Firm Foundations refer to the key corporate strategic goals which need to be put in place in order to support the front-line clinical divisions in delivering the Trust vision and detailed strategies.

- a) **Creating the Right Culture.** Creating the right culture and having a motivated and engaged workforce is fundamental to delivering our vision of excellent care.
- b) **Ensuring a Good Reputation with the communities we serve.** The hospitals are very much at the heart of the local communities we serve. We are one of the biggest local employers, and the majority our local populations will need to access our services at some point in their lives. We want to continue to build a strong reputation, founded on trust and confidence in the quality of our services and we want to do this by engaging through our Foundation Trust members and our Governors who represent them.

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- c) **An Electronic Health Record.** Over 3 years, we are committed to providing an electronic health record which supports and drives better care by seamlessly providing clinical information to our clinical teams and allows this information to be shared with health professionals inside and outside hospital where it supports the care of our patients.
 - d) **A Modern Estate.** Having the appropriate healing environment, and ensuring our estate is fit to meet the increasing demands for our services requires significant investment. We are committed to delivering a Ten-Year estate strategy which will provide a new and expanded Accident and Emergency Department and Critical Care Unit at St. Peter's Hospital and enhance our facilities for Cancer patients at Ashford Hospital. We will also invest in the right capability and quantity of key equipment particularly in areas such as diagnostics and theatres.
 - e) **Harnessing Education, Research and Innovation.** Research, education and innovation support improved delivery of care and help to attract the highest calibre clinicians. Working in partnership with Royal Holloway University and the University of Surrey, we will seek to do this.
 - f) **Responsive and Accessible to Patients and GPs.** We want to be an organisation where it is easy to access and book into our services, and for GPs, one where we provide timely and appropriate clinical advice and clear information about their patients.
 - g) **Our Partnership with RSCH – Surrey Health Partners.** There remain significant quality and financial drivers to deliver services at scale. Our proposed merger with the Royal Surrey County Hospital is a crucial enabler for this and over the 3 years of this strategy we will seek to deliver our shared plans to improve services to the benefit of our patients. The 'triangle' summarising our vision and strategy has been prepared in a similar format to that of RSCH, whilst remaining distinctive in the detail of our plans. Section 4 of this document describes in more detail the proposed merger.

2. Market Analysis and Context

2.1 Providing services from St Peter’s Hospital in Chertsey and Ashford Hospital in Middlesex, Ashford and St Peter’s Hospitals provides a full range of acute hospital services to a local population of 410,000 people and some specialist services, such as neonatal intensive care and cardiovascular services to a population of up to 1 million people in central and eastern Surrey. The map opposite shows the local catchment served by the Trust.



2.2 This strategic plan is based on a detailed assessment of the wider context within which the Trust operates. This chapter of the plan sets out our assessment of the material challenges facing the local health economy.

Healthcare needs assessment

2.3 Surrey is one of the least deprived areas of the country, with higher than average life expectancy and one of the lowest levels of premature mortality in England. This means that a higher proportion of our population are living longer into old age and need more help and support when they become frail, often with a variety of complex health needs. The overall picture masks pockets of deprivation in some areas of our catchment. The figure below, taken from the Strategic Commissioning Plan of our main commissioner, NHS NW Surrey CCG, provides an overview of the health needs in each of the four boroughs within NW Surrey. Our strategic plan is designed to support the CCG as it develops local services in locality hubs to meet the specific needs of the population.

	Elmbridge	Runnymede	Spelthorne	Woking
Deprivation	Lower than average, however 2,300 children live in poverty & estimated 4% of population live in most deprived areas of England ¹	Lower than average, however 1,600 children live in poverty & estimated 6% of population live in most deprived areas of England ¹	Lower than average, however 2,600 children live in poverty & estimated 9% of population live in most deprived areas of England ¹	Lower than average, however 2,300 children live in poverty & estimated 1% of population live in most deprived areas of England ¹
Life Expectancy	Higher than expected for men & women, however, 5.9 years less for men in most deprived areas in Elmbridge	5.3 years lower for men and 4.8 years lower for women in the most deprived areas in Runnymede	4.7 years lower for men in the most deprived areas in Spelthorne	7.3 years lower for men in the most deprived areas of Woking
Mortality	Rates have fallen & better than England average for heart disease & stroke	Rates have fallen & better than England average for heart disease & stroke	Rates have fallen & better than England average for heart disease, cancer & stroke	Rates have fallen & better than England average for heart disease & stroke
Children	Better than England average for rate of obesity, teenage pregnancy, smoking in pregnancy and breast feeding	Better than England average for rate of obesity, smoking in pregnancy and breast feeding	Better than England average for rate of smoking in pregnancy and breast feeding	Better than England average for rate of teenage pregnancy, smoking in pregnancy and breast feeding
Adults	Estimated better than England average for healthy eating, obesity, smoking, alcohol related harm and STI	Estimated better than England average for healthy eating, smoking, alcohol related harm and STI	Estimated 18.7% of adults smoke and 26% are obese. Better than England average for alcohol related harm, STI, hospital stays for self harm & drug misuse	Estimated better than England average for obesity, physical activity, STI, smoking related deaths and hospital stays for alcohol related harm
Local Priorities	Alcohol, skin cancer and hip fractures	Alcohol and hip fractures	Diabetes, alcohol and smoking	Alcohol and smoking

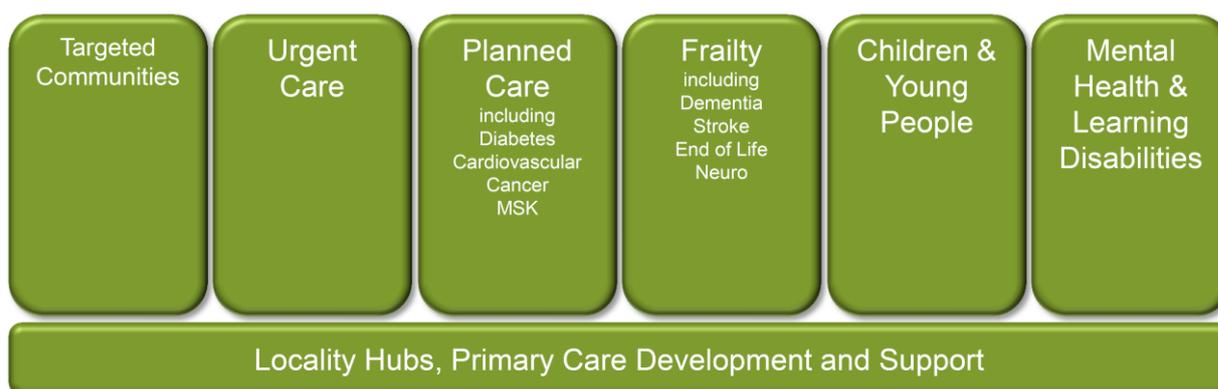
- 2.4 The population served by ASPH is expected to grow by 7% between 2013 and 2023. During the same period both the proportion and absolute numbers of older people are expected to grow markedly. The combined impact of population growth and increased life expectancy means that in the catchment of the Trust, the estimated number of people aged 65+ will rise by approximately 14,000, to 80,000 by 2023. The estimated number of people aged 85+ will rise by 4,000, to 15,000, in the same period.
- 2.5 Because older people are more likely to experience long term conditions and because of the ageing population, demand for healthcare is expected to continue to rise. Specifically the number of frail elderly people with significant complex physical health, mental health and social care needs will continue to rise.
- 2.6 Patients and the public rightly have high expectations of the quality and safety of the care they receive. In order to meet these expectations, and as a result of a range of other factors, providing healthcare is also becoming increasingly more expensive. Taken together, the impact of increasing costs and increasing demand is creating financial pressures for NHS providers generally, and specifically for ASPH. A new approach is needed, and is being developed, to meet the health needs of the population within the available resources.

National and local policy context

- 2.7 These challenges are faced at the same time as the NHS is experiencing its most difficult economic environment since it was created. For the next decade the NHS expects its budget to remain flat in real terms, or to increase with overall GDP growth at best. Nationally the response to these challenges includes:
- **A relentless focus on efficiency, though a tariff deflator.** This leads to reduced income for ASPH and the Trust will need to make efficiency savings in the order of 5-6% per annum for the foreseeable future. ASPH does not believe that efficiencies of this magnitude are achievable as things stand and forecasts that, as a stand alone entity, the Trust will move into deficit within three years.
 - **Development of integrated models of care.** An increasing focus on developing integrated models of care is coupled with a strong emphasis on delivering more care in the community. The development of integrated care is welcomed but there is a significant risk that the local health system struggles to deliver the required changes and that the Better Care Fund is ineffective in reducing admissions, resulting in a substantial deficit for NW Surrey CCG, for ASPH or for both.
 - **New clinical standards for 7 day services.** There is a growing array of new standards for acute services, many requiring additional investment. A key current focus is to ensure that patients have access to care delivered by consultants with the requisite sub-specialty skills, 7 days a week, and (where appropriate) 24 hours a day. It is unlikely that ASPH will be able to meet these standards by working independently; the proposed merger with RSCH is a key enabler to meeting these standards.

- **Drive to centralise specialist services.** There is a strong body of evidence that an increasing number of clinical services are better concentrated in fewer centres undertaking higher volumes of activity. Nationally, cardiology, stroke and vascular services are expected to be consolidated into 40-70 Major Emergency Centres (MECs), with a smaller number of larger specialist centres serving larger catchment populations. The proposed merger with RSCH will provide St Peter's Hospital with a catchment population of 1 million, the target population for an MEC. St Peter's Hospital is therefore well placed to be developed as an MEC and this forms an important aspect of our strategic plan to ensure the sustainable provision of specialist services for the local population.
- **Competition as a tool to improve quality and reduce costs.** Competition, particularly for planned care services, is and will continue to be a key commissioning tool to drive higher quality and to reduce prices. Local commissioners have indicated their intentions to develop lower cost community based provision of dermatology, ophthalmology, gynaecology, cardiology and diagnostic services.

2.8 Locally, NW Surrey CCG has developed a five year Strategic Commissioning Plan. The Strategic Commissioning Plan sets out the CCG strategic improvement programmes for the period 2014/15 – 2018/19, which are summarised in the figure below.



Forecast activity, capacity and revenue

- 2.9 In overall terms the CCG's forecast increase in activity (driven by demographic and non-demographic growth) and reductions in activity (driven by QIPP and the Better Care Fund) largely cancel each other out over the next five years.
- 2.10 The forecast revenue for the Trust over the next five years is expected to be broadly frozen in cash terms.

Alignment with NW Surrey CCG Plans

- 2.11 The Trust Board and the NW Surrey CCG Governing Body have recognised the importance of our strategic and financial plans being fully aligned and are conscious of the risks to the sustainability of the provider, commissioner and system as a whole. Consequently, a Joint Plan for Sustainable Services has been undertaken to ensure the delivery of high quality services that are sustainable for both organisations.

2.12 The review concluded the development of integrated care in the community offers greatest potential to deliver higher quality care at a lower cost for the health economy. Providing urgent care services in the community may improve access and reduce costs for NWS CCG but ASPH has limited scope to release costs in line with any reduction in income. Re-provision of planned care services may increase patient choice and use of best practice pathways but would remove profit-making activity from ASPH, which currently offsets losses on non-elective work.

Summary of Market Analysis and Context

2.13 Our conclusions, based on our analysis of the market and context are that:

- a) Surrey is generally one of the most healthy and wealthy areas in the country, and the population served by ASPH is growing and ageing. Demand for healthcare is forecast to continue to rise; if current admission rates were to remain constant, demographic changes could result in a requirement for 20% more inpatient capacity in the Trust over the next ten years.
- b) The costs of meeting this demand are expected to rise more quickly than the resources available to the local health and care system. The Trust currently loses around £5m per annum on emergency pathways. New approaches within primary care and through investment via the Better Care Fund will be required to meet the needs of the ageing population within the available resources.
- c) NW Surrey CCG has developed a Strategic Commissioning Plan that involves the redesign of services for older people, of planned care services and of children's services. There is an increasing degree of alignment between the Trust's plans and the CCG plans.
- d) New clinical standards for acute care provision are designed to further improve the quality of hospital care. However, as a result of the financial and workforce challenges associated with these standards, it is unlikely that ASPH will be able, in its current form, to meet the national requirements for 7 day consultant delivered care.
- e) There is a significant risk that, as a result of the relatively small population served by the Trust, that it becomes increasingly difficult for ASPH to sustain key specialist services, including the cardiovascular services provided at St Peter's Hospital.
- f) ASPH faces a requirement to generate onerous efficiency savings of 5%-6% per annum for the foreseeable future (equating to c£60m-£70m over the next 5 years). The Trust does not believe that efficiencies of this magnitude are deliverable in the current model. The Trust's financial model forecasts a deficit by 2016/17.
- g) Taken together these factors lead to the conclusion that ASPH is not sustainable in its current form.
- h) Despite these challenges, ASPH is optimistic about the future. This document sets out our strategic plans to improve the quality and sustainability of health services for the populations we serve.

3. Our Proposed Merger with Royal Surrey County Hospital NHS FT

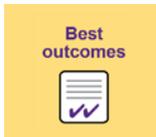
- 3.1 Over the last 18 months, ASPH and RSCH have created a strong Principal Partnership through which a clear clinical vision and strategic direction has been developed and agreed. The clinical vision is designed to enable patients to access the best possible specialist and local health services as close to home as is feasible. It involves the continued provision of local, high quality emergency and obstetric care at both RSCH and St Peter's Hospital, and the further enhancement of specialist services for local people.
- 3.3 St Peter's Hospital is ideally positioned to be established as a Major Emergency Centre at the heart of Surrey, supporting a population of 1 million people. Ashford Hospital will be a base for outpatients and day surgery, and will provide a range of cancer related diagnostic and treatment services.
- 3.4 By taking their partnership to a new level, the trusts have the opportunity to deliver substantial benefits for patients.
- 3.5 In April 2014, the Boards of ASPH and RSCH considered an Outline Business Case (OBC) for the further development of their partnership. During the process of developing the OBC the Boards systematically evaluated the options for the further development of the partnership against six weighted criteria, which were focussed on patient benefits. The option appraisal identified that merger is, by a considerable margin, the preferred option. Merger provides the greatest benefits to patients, commissioners and the health economy.
- 3.6 A merger of ASPH and RSCH will result in substantial improvements in patient care:
- a) Enabling the Trusts to deliver a comprehensive portfolio of sub-specialist acute services which are fully compliant with and in some respects exceed NHS England's emerging standards for 7 day working.
 - b) Enabling patients to access greater range of high quality specialist services locally.
 - c) Offering patients improved access to cutting edge treatments and innovative, "best in class" care pathways.
 - d) Enabling a step change in both the effectiveness of care delivery and patient experience by accelerating the deployment of digital technology to deliver a functional Electronic Patient Record within 3 years.
- 3.7 A merger of ASPH and RSCH is also good for commissioners and for the health economy. It will support commissioners to achieve their ambitions for patients and result in more cost effective acute care, and ensure the continued provision of sustainable acute services for the population. The Outline Business Case identified significant merger synergies. Financial modelling indicates that the merged Trust will be financially sustainable, generating a surplus from 2015/16.
- 3.8 The risks of delivering a merger have been assessed and are considered manageable. Work has now commenced to prepare a Full Business Case and Long Term Financial Model for the merger. The current timetable for the merger would enable a new merged organisation to form on 1 June 2015.

4. Developing Integrated Care for our population

- 4.1 Alongside merger with RSCH, ASPH also see the development and delivery of new models of integrated health and social care as pivotal to the long term sustainability of the local NHS. These new models will involve substantial redesign of patient pathways and closer partnerships between acute, mental health, community and primary care providers, and between health and social care.
- 4.2 For patients, these new models of care are intended to result in the provision of more personalised care in the most appropriate setting. As much care as possible would be delivered in a community setting, where it makes clinical and economic sense to do so. Through the systematic identification of individual patients who are at risk, and proactive interventions to address that risk, individuals can be supported to remain healthy and independent, in the community, for longer. This results in improved quality of life for patients, and lower costs for the health and care system overall.
- 4.3 ASPH and NW Surrey CCG are aligned in the belief that patients are best served through joined up, integrated care. Both organisations share the view that improvements in integrated care represent one of the greatest opportunities to improve quality, reduce care costs, access Better Care Funds and address the gap between ASPH and NWS financial plans.
- 4.4 Our strategic plan describes the action ASPH is taking and will take over the next five years to pursue opportunities to extend the Trust's reach into community services and to build the capability to deliver integrated care. This includes:
- Continuing to work with NW Surrey CCG to support the development of new models of care and to integrate pathways.
 - Developing a clear proposition setting out how ASPH can support NW Surrey CCG to deliver its ambition for the locality hubs.
- 4.5 An important enabler to more effective joined up care is the development and deployment of an Electronic Patient Record which can be accessed by clinicians and by patients, wherever they are in the care pathway. Providers will need to harness the power of digital technology to improve patient access to and experience of care, for example, making it easier to book and change appointments online, and providing patients with web access to their health records. Research indicates that there is a correlation between those hospitals with more mature electronic patient record systems and those with lower mortality.
- 4.6 We believe that by working together, ASPH and RSCH are more likely to be able to deliver an EPR and reach higher levels of clinical IT maturity. Through greater collaboration there is therefore the opportunity for ASPH and RSCH to enable a step change in both the effectiveness of care delivery and patient experience by accelerating the deployment of digital technology to deliver a functional EPR. Further work to develop and refine the plans to implement an EPR will be undertaken during 2014.

5. Our Priorities for 2014/15 – 2018/19

5.1 This section of our strategic plan summarises our priorities related to each of our four BEST strategies for the next five years.



Best Outcomes: **Our priorities for improving clinical outcomes** **in 2014/15 – 2018/19**

5.2 Overall, measured against a wide range of quality metrics, ASPH offers high quality and safe care to our patients. Following visits by the CQC to both Ashford Hospital and St Peter's Hospital we have no outstanding concerns. The CQC grouped all 161 acute NHS Trusts into six bands based on the risk that people may not be receiving safe, effective, high quality care. ASPH has been assessed as being in risk band 6 – the lowest risk category. We also score well against the majority of our quality and performance standards.

5.3 Although we have made good progress improving outcomes for patients, our ambition is to go further. Our operational plan for 2014/15 – 2015/16 describes how we will reduce in-hospital mortality, eradicate avoidable harm and reduce inappropriate admissions. In the period 2016/17 – 2018/19 our aim is that, in the merged organisation, the focus of our 'best outcomes' strategy will shift from preventing harm to driving positive improvements in health outcomes for our patients. Our longer term priorities are to:

- a) **Use patient reported outcomes to measure and drive improvement**
- b) **Support patients to achieve the best possible functional outcomes and health related quality of life.**
- c) **Further improve clinical effectiveness**



Excellent Experience: **Our 2014/15 – 2018/19 priorities** **to deliver a great experience for our patients**

5.4 Ensuring a great experience is an integral part of delivering excellent patient care. Our actions for 2014/15 – 2015/16 focus on how we will improve the patient experience, improve the response, management and use of the learning from complaints and improve the staff experience of delivering care.

5.5 Our plans focus both on what we can do internally to improve patient experience of the services we provide, and on identifying ways in which we can join up care for individual patients as they access services in different parts of the health system. Our longer term priorities for the merged organisation in the period 2016/17-2018/19 are to:

- a) **Co-design clinical services with patients and their carers**
- b) **Empower patients to take control of their own healthcare**
- c) **Address the issues that prevent staff from delivering excellent care**
- d) **Improve customer service in our hospitals**



Skilled, Motivated Teams: Our 2014/15 – 2018/19 plans to ensure we recruit, retain, develop and motivate our staff and enable them to work together to become high performing teams

- 5.6 In order for us to achieve our vision and ambition of creating excellent joined up health care we need to plan, build and develop a workforce that are flexible and responsive to patient and service needs and who are well engaged with the organisation. We want our staff to be confident and be empowered to be creative, innovative and exploit opportunities for improvements.
- 5.7 Our operational plan describes our priorities for 2014/15 – 2015/16 to recruit, retain and develop an affordable, sustainable and highly skilled workforce; improve staff engagement, staff experience, staff wellbeing and team working; implement an improved Education & Development strategy/programme and implement a new pay and reward framework.
- 5.8 Our longer term priorities for the merged organisation in the period 2016/17 – 2018/19 are to:
- Implement the integration plan for the proposed merger with RSCH and deliver the merger benefits**
 - Agree and implement a medical workforce strategy**
 - Establish a nursing academy with the University of Surrey, converting more students into nurses in the Trust**
 - Develop and implement a new organisational reward package**



Top Productivity: Our 2014/15 – 2018/19 priorities to maximise financial effectiveness within the Trust, seeking to optimise income where appropriate and deliver cost efficient services without compromising quality.

- 5.9 In order to respond to these financial drivers and to ensure we remain financially sustainable in the medium term we will need to deliver a substantial efficiency programme of at least 5% per annum, work across the health economy to reduce emergency activity and readmissions and deliver upper quartile productivity levels.
- 5.10 During 2014/15 – 2015/16 we are driving service change in five key areas: Emergency Service Redesign; Improving Discharge; Outpatients; Elective Services and Modernising the Workforce. Our 2016/17 - 2018/19 priorities for the merged Trust will be to:
- Deliver merger synergies and CIP plan, creating 1.5% recurrent surplus**
 - Deliver clinical and corporate service redesign, realising the productivity benefits sought by commissioners**
 - Secure profitable growth, including the development of St Peter's Hospital as a Major Emergency Centre**
 - Deliver the long term capital plan including the estate improvement and reconfiguration plan**

6. Service Line Implications

6.1 This chapter of the strategic plan describes the implications of our strategy on each of the Trust's major service lines:

- Urgent and Emergency Care
- Planned Care
- Women's and Children's Services
- Specialist Services

Urgent and Emergency Care

Implications of the market analysis and context

6.2 The redesign of the urgent care system, in order to reduce hospital attendance and admission, is a key priority for NW Surrey CCG. The CCG strategic plan envisages:

- Minor illness and injury treated in a primary care setting.
- Ambulatory care services focussed on admission avoidance.
- Development of Integrated Care Centres, providing out of hospital care, minor injury and ambulatory care.
- 7 day consultant delivered care in hospital, in line with Keogh requirements.

6.3 These initiatives are aligned with our vision for urgent and emergency care, that

- a) pathways of care are integrated with primary care and with community and social care.
- b) only those patients who need to be, are in an acute hospital bed.
- c) that hospital based urgent and emergency care offers the highest standards of quality.
- d) effective and safe discharge planning results in patients being in hospital only for as long as they need to be.

Our plans for Urgent and Emergency Care

6.4 Over the next five years we will

a) **enhance our general hospital urgent care services, ensuring patients have access to the care they need 7 days a week and 24 hours a day** where appropriate:

- implementing 7 day consultant service in all inpatient wards, a robust 7 day and out-of-hours therapies service and improving our 7 day working in key diagnostic modalities, in line with the Keogh recommendations.
- through the proposed merger, developing joint sub-speciality rotas with RSCH, enabling us to provide stronger 7 day cover in key specialties, including orthogeriatrics, stroke, neurology, upper GI and lower GI.

- implementing the outputs of the emergency medical workforce review, introducing 24/7 consultant cover in A&E, and employing Nurse Practitioners and Paramedic Practitioners to enhance the delivery of emergency care.
- continuing to improve our emergency pathways within our hospitals and continuing to embed and enhance recent innovations such as the Older People's Liaison Service.
- Enabling a reduction in admissions and re-admissions. Admissions and re-admissions above the emergency cap currently result in a loss of £5m income for the Trust.
- building our capacity to respond to surges in demand, with better use of predictive data, improved control room staffing and improved mechanisms to manage the hospital.

b) **work with our local partners to realise our vision of joined up healthcare**, moving progressively towards a truly integrated, community based model of care:

- supporting the CCG led development of locality hubs in line with the North West Surrey CCG 5-year Strategic Commissioning plan.
- working collaboratively with NW Surrey CCG, Virgin Care, Surrey & Borders Partnership Trust, and Adult Social Care and as a member of the NW Surrey Transformation Board. This includes improving how we organise and deliver care for elderly people, ensuring appropriate investment of the Better Care Fund to create a better local urgent care system. We will work together to join up hospital, community and social care provision, introducing innovative pathways of care which improve patient experience, provide better support for people at home, and are more cost effective.
- exploring with GPs how the Trust's clinical and corporate services could work differently in partnership with GPs to create more effective pathways & more efficient primary care.
- reviewing our model of rehabilitation, delivering more services closer to patient's homes and potentially enabling a reduction in hospital based rehabilitation beds. We will also introduce a new model of palliative care.

Planned Care

Implications of the market analysis and context

6.5 The NW Surrey CCG Strategic Commissioning Plan describes the challenge facing the CCG that planned care expenditure is growing at an unsustainable rate. The CCG plan sets out the following initiatives intended to deliver savings in planned care over the next 5 years:

- Setting up community clinics for 9 specialties to be based in localities, providing less complex services closer to home and offering better value for money.
- Musculo-skeletal (MSK) services whole pathway procurement using a prime provider model will enable the CCG to move to an outcomes based contracting model with incentives to providers to support more effective models of care.

- Use of Referral Management Service to ensure referrals appropriate and directed through most effective pathway.
 - Benchmark to ensure best practice performance at all stages along patient pathway and action plans to address where there are opportunities to improve.
- 6.6 We expect the local competition for planned care services to intensify in future particularly as the CCG locality hubs become operational and as services are increasingly tendered.
- 6.7 Strategic Commissioning Plans of other neighbouring CCGs envisage a similar range of initiatives as those of NW Surrey CCG.

Our plans for our Planned Care Services

- 6.8 Our plans for the next five years involve ASPH taking a **targeted approach to defend and grow our market share for our elective services** in key specialties including Rheumatology, Dermatology, Respiratory, Gynaecology, GUM, ENT, Ophthalmology and Orthopaedics. This will involve:
- redesigning how and where services are delivered, working more closely with GPs to plan and deliver planned services. We will work with NW Surrey CCG and local GPs to develop locality based clinics, including in the new locality hubs, to deliver care closer to home for less complex conditions. We aim to ensure that our outcomes and price make ASPH the provider of choice for elective services. We will also develop our local planned care services in Cobham and Hounslow.
 - improving elective pathways and information systems to make it easier for GPs to refer into our services and making outpatients, listing and pre-assessment work more smoothly. This includes internal process improvements to improve rapid access to diagnostics, the introduction of one-stop clinics and minimising delays in patient pathways.
 - over the next five years we will introduce substantially greater use of technology, including home monitoring, to improve the effectiveness and productivity of planned care pathways.
 - with local GPs and building on the planned Electronic Patient Record we will develop new ways to share patient and service information between hospital services and primary and community care, with the aim of improving the experience and efficiency of our planned care services for patients and referrers.
 - further developing Ashford Hospital as an elective centre and diagnostic cancer centre. This includes enhancing day surgery, diagnostics and endoscopy services, and maximising our utilisation of our elective surgical and outpatient capacity at Ashford Hospital and developing new cancer services at Ashford Hospital with RSCH.
 - expanding the Trust service portfolio and market share through the merger with RSCH, including expanding and repatriating tertiary orthopaedic activity, developing plastic surgery services and seeking opportunities to deliver cardio-thoracic surgery through partnerships with other organisations.

Women's and Children's Services

Implications of the market analysis and context

- 6.9 In overall terms, the population aged under 15 in NW Surrey is expected to grow by approximately 10% over the next 10 years. This will translate into additional demand for the Trust's services.
- 6.10 The CCG strategic commissioning plan seeks to
- Develop alternatives to A&E attendance for children, with families making greater use of primary care.
 - Integrate behavioural care for children across health, education and social care. This includes Autism Spectrum Disorder, Attention Deficit Hyperactivity Disorder and Oppositional Defiant Disorder services, which are provided in part by ASPH. It has been agreed by all the Surrey CCG's and Surrey County Council that all Behavioural Paediatrics services in Surrey will be re-tendered as part of a wider CAMHS lead provider contract. The new CAMHS service is due for renewal in September 2015.
 - Improve nursing services outside of hospital for children.
- 6.11 The redesign of these services by the CCG is expected to take place during 2014/15 – 2015/16 with new arrangements coming into place from the beginning of 2016/17.
- 6.12 Alongside a range of local acute services for women and children, ASPH provides a portfolio of specialist services including neonatal intensive care. For these specialist services there is an increasing need to serve larger catchments in order to provide the scale needed to meet current and future clinical standards, for example related to consultant delivered care.

Our plans for our Women's and Children's Services

- 6.13 Our plans to **develop our services for women and children**, include:
- promoting the recently opened new birth centre and increasing deliveries at St Peter's Hospital to c5000 by 2018/19 to meet demand. We aim to eradicate unnecessary refusals of In utero transfers of babies that require the care of our level 3 NICU.
 - continuing to increase the consultant presence on labour ward, moving towards a 24/7 presence by 2018/19.
 - continuing to develop specialist gynaecology services, including the Centre for Endometriosis and Minimally Invasive Gynaecology.
 - completing the redesign of our paediatric emergency services, increasing consultant presence 7 days a week, extending our paediatric Emergency Department, and working with partners in primary care and in NW Surrey CCG to develop alternatives to A&E attendance including rapid access clinics.
 - integrating of paediatric services across primary, community and acute care, in particular to improve care for children with complex and chronic conditions.

Specialist Services

Implications of the market analysis and context

- 6.14 There is a strong body of evidence that an increasing number of clinical services are better concentrated in fewer centres undertaking higher volumes of activity. As a result, the consolidation of services as a means of raising quality and improving value for money is a well established trend.
- 6.15 There is now a major national drive to push the consolidation of specialist services further. Nationally, cardiology, stroke and vascular services will be consolidated into 40-70 Major Emergency Centres (MECs), with a smaller number of larger specialist centres serving larger catchment populations - which in turn allows the hospital to employ a larger body of clinical expertise. This has the potential to remove significant volumes of specialist activity from smaller hospitals.
- 6.16 St Peter's Hospital is ideally positioned to be established as a Major Emergency Centre (MEC) in the heart of Surrey, supporting a population of 1 million, providing, in addition to the full range of the Seven Key Specialities (critical care, acute medicine, imaging, laboratory services, paediatrics, orthopaedics, and general surgery¹), specialist services including as a minimum:
- A Cardiovascular centre, providing Interventional Cardiology Service (PPCI), and heart attack services and being a centre for emergency Vascular Surgery;
 - A hyper-acute Stroke unit (through a twin-centre with RSCH)
 - A strong Trauma Unit, capable of providing the most complex limb reconstructions across the region.
- 6.17 Inpatient renal care is provided for the Surrey population in SW London and ASPH has a longstanding ambition to develop a local inpatient service at St Peter's Hospital.

Our plans for Specialist Services

- 6.18 Our aim is to develop St Peter's Hospital as a **Major Emergency Centre**, so that Surrey patients benefit from a broader range of high quality locally delivered specialist services.
- 6.19 The development of the Major Emergency Centre is a key component of the strategy to provide sustainable specialist services for the local population. The combined catchment of ASPH and RSCH (plus Epsom General Hospital) provides the scale and population required to develop St Peter's Hospital as a Major Emergency Centre. Specifically it provides the activity volumes and scale needed to deliver cardio-vascular services and inpatient renal services.
- 6.20 The Trust is currently finalising an outline business case currently valued at £25-30m to expand our A&E department, collocate and expand all our critical care facilities, and add 30 beds to the St Peter's site. This is likely to require loan financing over 25 years to bring this development within our initial affordability constraints.
- 6.21 Through the merger with RSCH, a cancer diagnosis and treatment service, including Radiotherapy, will be developed at Ashford Hospital.

7. Summary Financial Plan

- 7.1 ASPH ended the 2013/14 financial year with a surplus of £1.4m, a Continuity of Service Risk Rating of 3 and a cash balance at the end of March 2014 of £11.1m. In addition CIPs of £10.1m were delivered in year. This is the direct result of strong engagement with our Clinical Divisions and Specialty Leads, who use Service Line Management in their monthly performance meetings; robust financial controls; and a committee structure providing with assurance on all key risks.
- 7.2 Our **budget** for 2014/15 is based on current activity levels, adjusted for commissioner assumed growth and QIPP schemes. This is supported by various contracts in place with CCGs and NHS England. All contracts for 2014/15 have been agreed, signed and are reflected in our plan. We believe our contracts will over-perform by c£6m due to
- Local complex elderly activity and casemix growth trends exceeding general population growth
 - the Trust's plans to repatriate specialist elective work, and
 - the likely under delivery of commissioner QIPP schemes
- 7.3 A **CIP programme** of £14.9m, equating to 6% of income, has been developed for 2014/15. All CIP schemes have detailed supporting templates setting out the scheme, profiling, risks and include an assessment of any impacts on service quality and how this will be monitored in year. EBITDA is planned to increase to £16.9m in 2014/15, with below the line items reducing the surplus to £1.5m. Cash balances at year end are planned to be £15.4m. The Continuity of Services Risk Rating is forecast to be at least 3 for each quarter of 2014/15.
- 7.4 The tables overleaf summarise our main baseline financial projections for the period 2014/15 – 2018/19.

Future financial projections

- 7.5 Our **baseline financial analysis** demonstrates that the Trust will be in deficit by year 3 (2016/17). This is driven by commissioning impacts driving our existing margins down particularly around planned care, the investments required to deliver 7 day working, and our limited ability to continue to deliver substantial CIPs (above 3.5% in years 3-5) whilst emergency activity is expected to continue to rise.
- 7.6 This in turn leads to the conclusion that ASPH is not financially sustainable in its current form. An Outline Business Case has been developed to assess future options.
- 7.7 The business case concluded that through a merger of ASPH and RSCH, although there would be significant transition costs in 2014/15, the combined organisation would then be in a position to deliver a surplus from 2015/16. Delivery of merger synergies in 2015/16 would be critical with an urgent need to ensure a rapid pace of delivery from the outset. Achievement of merger synergies is critical to our long term financial sustainability.
- 7.8 The proposed merger is designed to result in more cost effective acute care, and ensure the continued provision of sustainable acute services for the population. It would also provide a strong platform for the trusts to support and shape the medium-term transformation of the health and social care system in Surrey and beyond.

Baseline financial projections for the period 2014/15 – 2018/19

	2014/15	2015/16	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000	£'000
NHS Clinical Income	228,933	226,820	230,738	232,451	234,215
Other Income	21,395	21,947	22,152	22,365	22,628
Total Income	250,328	248,767	252,890	254,816	256,843
Pay	(155,324)	(155,901)	(159,194)	(160,216)	(161,492)
Non-Pay	(78,089)	(76,911)	(77,578)	(78,343)	(79,508)
Operating Expenditure	(233,413)	(232,812)	(236,772)	(238,559)	(241,000)
EBITDA	16,915	15,955	16,118	16,257	15,843
Depreciation & Amortisation	(9,416)	(10,165)	(10,524)	(11,696)	(12,127)
Impairments	(500)	0	(7,250)	0	0
Charitable Contributions	100	100	100	100	100
Interest Receivable	71	71	51	50	40
Interest Payable	(472)	(499)	(978)	(1,297)	(1,255)
PDC Dividend	(5,198)	(5,252)	(5,137)	(5,011)	(5,002)
Surplus/(Deficit)	1,500	210	(7,620)	(1,597)	(2,401)
Continuity of Services Risk Rating					
<u>Capital Service Cover</u>					
Metric	2.45x	2.21x	2.17x	1.88x	1.81x
Rating	3	3	3	3	3
<u>Liquidity</u>					
Metric	-2.6	-2.6	-4.5	-6.8	-9.9
Rating	3	3	3	3	2
Continuity of Services Risk Rating	3	3	3	3	3

	2014/15	2015/16	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000	£'000
Non-Current Assets					
Operational assets	165,061	165,705	188,836	187,082	184,419
Assets under construction	1,298	14,698	1,756	1,106	1,506
Receivables > 1 Year	871	871	871	871	871
Total Non-Current Assets	167,230	181,274	191,463	189,059	186,796
Current Assets					
Stock	3,845	3,845	3,845	3,845	3,845
Receivables < 1 Year	12,799	12,799	12,799	12,799	12,799
Cash	15,376	15,206	14,935	13,572	11,656
Total Current Assets	32,020	31,850	31,579	30,216	28,300
Current Liabilities: Less than 1 year					
Payables < 1 Year	(27,245)	(27,245)	(27,245)	(27,245)	(27,245)
Deferred Income < 1 year	(853)	(853)	(853)	(853)	(853)
Financing < 1 Year	(1,500)	(1,345)	(2,382)	(2,562)	(2,735)
Provisions < 1 Year	(240)	(240)	(240)	(240)	(240)
Total Current Liabilities	(29,838)	(29,683)	(30,720)	(30,900)	(31,073)
Net Current Assets	2,182	2,167	859	(684)	(2,773)
Financing > 1 Year	(5,919)	(19,513)	(36,014)	(33,664)	(31,713)
Provisions > 1 Year	(390)	(390)	(390)	(390)	(390)
Total Assets Employed	163,103	163,538	155,918	154,321	151,920
Public Dividend Capital	87,953	88,178	88,178	88,178	88,178
Revaluation Reserve	67,478	67,478	67,478	67,478	67,478
I&E Reserve	7,672	7,882	262	(1,335)	(3,736)
Total Taxpayers Equity	163,103	163,538	155,918	154,321	151,920

8. Delivering the strategic plan

Delivery through our Clinical Divisions

- 8.1 Our clinical services are organised into four clinical divisions, led by a triumvirate formed of a Divisional Director, Associate Director of Operations, and an Associate Director of Nursing.
- 8.2 This structure, supported by the Programme Management Office, enables a strong focus on quality and efficiency in each division. Effective devolution to these divisions is a key priority.
- 8.3 Over the next five years we will continue to develop our clinical leaders through our clinical leadership development programme and the process of re-appointing our clinical leads.
- 8.4 Our performance management regime, introduced in 2012/13, uses a service level focus to generate engagement between the Executive Team and front line clinicians. Performance meetings take place monthly with individual Specialty Teams to review their performance and agree priority actions. These meetings are chaired by the Chief Executive with all of the Executive Directors in attendance. During the performance meetings the lead clinician for each of the 26 Specialties uses a range of bespoke scorecards to present their performance across the 4 domains of clinical quality, workforce, operational performance, and finance & efficiency (and this includes benchmarked peer performance).
- 8.5 The Trust Executive Committee provides oversight of the strategic delivery of the Trust's Business Plans. Performance is reported to the Board using a balanced scorecard.
- 8.6 Strategic projects are reported to the Strategic Delivery Committee via a Programme Management Office. The Trust Strategy Committee, a Board Sub-Committee, oversees the longer term development of the Trust strategy.

Operational Performance

- 8.7 We expect our performance to meet or exceed Monitor standards, including the maximum waiting time of 4 hours for A&E.
- 8.8 During 2013/14 ASPH declared a risk regarding the ongoing achievement of the 4 hour A&E waiting time target and the 18 week referral to treatment time target. We have developed a recovery trajectory with our partners to deliver four hour performance on a sustainable basis in 2014/15. Despite the huge amount of work already undertaken and further work planned for 2014/15 this remains a significant challenge and will require continued focus and effort from both the Trust and partners in our local health and social care system.
- 8.9 The RTT Admitted and Non-Admitted standards remain at risk for Q1 2014/15; a trajectory to deliver sustainable compliance from the end of Q2 has been agreed. We will continue to monitor RTT performance very closely and assess progress against recovery trajectories regularly. We are also currently experiencing risk related to performance against the 62 day cancer standard (urgent GP referrals), specifically on the Urology cancer pathway. However, we are working to improve the speed of this pathway internally and also working with partners to reduce delays experienced by patients referred for tertiary treatment.