

**UNIVERSITY HOSPITALS BRISTOL
NHS FOUNDATION TRUST
STRATEGIC PLAN 2014-19**

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 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)	John Savage
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Signature



Approved on behalf of the Board of Directors by:

Name (Chief Executive)	
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Signature



Approved on behalf of the Board of Directors by:

Name (Finance Director)	
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Signature



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EXECUTIVE SUMMARY

This five year strategic plan, for the period 2014-2019, sets out the Trust's forward challenges and the strategic direction and initiatives it intends to pursue, to ensure a sustainable organisation for the future. The plan builds upon the Operational Plan 2014-2016, published in March of this year, and as such should be read in conjunction with that plan.

The plan has been informed by the strategic analysis undertaken to understand the current and likely future context within which the Trust will be operating and to which any strategy must respond. This work has included both market analysis including an assessment of the threats and opportunities in the external environment alongside consideration of the Trust's current strengths and weaknesses. The response to these findings has been developed through a nine month review and refresh of the Trust's strategies for clinical, teaching and research activities and has involved Board, staff and stakeholders from across the local health economy. The Trust has informed its approach to this work by utilising Monitor's framework for assessing the robustness of strategic planning within foundation trusts.

Positively, the Trust enters the period with financial headroom to support transition towards the challenges ahead, taking forward a recurrent surplus of £14m into 2014/15. The plan describes a broadly sustainable outlook predicated upon a number of key planning assumptions, notably the assumption that the future requirement for national efficiency will not exceed 2.5% net in 2015/16 and 2% for years three to five of the plan and that tariff uplifts in this period reflect the inflationary pressures facing this sector. This includes the pressures arising from changes to pension and national insurance contributions and the costs associated with responding to the quality requirements driven by the recommendations arising from the Francis Report and similar.

The Trust has developed a methodology for assessing the sustainability of the organisation, considering the clinical, operational, workforce and financial sustainability of services and has set out the strategic and tactical responses to the issues identified that represent a risk to sustainable services within the plan; these are described both thematically in areas such as workforce but also specifically in service lines where there are specific risks to sustainable services such as specialist neonatal intensive care services.

Throughout the plan, it is noted that a sustainable future is not only predicated upon realistic funding levels and mitigation of specific service risks but it is wholly dependent upon the system, and the system partners, re-designing care pathways and services that reduce reliance on hospital based care, which in turn is expected to lead to a reduction in overall demand for services and an ability to return patients to primary and community settings as soon as their acute needs have been met. The Better Care Fund is noted to be a critical element of the system architecture if this change is to be planned, co-ordinated and implemented successfully. However, in summary the plan confirms a broadly sustainable future, noting the immediate risks to sustained operational performance in the first year of the plan which the Trust is actively managing, and which Monitor is currently reviewing.

Finally, given most failures in strategy are a failure of execution, rather than planning, development of a strategic implementation plan is in hand, which will be overseen by the Trust's Clinical Strategy Group and reported to the Trust's Senior Leadership Team.

SECTION 1 – SUMMARY AND DECLARATION OF SUSTAINABILITY

1.1 Introduction

The Trust has spent the last 6 months refreshing its strategy in the context of the challenges ahead. This approach has been led by the Board but has been supported by significant “bottom-up” input from clinical teams.

Consultation with stakeholders has been sought with mixed levels of engagement, however those that have formally responded have confirmed broad support for the direction set out i.e. to consolidate and grow our specialist offer, improve the quality of our local, non-specialist services whilst only providing in hospital that which cannot be provided outside – by us or our partners.

We have also run a number of public events to help us develop our Strategic Plans. These have focussed on helping us to understand what it is about our organisation and our services that our patients and public value, what it is that we should preserve and what it is that we should change –including specific consideration of what it is that we mean by ‘hospital’ and how we might need to think differently about the settings in which we deliver our care, support or advice.

We have also sought the public views via an online survey seeking their comments on a draft version of this document.

As part of the work on our 2020 strategy, we have identified what we have described as the ‘future challenge’. This is relevant to both the broader 2020 strategy and the production of the Monitor Strategic Plan and it remains:

Responding to the challenge of maintaining and developing the quality of our offer, whilst managing with fewer resources.

Addressing this demands three key approaches:

- Optimising the productivity and operational efficiency of our systems, processes and staff;
- Transforming the way in which we deliver care through service and workforce redesign;
- Making strategic choices that directly address the challenge.

As part of this third approach around strategic choices, we have attempted to:

- Signal new business opportunities that we might pursue;
- Identify opportunities for the development and expansion of existing services;
- Direct our discussion to the disinvestment and redesign of financially, or clinically unviable services;

- Enable cost avoidance through the strategies we execute.

Our Monitor Strategic Plan sets out the challenges we face as an organisation and as members of a community of people and organisations (the Local Health Economy (LHE)) over the next 5 years.

We have set out our position on some key strategic questions, our specific plans for the next two years, and those areas where we plan to develop – with others – longer term strategic responses to these challenges.

1.2. Declaration of sustainability

<i>The Board declares that, on the basis of the plans and caveats 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.</i>	<i>Confirmed</i>
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One Year Sustainability

The Trust's Operational Plan 2014-16 describes a sustainable Trust in the context of financial and clinical parameters. The key risks to sustainability set out in this period are those pertaining to operational sustainability (and associated quality impacts) and include risks to the delivery of A&E, cancer and referral to treatment time (RTT) standards and are the focus of our Operational Plan 2014-16.

Three Year Sustainability

The Board has considered its assessment of *sustainability* in the context of four domains – financial, workforce, clinical and operational sustainability. In broad terms, the Board and Senior Leadership Team assess that the Trust and its services are sustainable over the next three years.

However, in making this statement there are a number of key underpinning assumptions - set out below:

- The national efficiency requirement, delivered through tariff deflation, does not exceed 2.5% in 2015/16 and 2% per annum for the remainder of the planning period;
- The impact of the Better Care Fund does not exceed that assumed within this plan;
- There are no significant changes to activity flows in the period;
- Workforce availability remains within parameters assumed;
- The current unsustainable position on the achievement of access standards is addressed.

In addition to the above key assumptions, there are a number of known risks that we have

assumed we will eliminate or significantly mitigate as a means of ensuring the sustainability of our services and wider organisation. These are set out in the body of this plan and in summary below.

Operational Sustainability – Key Risks and Issues

The current unsustainable position on delivery of key access standards including A&E, cancer and RTT is a threat to the Trust's forward declaration and must be addressed. There are a number of strategic issues that have the potential to support or undermine this position and these include:

- The future catchment for urgent and emergency care across the wider Bristol area has the potential to be impacted by the acquisition of Weston Area Health NHS Trust - given that Weston is generally considered to have an unsustainable model of urgent care. This risk will need to be managed alongside determining the sustainable catchment area of the new Southmead Hospital, operated by North Bristol NHS Trust (NBT);
- The ongoing delivery of minor injuries services across the area; ownership of these services by UH Bristol has the potential to significantly improve the sustainability of A&E performance standards through a changed case mix reflecting a greater stream of minors as many Trusts experience;
- The Trust's cancer case mix now means the Trust has to perform in the upper quartile of trusts for all cancer pathways which given the clinically complex nature of its services, as a tertiary provider, is a challenge. Any future changes to service case mix will need to be carefully considered for their impact on cancer standards;
- Right sizing critical care capacity to reflect the volume, speciality and case mix of services operated across the Trust is key to sustainable operational and quality performance;
- Successful implementation of the revised Trust Operating Model, as set out in the Trust's Operational Plan 2014-2016 and notably a reduction in the number of patients whose discharge is delayed, to support lower levels of bed occupancy which we know to be directly related to good flow and delivery of access standards.

Workforce Sustainability

The Trust currently has a broadly sustainable position in respect of workforce however there are a number of on-going issues and risks that will need to be addressed to ensure sustainability in the medium term. These include;

- Recruitment to hard to fill specialist roles including the resolution of hard to fill consultant posts notably in the areas of paediatric radiology, cellular pathology, oncology and acute physicians;
- Minimising the adverse impact of national changes to junior doctor numbers from 2016;

- Minimising the local impact of predicted national shortages in qualified nurses over the next three years.

Clinical Sustainability

The size of the Trust means that in broad terms, clinical sustainability is achievable. However there are a number of local issues and risks that will need to be actively managed to ensure this position is maintained and these include;

- Addressing non-compliance with national service specifications where commissioner derogations have not been secured;
- Restoring trust and confidence in paediatric cardiac services and delivering those services in line with the proposed standards for care;
- Ensuring the long term viability of pathology services through resolution of the strategic options work looking at the alternative models for delivery;
- Development of sustainable models for the retrieval of children and neonates from across the region, including agreement and implementation of a sustainable model for level 3 neonatal intensive care services;
- Address the service model and associated workforce implications for dental services including the way in which teaching and care delivery are aligned, working closely with university partners.

Financial Sustainability

Positively, the Trust retains financial headroom to support transition towards the challenges of 2015 and beyond, taking forward an underlying surplus of £14m into 2014/15 and from this platform, the Trust is forecasting a balanced plan for the five year period in its *base scenario* where the national efficiency requirement does not exceed 2.5% in 2015/16 and 2% from 2016/17.

In addressing the requirement for on-going cost reductions of this scale, the following are pre-requisites to a balanced financial plan over the next five years:

- The small number of significantly loss making savings are re-designed (or divested) and losses largely eliminated;
- A sustainable service and financial model is developed for South Bristol Community Hospital;
- Tariff uplifts that reflect acute sector inflation.

Five Year Sustainability

Assuming that tariff deflation is 2.5% net impact in 2015/16 and 2% net from 2016/17 and there are no significant additional challenges to sustainability identified at this point, beyond those set out in the three year forward look. However, not surprisingly, statements of assurance for a period five years hence are notably difficult to make, not least given the

potential for a change in Government during this time.

The most significant risks to on-going sustainability of services beyond the three year point are considered to be:

- The extent to which tariff funding reflects the developments in practice and quality standards expected – notably the extent to which they reflect the rising expectations with regard to staffing levels;
- The impact of predicted demographic change, and community service development, on the acuity and complexity of the acute sector case mix;
- The success of the Better Care Fund (or successor approaches) to managing demand for acute sector services to levels affordable by the commissioning sector;
- Tariff uplift which reflects acute sector inflation.

SECTION 2 – OUR PURPOSE, MISSION AND VISION

The Trust has spent the last nine months working closely with the Board and its staff to re-fresh its strategy to address the challenges ahead and ensure the viability and sustainability of its services. This strategy has been developed in the context of commissioners' strategic plans and their expressed commissioning intentions. The following section sets out the refreshed mission and vision for the organisation.

University Hospitals Bristol NHS Foundation Trust is a dynamic and thriving group of hospitals in the heart of Bristol, a vibrant and culturally diverse city.

We have over 8,000 staff who deliver over 100 different clinical services across nine individual sites. With services from the neonatal intensive care unit to older peoples care, we offer care to the people of Bristol and the South West from the very beginning of life to its later stages. We are one of the country's largest acute NHS Trusts with an annual income of £575m.

Our **Mission** as a Trust is *to improve the health of the people we serve by delivering exceptional care, teaching and research, every day.*

Our **Vision** is *for Bristol, and our hospitals, to be among the best and safest places in the country to receive care.*

We want to be characterised by:

- *High quality individual care, delivered with compassion;*
- *A safe, friendly and modern environment;*
- *Employing the best and helping all our staff fulfil their potential;*
- *Pioneering and efficient practice, putting ourselves at the leading edge of research, innovation and transformation;*
- *Our commitment to partnership and the provision of leadership to the networks we are part of, for the benefit of the region and people we serve.*

The Trust's strategic objectives for this five year period have been developed to ensure the Trust's principal activities are focussed upon the five key elements on the vision. Appendix 1 sets out the Trust's strategic objectives and the milestones for the forthcoming year.

SECTION 3 - THE CONTEXT IN WHICH WE AND OTHERS MUST OPERATE AND THE CHALLENGES WE FACE

3.0. The Context

As described, the work to produce this plan has been part of, and connected to, a broader review of our Trust strategy. The summary below sets out our thinking in terms of the challenges and choices we face not just as an organisation, but as a health system.

This section includes:

- The general challenges that we and others face in our Local Health Economy;
- A summary of our market analysis (full detail available on request);
- A summary of how we have analysed the sustainability of our services.

3.1. The General Challenges we and others face

As an organisation. We have described our forward challenge as *responding to the challenge of maintaining and developing the quality of our services, whilst managing with fewer available resources*. The simplicity and clarity of message within this statement is critical to our approach to engagement of staff around a common and shared purpose.

We have recognised the need to make strategic choices that directly address this challenge.

These choices include:

- To what extent should what we do contribute to the wellness of the populations we serve as well as helping those who suffer illness? What is our contribution to making the city healthier?
- Do we still want to focus - and deepen in some key areas - our specialist services? If so, how do we decide which ones?
- What should our approach to working with other providers be to ensure resilience and diversity within our services. Leadership – both within our own organisation and across the local health economy. What is our role in the Local and Regional Health Economy? What is our role in the Local and Regional Economy?
- Do we have the right model of partnership with our patients and the wider public?

Our response to these challenges and choices has been to develop a strategic framework that sets out our position as a Trust with regard to the key choices we face. This framework is included in Section 4.2 of this plan and is already being used to assess strategic choices we are considering now.

3.1.2 As part of a wider health system. We have also considered challenges faced by our Local Health Economy (LHE). We believe these to be:

- Changing the way in which the whole health and care system works, not just the individual organisations that comprise it. We are clear that we will need to think in new ways about the way in which resources are allocated across the health and care system, to align incentives that drive the right services and outcomes for patients and use this discussion as a way to drive changes to the structure of the system both in terms of how we collectively plan and how we organise the provision of care delivered by multiple providers;
- More specifically, we need to work together even more effectively to reduce the requirement for hospital services, by eliminating unnecessary admissions to hospital and also working better together to ensure that people do not stay longer in hospital than is necessary – and in particular that they can leave hospital when they no longer require hospital based care;
- We accept and embrace the need for change, but need to find ways to be bolder in the changes we seek and notably in our effectiveness to execute our whole system strategies and plans. Our current approach is incremental and based on marginal improvements to the current operating model at system level. This is likely to require us and our partners to be less risk averse in the way we work together and the changes we seek;
- Finally, we must avoid becoming fixed by physical location. What we refer to now as a hospital is one component of a broader network – physical and virtual –that makes up the health and care system. We need to find ways to build capability across all the different aspects of this system, including physical locations but also the networks of information and influence which also help us promote health or treat illness. Technology will have a huge part to play in supporting new ways of working, connecting providers involved in single pathways and supporting the vision of a single electronic patient record, accessible by all health and social care providers.

3.1.3 Some specific challenges in the next two years (a summary of analysis in our Operational Plan)

As well as the (medium term) issues above, we must also deal with a number of specific and pressing challenges in the short term (over the next two years). The way in which we deal with these is the subject of our Operational Plan 2014-2016, published in March of this year. Short term challenges include:

- Retaining our focus on quality as the underpinning requirement for the delivery of all our services and the key component of our reputation – and ensuring that we are compliant with the newly developed range of specifications for the provision of specialised services;
- Rising to the considerable operational challenges in the next two years across the acute sector of Bristol, we are opening two major new facilities, which together have the potential to improve significantly the services available to our local and regional populations - but we face a collective challenge in terms of ensuring that the transition to new operational models across the city is achieved smoothly;

- Accordingly, it is crucial that we find ways to take greater control of the urgent care pathway (Emergency Care) – including developing appropriate and sufficient capacity in social and community provision across our Local Health Economy;
- With regard to the Better Care Fund, there is the challenge of releasing approximately £30m of savings from within the acute sector across Bristol, North Somerset and South Gloucestershire, which are currently assumed. And second, there is the related challenge of avoiding double costing in the short term – a potential situation where costs continue to be incurred within the acute sector at the same time as the new costs of a service designed to either replace acute provision or reduce the requirement for acute services is also being borne.

In summary, the challenges of the next five financial years demand that we work more effectively across the Local Health Economy to address operational and financial challenges. We are already well focused on working with commissioners at both local and regional level as their understanding of their own objectives is developing – but we are also working to broaden the scope of our collaboration in the next two years in particular, including with local authorities and others via the Better Care Fund initiative.

3.2 Market Analysis

As well as the general analysis shown above, we have also conducted market analysis as part of the work to produce this strategic plan. The key points are summarised below.

3.2.1 Population - key messages:

- University Hospitals Bristol provides regional and tertiary services to a population of circa 5.3 million across the geographically and economically diverse South West region of England;
- Whilst the region has some of the best life expectancy in England, there is also a mixed picture of health in Bristol and the wider region, where the health of the population in deprived areas is poor;
- Bristol has one of the fastest growing populations of the English Core Cities, including a higher than average rate of growth in the child population;
- Neighbouring areas are seeing a high growth in elderly population. Bristol will see a 9% growth in the elderly population to 2020, but this is lower than the national projection of 23% whilst North Somerset is predicting growth in excess of 20% relating to expected housing expansion;
- Life expectancy is increasing, and it is projected that there will be a relatively large increase in people aged over 90 years in Bristol; health and social care requirements, especially in relation to people living with dementia and long term conditions, will therefore increase;
- Death rates in Bristol show that cancer, stroke and heart disease remain the highest causes of early deaths; early death rates from cancer remain significantly higher in Bristol than the national average. Smoking, alcohol and drug abuse account for a larger proportion of deaths/long hospital stays in Bristol than the national average.

Summary of Implications – The demand pressure for local services provided by the Trust will continue to grow, if external factors do not change. Despite a lower than average growth in older population, demand for services across Bristol will still grow. Further pressure will be felt by the faster than average growth in the younger population, which will put pressure on the growing portfolio of children’s services. It is also concluded that demand for the Trust’s specialised services such as Cancer and Cardiology services will grow relating to the ageing population.

3.2.2 Commissioning – key messages

- Affordability for acute sector activity and required developments continues to challenge commissioners. Regionally, NHS England is significantly over-committed on its expenditure for specialist services and locally, two of our three commissioning groups are in deficit and one significantly funded below its target resource level;
- In 2013/14 the highest proportion (47%) of income was derived from activity commissioned by BNSSG Clinical Commissioning Groups, with 40% being commissioned by NHS England Specialised Services commissioning;
- Commissioners continue to introduce efficiency measures, including net reduction in PbR and non-PbR tariff, whilst maintaining a focus on improved quality arising from reviews such as Francis and Winterbourne View;
- There will be fewer, bigger CQUINs at a local level. At a national level, in 2014/15 the pot of money available from CQUINs attributable to NHS England has reduced as PbR Excluded Drugs and Devices are not included in the contract value to which CQUIN applies;
- There will be a focus from commissioners on 7-day working and improving the city wide urgent care system, including Ambulatory Care, GP support unit and full utilisation of South Bristol Community Hospital;
- NHS England will focus on compliance with national service specifications, and whilst some investment has followed, non-compliance in many areas rests with the Trust to address;
- Contractual standards, with penalties for non-achievement will be an increasing feature of the commissioning landscape.

In summary, commissioners are facing increasing financial challenges, and their expectation is that trusts will need to share the burden of efficiency whilst aiming to drive up quality. This presents a significant challenge to the Trust in terms of viability of services and sustainability in terms of workforce and clinical quality. There will be both financial and non-financial impact from any ongoing non-compliance with national service specifications, which needs to be accounted for when considering the sustainability of certain specialties.

3.2.3 Activity trends – key messages

- The highest increase in admissions, in the last five years, has been from North Somerset, arising from an increase in population, most notably Portishead area.

- Admissions for patients aged over 75 have increased significantly in the last year from North Somerset and South Gloucestershire, showing the growth in elderly population playing out in the demand for our services. This is matched by the increase in Emergency Department attendances from those areas;
- Outpatient attendances see a similar trend, with a reduction in the proportion of attendances from Bristol CCGs and an increase from North Somerset and South Gloucestershire CCGs.

Summary - Evaluating the risks to sustainability of services needs to take account of the shift in activity trends but also the local priorities for North Somerset and South Gloucestershire. A shift in focus from those areas towards other services and/or service providers will impact on market share and potentially sustainability.

3.2.4 Market share – key messages

- There have been significant changes in market share but overall the Trust maintains a strong position locally and regionally. The greatest changes are attributable to recent service transfers including Head and Neck, Breast and Urology services;
- Gains in BNSSG commissioned work include Gastroenterology, Cardiology and Obstetrics;
- Losses in BNSSG commissioned work include Midwifery episodes, General Medicine, Upper GI surgery, A&E, Clinical Haematology and Ophthalmology. Gains across the South West include A&E, Obstetrics, Paediatrics (excluding transfer), and Thoracic surgery.
- Losses across the South West include Midwifery episodes, Clinical Haematology and Cardiology (although on the last two points the Trust remains in a strong market position);
- Across the South West, UH Bristol remains the main provider of Cardiac surgery (58.7%), Paediatric Surgery (98.4%) and Thoracic Surgery. Plymouth Hospitals NHS Trust is also a major provider in Cardiac and Thoracic Surgery and remain the main competitor for specialist service provision in the Peninsula.

Summary - UH Bristol remains strong on a number of fronts and should build on this strength in the face of competition from other providers. Ophthalmology presents a key risk, in light of local competition from both Royal United Hospitals Bath and the independent sector but the Bristol Eye Hospital brand remains strong.

3.3 Assessing the Sustainability of our services

3.3.1 Our Understanding of Sustainability

To support this assessment of the current resilience and future sustainability of the Trust and our services, we have developed a framework to analyse the current and future position. This framework is included at Appendix 3 for reference. The framework is based on three

components of sustainability, listed and described in brief below.

Component 1 - Market and Demand Sustainability

This component of sustainability of services relates to the rationale for continued provision of the service – the current demand, how the need for care is going to change and develop, the existence and intentions of competitors, and the views and plans of commissioners.

Component 2 – Clinical and Quality Sustainability

This component of sustainability of services relates to the key clinical and quality elements of a service. The key elements of analysis in this section will include compliance with standards and service specifications, our ability and preparedness to respond to recommendations arising from national reports such as Francis, alongside current performance against key measures of quality.

Component 3 – Operational Sustainability

This component of sustainability relates to those things required for the day to day delivery of services to performance standards and clinical requirements and includes finance, workforce and estate issues.

Component 3a –Financial Sustainability

This is a sub-set of component three and utilises insights from both service line reporting (an assessment of profitability) alongside reference cost indices (an assessment of cost efficiency) to assess the current viability and on-going sustainability of individual services.

3.3.2 Identifying our Key Service Lines

Having developed an approach to sustainability, we have categorised our Key Service Lines at Trust Level. These key service areas are:

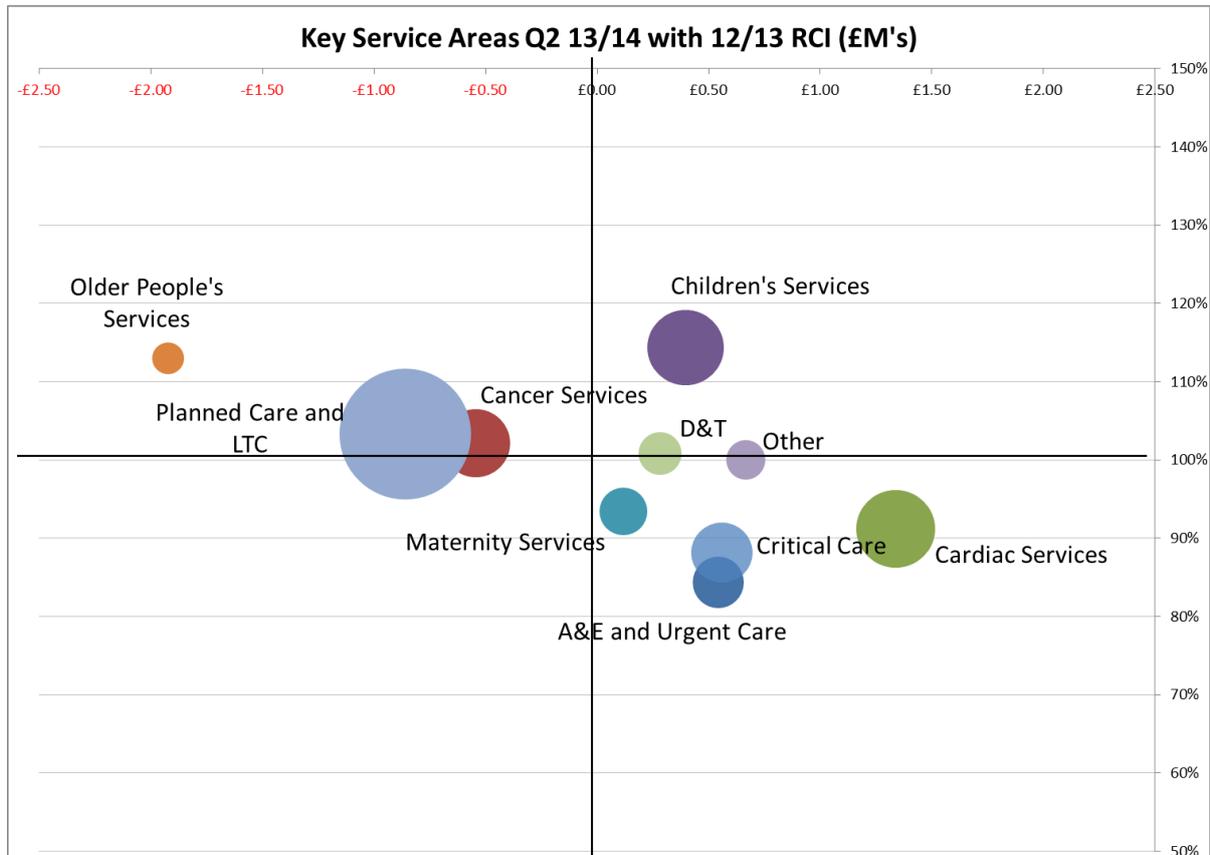
- Children’s Services;
- Accident and Emergency (and Urgent Care);
- Older Peoples Care;
- Cancer Services;
- Cardiac Services;
- Maternity Services;
- Planned Care and Long Term Conditions;
- Diagnostics and Therapies (Radiology and Cellular Pathology in particular);
- Critical Care.

The starting point for our analysis has been to construct a top level summary of the risks to the sustainability of these key service areas using the sustainability framework developed and included here at Appendix 3. A summary of this analysis is at Appendix 4.

3.3.3 Working through our Sustainability Framework - Financial risk as a starting point

Using the framework we have developed, the work commenced with a more detailed analysis of risk with financial risk because this is one of the most obvious ways in which the potential unviability of a service can be understood. The overall financial position with regard to each of the key service areas described above is shown below.

The x axis shows deficit or surplus in £millions. The y axis shows Reference Cost Index (RCI). The size of the bubble is determined by income, used as a proxy for the financial importance of a service. Please note this chart is based on Quarter 2 2013/14 income and SLR information and 2012/13 RCI.



In order to generate this chart we have mapped the SLR reporting onto these service areas using a structure shown at Appendix 5. This presentation shows how each of our specific service lines maps onto the nine key service areas that we have identified.

The approach uses RCI alone as the best indicator of medium term financial sustainability of a service due to the impact of tariff changes over time, on SLR. Appendix 5 shows the RCI of each service line with services listed in descending order of RCI. Please note that this table is based on 2012/13 RCI data.

Further categorisation and our analysis of service lines on the basis of RCI has occurred and is described below:

- Less than 95 – These are services that we provide more efficiently than our peers

and might consider expanding as part of our Strategic Plan;

- 95 to 105 – These are services we provide at similar levels of efficiency to others;
- 105 and above – These are services which may be unsustainable from a financial perspective in their current configuration - and we must develop a strategic response to this challenge, and describe it in our strategic plan.

The group of services with RCIs of 105 and above (as at the end of FY 2012/13) have been highlighted in red at Appendix 5.

3.3.4 Initial Analysis of Clinical Risk –Service Specifications and Derogation.

We also conducted some general analysis of clinical risk with regard to specialised services compliance. This is summarised below.

Background

As at April 2014, NHS England listed 85 specialised or highly specialised services being commissioned by University Hospitals Bristol NHS Foundation Trust¹. At this time, UH Bristol had declared that it was not fully compliant with the key requirements in 17 specifications (this equates to 20% of the specialised services which UH Bristol provides, which is in line with the national picture of compliance, confirmed by NHS England in February 2014).

Reasons for non-compliance include not meeting specific workforce requirements, not having appropriate facilities (particularly for children), process and systems not in line with specifications etc. In some cases, internal and external investment proposals were required to move towards full compliance with the key requirements. Service transfers and redevelopment of the Trust's estate, notably the Children's Hospital and Oncology Centre, will resolve some of the areas of non-compliance, particularly for Teenage and Young Adults (TYA) cancer services and paediatric neurosurgical services. Confirmation has also subsequently been given by NHS England that paediatric haematology rotas meet, subsequently revised, key workforce requirements.

There is ongoing derogation in respect of adult respiratory specifications which are currently under review nationally. An assessment of compliance with the revised specifications will be undertaken when published.

Of the 13 remaining service specifications where compliance has been derogated (accounting for 19 key requirements), three have been accepted by commissioners fully as derogations for which they are responsible (this includes vascular services which is pending its transfer to North Bristol NHS Trust). A further two services, paediatric and neonatal retrieval have received additional investment from commissioners which will address compliance in part, though there is recognition that further investment is needed to ensure full compliance, and commissioners have accepted responsibility for the derogations for these services also. There are therefore five commissioner derogations in total and the Trust is actively working on remedial plans to address all other areas of non-compliance.

¹ Position prior to transfer of specialist paediatric services from North Bristol NHS Trust

Risk

If the Trust does not achieve compliance there is a risk of remedial action through contract mechanisms and potentially financial penalties in the short term. In the longer term, depending on the scale of non-compliance and where the Trust is clearly an outlier, there is a risk that commissioners may choose to decommission services.

Mitigation

The services which remain non-compliant need to achieve compliance through additional internal or external funding (service development or activity funded – some of which has already been agreed for 2014/15), service reconfiguration or completion of existing action plans.

Chemotherapy e-prescribing for children remains an outstanding issue. Whilst this is being taken up nationally through the relevant specialised commissioning routes, this remains provider derogation and work is in hand to develop an action plan to take us towards compliance.

3.3.5 Identification of Specific Service Lines carrying major sustainability risk.

Having considered the sustainability risk to broad service areas, we then identified specific service lines which in our judgement are carrying sustainability risks across a number of different components of our sustainability framework. These specific services are set out at Appendix 4.

SECTION 4 – RESPONDING TO THE CHALLENGES WE HAVE IDENTIFIED

Having considered the context within which we operate, the challenges that we and others face, we conducted market analysis and considered the future sustainability of our services, and have chosen to respond in two broad ways.

The first has been to consider the choices we face and to set out our position in a way that creates clarity for people both within our own organisation and also people and organisations with whom we work across the Local Health Economy.

These statements, which together comprise our **strategic framework**, are set out in the first part of this section – along with a declaration of our **strategic intent**.

The second set of responses describe **what we plan to do** – and is the subject of the second part of this section (4.3 onwards). Here, we describe our plans in terms of:

- Our general approach to the key components of our mission and vision;
- A summary of our priorities in the short term and key elements of our operational plan for the next two years, and;
- The strategic initiatives that will address the challenges we, and others, face over the next five years (to 2020).

4.1 Our Strategic Intent

Our Strategic Intent

Our strategic intent is to provide excellent local, regional and tertiary services, and maximising the mutual benefit to our patients that comes from providing this range of services.

Our focus for development remains our specialist portfolio and we aim to expand this portfolio where we have the potential to deliver exceptional, affordable healthcare.

As a University teaching hospital, delivering the benefits that flow from combining teaching, research and care delivery will remain our key advantage. In order to retain this advantage, it is essential that we recruit, develop and retain exceptionally talented and engaged people.

We will do whatever it takes, within the resources available to us, to deliver exceptional healthcare to the people we serve and this includes working in partnership where it supports delivery of our goals, divesting or out sourcing services that others are better placed to provide and delivering new services where patients will be better served.

The Trust's role in community service provision will be focused upon supporting our partners to meet the needs of our patients in a timely way; however, where our patients' needs are not being met, the Trust will provide or directly commission such services.

Our patients – past, present and future - their families, their carers and other

representatives, will be central to the way we design, deliver and evaluate our services. The success of our vision to provide “high quality individual care, delivered with compassion” will be judged by them.

4.2 Our Strategic Framework – Our Position on the key choices we face

The purpose of this framework is to provide clarity on our position to those with whom we work, and to provide our own staff with guidance to shape the individual choices that they face in developing their own plans. It reflects the broad strategic intent of the Trust Board, and is set out in summary in the statements below.

To what extent should what we do contribute to the wellness of the populations we serve as well as helping those who suffer illness? What is our contribution to making the city and region healthier?

Our Position: In the course of delivering our “core” business, there are many opportunities to influence the health of the patients we treat, and importantly their families; any future service strategy should embrace these opportunities in more systematic ways. In particular, we want to work with others on those areas where we have a direct impact on people’s requirements for the services we provide.

Do we still want to focus - and deepen in some key areas - our tertiary (specialist) services? If so, how do we decide which ones?

Our Position: Delivery of specialist services is a key part of the Trust’s strategic intent. We are uniquely placed to be the provider of choice in the South West region for many specialist services. Our decision to expand our existing services or develop new should be based upon our ability to deliver services to the right standard and within the resources commissioners are willing to pay. UH Bristol should not proceed to diversify into specialist service areas already provided in the City other than in the case of an agreed service reconfiguration.

Out of hospital care – should we influence, commission or provide?

Our Position: We have no plans for the wholesale diversification into general community services provision. However, where existing community providers cannot meet the Trust’s needs (and the needs of our patients for timely discharge) for community services that support our in-hospital services, there is a strong case for the Trust delivering or directly sub-contracting these services and we will do so if necessary.

Are there geographical limitations to our “DGH” offer – how would we describe the catchment area for this element of our service?

Our Position: The strategic rationale for expansion of our DGH catchment beyond BNSSG² is weak and as such we plan that this will remain our defined catchment. Any proposal to expand DGH services within this catchment will only be considered because of a well evidenced, positive contribution to the Trust and/or Divisions strategy or operational plan and

² Bristol, North Somerset and South Gloucestershire.

where safety, quality, operational and financial impact, are all acceptable.

Should we drive the development of our services under the UH Bristol@ model outside of our current catchment?

Our Position: Given the operational complexity associated with remote delivery of services, the UH Bristol@ model will be considered where the following key “qualifying conditions” have been met – the development is strategically aligned, it delivers a significant financial contribution to the service and safety, quality and operational impacts are all manageable.

What should our approach be to ‘outsourcing’ what we have always regarded as core business? In principle, is the Trust supportive of outsourcing (core) clinical services?

Our Position: In principle where there is a financial and operational benefit to outsourcing a clinical service it should be considered – however the “burden of proof” that this will not impact detrimentally on the service being outsourced or those retained in-house, which rely upon an outsourced service, will be necessarily rigorous.

Does the Trust support divesting in services it currently provides?

Our Position: Central to our decisions about service configuration should be the interests of patients. Services should not be divested simply because they operate at a loss. If the service in question is strategically aligned to the Trust’s portfolio or is interdependent to other services then the priority should be to re-design the service to eliminate or reduce losses. However, where patients would be better served by a service being run by another organisation, divestment will be actively considered.

What is the Trust’s approach to partnership working? Compete or collaborate?

Our Position: Despite the national policy context, there is limited local evidence that competition in the local health system has driven up quality or lowered cost. Where our aims and objectives can be achieved through working collaboratively with other organisations – NHS, independent, third sector - then this should be our default way of working.

The Trust recognises the value of working in partnership but also recognises the complexity and loss of agility and pace often associated with partnership working. Not all the work we do will be in partnership, but we will always seek this approach where there is evidence that patients will be better served – and the Trust’s objectives will be better met (or only met) - by working in partnership.

Do we have the right model of partnership with our patients and the wider public?

Our Position: The “modus operandi” for working with our patients, with members and with the wider public is ill-defined and does not currently constitute a major Trust activity. However, recent events have served to highlight the importance of putting patients, their representatives and families at the heart of our approach to planning, delivering and evaluating services.

4.3 Our general approach - how we will deliver our mission and achieve our vision?

4.3.1 Our approach to delivering exceptional care

Our quality objectives for the next two years will focus upon:

- Working with people, to ensure that through their insights, we are well placed to provide a positive experience of care;
- Treating and caring for people in a safe environment and protecting them from avoidable harm;
- Achieving clinical outcomes for our patients that are consistently in the upper quartile of comparable Trust performance.

We are committed to addressing the aspects of care that matter most to our patients which they describe as:

- Keeping them safe;
- Minimising how long they wait for hospital appointments;
- Being treated as individuals by all who care for them;
- Being fully involved in decisions about their care;
- Being cared for in a clean and calm environment;
- Receiving appetising and nutritional food;
- Achieving the very best clinical outcomes possible for them.

Like all NHS organisations the events and subsequent learning from Mid-Staffordshire, the Berwick Report and Keogh Reviews have shaped our approach to quality and more specifically how we listen and engage with our staff and our patients. We have published our response to the Francis and other reports, and in the process of working on this we identified a number of further issues that we also plan to address, including: perceived variation in attitudes to openness and sharing across the Trust, listening and learning more effectively throughout the Trust following incidents and near misses and making the process of change easier, and more rapid, across the Trust.

4.3.2 Our approach to delivering exceptional research

Our vision for research is to improve patient health through our excellence in world-class translational and applied health services research and embedding a culture of innovation.

Our approach has been shaped by recent national changes in funding that have encouraged and facilitated academics and NHS researchers to work closely together in larger and integrated multi-disciplinary teams. This integration and the focus on translational and

applied health services research has attracted additional infrastructural and programme grant funding and has also highlighted the need to promote the clinical research skill base in professions other than medicine.

The response by the Bristol healthcare research community over the last four years to the above changes in the national applied health services and biomedical research agenda has been transformational. We have worked with partner universities and NHS trusts in the region to form Bristol Health Partners (BHP), which was formally launched in May 2012. The aims of BHP are to generate significant health gain and improvements in service delivery by integrating, promoting and developing Bristol's strengths in health services, research, innovation and education. The way BHP is delivering these aims is to form Health Integration Teams (HITs). HITs include commissioners, public health and NHS specialists working with world-class applied health scientists and members of the public to develop NHS-relevant research programmes and drive service developments to improve health, well-being and healthcare delivery.

The strengths of BHP and its HITs have directly led onto to the recent award of an NIHR Collaboration for Leadership in Applied Health Research and Care for the West of England (CLAHRCwest) that is focused on research that is targeted at chronic diseases and public health interventions.

The research and implementation themes of BHP and CLAHRCwest dovetail with the stated aims and objectives of the West of England AHSN (WEAHSN) of the need for robust research to inform and accelerate the adoption and diffusion of evidence of best care. All three organisations are committed to active dialogue and reciprocal communication, seeing research and implementation as symbiotic. The above research and implementations workstreams will be facilitated and further strengthened by the new NIHR west of England clinical research network (CRN) hosted by UH Bristol.

Our Research and Innovation strategic objectives are to:

- Focus on and foster our priority areas of high quality translational and applied health services research and innovation where we are, or have the potential to be, world-leading;
- Train, mentor and support research-active staff to deliver high quality translational and applied health services research of direct patient benefit in our priority areas of research;
- Develop a culture in which research and innovation are embedded in routine clinical services leading to improvements in patient care;
- Work with our regional partners to strategically and operationally align our research and clinical strengths and support the delivery aims of our Health Integration Teams.

4.3.3 Our approach to delivering exceptional teaching

Our vision is to develop a culture of lifelong learning across all staff groups; ensuring

teaching is aligned with the values, synonymous with quality, cost, performance and the delivery of high quality individual care delivered with compassion. We wish to position ourselves as the premier provider of multi-professional student and staff education, teaching and learning to deliver the best clinical care. We work closely with our academic partners, University of Bristol, University of the West of England and other Higher Education institutions to achieve this.

With the changing nature of healthcare, competition in the market place and financial pressures, we have seen significant changes in placement capacity across the region in recent years. To address some of these fluctuations, UH Bristol has implemented changes within the undergraduate medical education provision with the development of clinical teaching fellows to improve the student experience.

UH Bristol is responding to the Health Education England funding review by working closely with our academic partners and local stakeholders to identify the best and most effective model for education provision for the future NHS workforce.

Our primary aim is to focus on creating and supporting the capabilities needed to provide high quality individual care, delivered with compassion.

The Trust acknowledges that with the increased technology, equipment and therapies, together with the development of new clinical specialities there is an increased knowledge and expertise required by health professionals within the Trust. Our main priority is to build the capability of all our staff, ensuring we design and commission appropriate teaching and education to enable staff to fulfil their potential.

We are modernising and investing in the education and teaching structure to ensure the entire workforce is equipped with the requisite skills and knowledge required to:

- Work as a team across professional and organisational boundaries, enhance the delivery of high quality, cost effective care to patients and their families under the care of UH Bristol;
- Maximise the contribution of all health staff to care for patients and their families, breaking down the historical barriers associated with role definition, ensuring that the individual practitioner best suited to deliver care is able to do at the time it is required;
- Support new ways of working and expanding the training and development of all practitioners.

Our Teaching and Learning strategic objectives are:

- To expand and develop our multi-professional education and training strategy to ensure we integrate teaching fully with research and clinical care;
- Develop a culture in which education and training are embedded in clinical practice to ensure optimal quality patient care;
- Through teaching, generating a workforce that is able to deliver services to the

broader health community outside of the Trust;

- Work with our local and regional hospitals, higher education and other educational institutions to provide and deliver robust, evidence-based training and education for all health care professionals;
- To develop innovative and creative strategies to generating new income to re-invest into UH Bristol NHS Foundation Trust Teaching and Learning services.

4.4 Our Priorities in the short term

The Trust Board maintains oversight of the Trust's core business activities and strategic objectives through the Board Assurance Framework (BAF) which also sets out detailed responsibilities for delivery and accountability at Executive level. The BAF is included at Appendix 1. Our Board level objectives in the medium term form the first part of our five year strategy and are listed below. They are structured according to the elements of our Trust Vision, and are as follows:

We will consistently deliver high quality individual care, delivered with compassion.

- To improve patient experience by ensuring patients have access to care when they need it and are discharged as soon as they are medically fit - we will achieve this by delivering the agreed changes to our Operating Model;
- To ensure patients receive evidence based care by achieving compliance with all key requirements of the service specifications for nationally defined specialist services or agree derogation with commissioners;
- Deliver a programme designed to enhance compassion in clinical staff;
- To establish an effective and sustainable complaints function to ensure patients receive timely and comprehensive responses to the concerns they raise and that learning from complaints inform service planning and day to day practice;
- To address existing shortcomings in the quality of care and exceed national standards in areas where the Trust is performing well;
- To achieve upper quartile performance in process and outcome measures for the Friends and Family Test (FFT);
- To ensure the Trust's reputation reflects the quality of the services it provides;
- To achieve upper quartile performance standards for all nationally benchmarked patient safety measures.

We will ensure a safe, friendly and modern environment for our patients and our staff

- To successfully deliver phase 3 and 4 of the BRI Redevelopment;

- Ensure Emergency Planning processes for the Trust are 'fit for purpose' and that recommendations from internal and external audits have been implemented;
- Set out the future direction for the Trust's Estate;
- Deliver against the National Quality Board 10 safe staffing expectations for Trust Boards.

We will strive to employ the best and help all our staff fulfil their individual potential.

- We will ensure that the workforce feel highly engaged and empowered by implementing a range of agreed actions to develop staff in their place of work and demonstrate a year on year improvement in the annual staff survey engagement score;
- We will take appropriate action to reduce the incidences of work related stress by introducing a number of measures that support all staff to undertake their role safely;
- We will equip our leaders with the requisite skills, behaviours and tools to develop high performing teams, so staff have objectives with a clear line of sight to the Trust's vision;
- We will revise the Teaching and Learning strategy to ensure the strategic priorities support an attractive and viable learning environment whilst continuing to provide exceptional care to our patients.

We will deliver pioneering and efficient practice, putting ourselves at the leading edge of research, innovation and transformation.

- Implement modern clinical information systems in the Trust;
- We will maintain our performance in initiating and delivering high quality clinical trials, demonstrated by remaining within the upper quartile of trusts within our league (as reported to Department of Health via NIHR and maintain our performance in initiating research) and remaining the top recruiting Trust within the West of England Clinical Research Network and within the top 10% of trusts nationally (published annually by NIHR);
- We will maintain NIHR grant applications at a level required to maintain Department of Health allocated Research Capability Funding within the upper quartile nationally (published annually by NIHR);
- We will demonstrate the value of research to decision makers within and outside the Trust.

We will provide leadership to the networks we are part of, for the benefit of the region and people we serve.

- Ensure organisation support for developments under the Better Care Fund;

- We will effectively host the Operational Delivery Networks that we are responsible for;
- We will play an active part in the research and innovation landscape through our contribution to Bristol Health Partners, West of England Academic Health Science Network and Collaborative for Leadership and Applied Research and Care;
- We will be an effective host to the networks we are responsible for including the CLARHC and Clinical Research Network.

We will ensure we are financially sustainable to safeguard the quality of our services for the future and that our strategic direction supports this goal

- Deliver minimum normalised surplus;
- Develop better understanding of service profitability using Service Line Reporting and use these insights to reduce the financial losses in key areas;
- Deliver minimum cash balance;
- Deliver the annual savings programme in line with the Long Term Financial Plan (LTFP) requirements;
- Refresh the Trust's Strategy including its direction for research & innovation and teaching & learning;
- Thoroughly evaluate the major strategic choices facing the Trust in the forward period so the Board is well placed to take decisions as they arise;
- Continue to develop the private patient offer for the Trust.

We will ensure we are soundly governed and are compliant with the requirements of our regulators

- Maintain a Monitor Continuity of Services Risk Rating (COSRR) of 3 or above;
- Establish an effective Trust Secretariat to ensure all principles of good governance are embedded in policy and practice;
- Robustly prepare for the planned Care Quality Commission inspection;
- Prepare for and achieve a successful outcome from the proposed Monitor investigation into performance concerns with the aim of reverting to a GREEN rating by Quarter 2 2014/15;
- Agree clear recovery plans by specialty to delivery RTT performance for admitted, non-admitted and on-going pathways;
- Improve cancer performance to ensure delivery of all key cancer targets.

4.5 Key Elements of our Operational Plan

As well as the Trust objectives listed in Section 4.4, we also maintain a specific focus on the key delivery elements of our Operating Plan and associated Operating Model that are necessary to address the short term challenges we face, through oversight in both the transformation work stream and the Senior Leadership Team.

Our Operational Plan has already been submitted (and published) and for ease of reference the key elements are included at Appendix 6. Again, these activities form a significant part of the first 18-24 months of our Strategic Plan.

SECTION 5 – OUR STRATEGIC PLANS

Our strategic plan focuses on the medium term and is organised around five key strategic initiatives, which are outlined below. These initiatives will provide the shape of planning activity for the Trust in the next few years as we firm up plans beyond the next two financial years. They represent the key areas of work for the Trust in strategic terms and describe where it is that we want to drive change and how.

5.1 Strategic Initiative 1 - Driving Engagement and Collaboration across the Local Health Economy

The Aim of this initiative is to:

Deal with the challenges that we and others have identified at system – and not organisational - level.

Our Strategic Plans in this area are:

- **Collaborating more ambitiously in operational terms in order to plan and operate the acute (hospital based) system – and Urgent Care in particular – in a collaborative way.** Specifically, we need to work together to ensure that new facilities in the region (Southmead and the redeveloped BRI) are utilised in a way that is focused on creating system, and not organisational, benefit and that the development of services in community and primary care is focused upon reducing the current reliance on hospital based care;
- We will set up a cross system **forum for the promotion of cross system strategic planning** and the deliberation and sharing of organisational plans. This forum will meet for the first time on the 13th of July;
- We plan to use this forum to explore a series of **‘Bristol scenarios’** that we will develop jointly with commissioners and local authorities and which will be the basis for joint strategic planning and the ‘stress-testing’ of organisational plans;
- **To focus on the greatest opportunities for improving the quality of local care** in the context of declining resources by the pursuit of more integrated services between acute, community and social care sectors;
- **To consider specific findings of the Acute Services Review** (summarised at Appendix 7). We remain committed to working with our acute hospital partner, North Bristol NHS Trust, and local commissioners, towards the consideration of which of the findings in the review merit implementation and how we should prioritise those we decide to take forward;
- **Continue to work together more effectively to reduce the requirement for hospital services**, by eliminating unnecessary admissions to hospital and also working better together to ensure that people do not stay longer in hospital than is necessary – and in particular that they can leave hospital when they no longer require hospital based care. Our focus for this work is the Better Care Fund. A

summary of the current plans in the Bristol Better Care Fund is given below.

We assess that the impact of these plans will be:

- **Greater coherence and consistency in the strategic planning** being done by major partners across the health economy (in particular other Trusts and CCGs) and a filling of the perceived vacuum in system wide planning which has materialised since revisions to the commissioning landscape two years ago;
- **A system wide response to the current challenges being felt across the local urgent care system** and a new integration of the provision of services, to older people and children in particular;
- We have **yet to confirm the potential benefits of the Better Care Fund** in terms of reducing hospital admissions but whatever benefit is accrued will also be balanced by a reduction in income. Our general mitigation of that impact however will be to increase income from our specialist provision – consistent with our stated strategic intent and recent trends. As a specific issue, there is also no current provision for potential ‘double running’ of costs as the out of hospital capability that will drive down hospital admissions is developed. This risk is considered to primarily be a risk for funders of care.

In Bristol, the Better Care Fund provides £3.8bn in 2015/16 for local health and social care within a newly created pooled budget to drive integration at scale and pace, providing a significant catalyst for change. The Better Care Fund Programme assumes a disinvestment of £15m from the acute sector across Bristol local authority area for future investment in community services and support. The fund has been developed to;

- Drive integration, partnership working and service transformation;
- Improve quality of care and outcomes for patients, service users and carers, by ensuring the right care, in the right place, at the right time;
- Give people greater control, place them at the centre of their own care and support, and provide them with a better service and quality of life;
- Help us manage pressures and improve long term sustainability;
- Enable a significant shift of care closer to home.

An increasing demand for quality services requires UH Bristol and other local partner organisations to work differently with a focus on providing (in particular):

- Single point of contact to access services from all agencies;
- Increased use of key workers who can operate across all agencies;
- Seamless transition from one service to another for users.

As a system, the vision is that by 2018, there will be better outcomes for users, which may include; personal health budgets, online appointments for patients, greater use of assistive technology and tele-health, and integrated care packages with lead accountable person.

This will be achieved through shared working to integrate information, staff, funding and

risk. Areas that have been identified include joint forecasting and modelling, shared data (CCG, Acute Trusts, and Council), 7 day working, joint rehabilitation and reablement teams, generic job roles, and joint discharge co-ordination centres in UH Bristol and NBT.

This work should help us as a Local Health Economy to:

- Shift Settings of Care closer to home;
- Reduce length of stay in hospital;
- Help users manage their care more effectively and;
- Provide more effective use of staffing and resources at a neighbourhood level.

The first draft of the action plan was submitted on 14th February 2014 and was supported by all partner organisations. The first phase of this work will focus on the integration of services for people with long term conditions and older people but the aspiration is that this will broaden over time to include other areas in adult, children and family services.

There is recognition that as services are transformed and move from one model to another, there is likely to be an increase in existing costs initially to support double running of services as it will not be possible to stop one model and implement a new one instantaneously. We are assuming that any implications for acute trusts resulting from the Better Care Fund Programme will be incorporated into future contract discussions.

5.2 Strategic Initiative 2 - Identifying and dealing with issues of sustainability

The Aim of this initiative is to:

Address the risks we have identified to the sustainability of our key service areas and to specific service lines. We also aim to use this opportunity to consider changes to our workforce model in the medium term.

Our Strategic Plans in this area are to:

- **Continue to focus on 'right-sizing' capacity of service lines** to match demand more closely and address Reference Cost Index (RCI) where it is high (see Section 3.3.3);
- **Re-examine the service mix which we deliver at South Bristol Community Hospital**, specifically recognising the longer term unsustainability of the current financial model for that group of our services. This work will be conducted over the autumn of 2014;
- **Address identified risk to the sustainability of key service areas or specific service lines.** Specifically we plan to redesign those services where sustainability risks are identified and notably to develop plans to address those services that out lie in respect of their financial sustainability highlighted by either their high cost base, as highlighted by their Reference Cost Index or their profitability, as indicated by their financial contribution demonstrated by Service Line Reporting analysis. A narrative

description of our strategic plans by key service area – and where appropriate by specific service line - is below;

We assess that the impact of these plans will be:

- **Addressing high RCI.** We are committed to reducing the RCI to 100 or less for all those services shown in red at Appendix 5. If delivered, this will result in approximately £29m of savings between 2016/17 and 2018/19;
- **Addressing broader sustainability.** We are confident that we have identified the issues that present a risk to the sustainability of our services. We have a number of current plans in place to address these issues but we also recognise that there are a number of further plans that need to be developed across all of our service areas in order to address sustainability in the medium term. We undertake to produce these plans by the summer of 2015, primarily as part of the next round of our business planning. That said, the speed at which we can work to develop these plans will depend on the speed at which we can work with others across the health economy – and in some cases this will take more than the next 12 months.

THE SUSTAINABILITY OF KEY SERVICE AREAS

Children’s Services

Key issues in terms of the future sustainability of these services are linked to the growth in child population and the impact that will have on all services in the city. Alongside this is a growing sense that those presenting to our hospitals are more sick and their conditions more complex. Workforce issues, such as recruitment and retention of middle grade doctors, nursing and consultants in critical care, interventional radiology and paediatric pathology alongside continued efficiency requirements in the NHS will therefore make it harder for the Trust to achieve its objectives for sustainable, safe and excellent Children’s Services.

Currently, our plans in place to address these issues include:

- Efficiency and savings programmes to address high cost services;
- Workforce and role redesign to fill skills gaps in “hard to recruit” services and roles;
- Considering our role in community paediatric services as a means of creating greater economies of scale and driving more integrated care provision to improve flow through specialist services;
- Focussed investment in key service requirements.

We will develop further plans (by summer 2015) to improve the sustainability outlook in years 3-5. We will particularly focus on:

- Improving links both in secondary care and across the health and social care system to stem the flow of patients into acute care;
- Improve our approach to the use of technology and innovative solutions;
- Recruitment and retention strategy, taking account of alternative workforce models;

- Building upon the opportunities, that the recently transferred services provide for further growth in both NHS and private work.

By 2020 we aim to have a reduction in reference costs where this is appropriate, a stable and effective workforce and system wide relationships that ensure the appropriate use of the Bristol Royal Hospital for Children.

Finally, the Trust recognises the loss of trust and confidence in its paediatric cardiac services and the impact this has had on the wider reputation of the Bristol Royal Hospital for Children— addressing this is a key strategic theme for the future.

Accident & Emergency (A&E) and Urgent Care

Key issues in terms of the future sustainability of these services are around our ability to meet access standards in the context of an ageing population with more complex health and social care needs. Our ability to perform will depend on how we are able to organise the capacity within the redeveloped BRI through new models of care to meet both demographic changes and city wide changes (such as the new A&E at Southmead and its role as the adult major trauma centre). There are also workforce issues including turnover of nursing staff, potential shortage of junior doctors and difficulty in recruiting acute physicians that must be addressed.

Currently, our plans in place to address these issues are closely linked to the re-development of the BRI and implementing the right model of care to ensure patient flow is optimised alongside work to conclude the implementation of changes to the Trust Operating Model. This is intended to significantly improve flow, through initiatives to reduce length of stay and thus drive down occupancy and plans to protect elements of the Trust's bed base to support the efficient and consistent delivery of elective care.

In addition to operational sustainability, the greatest threat to the Trust's long term sustainability is the excess costs evident in the medical specialities (notably older people's care) and urgent care pathways.

We will develop further plans (by summer 2015) to address issues directly within A&E but also across the health and social care system in Bristol to improve the sustainability outlook in years 3-5. We will particularly focus on:

- Taking a lead role in working with partners to build system wide resilience;
- Understanding barriers to patient flow and ensuring the models in the BRI match capacity with demand through a flexible workforce;
- Working with other acute trust and community partners to review workforce requirements across the city, enhancing the role of Enhanced Nurse Practitioners (ENP), designing innovative working models and providing incentives through training for medical staff;
- Ensuring services outside of hospital are of the right capacity and specification to support reduced reliance on hospital based care;

- Plans to address the significant excess costs, evident in our general medical service portfolio.

By 2020 we aim to have normalised the cost base of acute medical services, delivered a stable but flexible workforce that can meet the demands of demographic change and developed more effective integration with our community partners.

Older People's Care

Like A&E, the key issues in terms of the future sustainability of these services are in our ability to meet the needs of an ageing population with more complex health and social care needs, whose expectations of services are high. Continued need for system wide efficiency will impact on the resources to help move patients through the system in the safest and most effective way. There are currently high nursing costs which, if transferred to the re-developed BRI, will impact on our ability to implement new models of care. Lack of trainees and shortage of consultant geriatricians will also impact on the specialist input into the needs of older people, potentially impacting on our ability to improve patient outcomes quickly.

Currently, our plans in place to address these issues are closely linked to the re-development of the BRI and implementing the right model of care to ensure patient flow is optimised. This includes admission avoidance schemes and ensuring the patient pathways are enhanced, with consultant led, multi-disciplinary approach to care and appropriate skill mix across the department. There is significant interdependency with the transformation aspects of this plan.

However, the challenge of Older People's Care is one that, like A&E, requires a system response. We are committed to working with others on this work, with a particular focus on:

- Operational integration of the delivery of Older Peoples Care across the Acute and community settings in particular;
- Review and understand the causes of staff shortages to plan for longer term workforce requirements;
- Ensure the model of care, working environment, training and incentives enhance the staff experience of UH Bristol creating a happy and stable workforce.

By 2020 we aim to have achieved operational integration of the delivery of Older People's Care across the Local Health Economy and the redesign of the financial model that underpins the service at system level.

Cancer Services

Key issues in terms of the future sustainability of these services are in our ability to meet national access standards for cancer, which will be further exacerbated if we are unable to address workforce risks such as inability to recruit consultant oncologists and adequately staff Bone Marrow Transplant (BMT) services, potentially limiting growth. There is increased competition from NHS and non-NHS providers and if we fail to invest in research and

innovation, or recognise the key benefits of teaching and learning, then we risk the competitive edge to maintain sustainable services.

Currently, our plans in place to address these issues are:

- Continued presence and potential expansion of community chemotherapy services;
- Securing funding for research, especially paediatric cancer research;
- Focusing our specialist offering e.g. Children, Teenagers and Young Adults (TYA), Gamma Knife and BMT;
- Promoting the Bristol Haematology and Oncology Centre as a centre of excellence – a “re-branding” of our offer in this regard is underway following a major redevelopment and expansion of the centre.

We will develop – by summer 2015 - further plans to address sustainability in the medium term, with particular focus on:

- Reviewing staffing needs and alternative, flexible working models to address workforce risk;
- Investment in technology and IM&T where required;
- Expansion into new service areas and catchments, alongside the repatriation of regional work from providers outside of the South West and most notably London.

By 2020 we aim to have in place not only a sustainable service built on the foundations of a strong flexible workforce, but a service which provides cutting edge care and research in Bristol and for the South West.

Cardiac Services

Key issues in terms of the future sustainability of these services are linked to the impact of other trust acute services on the ability of the Bristol Heart Institute (BHI) to deliver specialist services and increased competition as services become more routine and delivered at district hospital level and in the private sector. This increased competition has the potential to pull activity and consultants away from the service, impacting on the ability of the service to run an efficient and effective 24/7 service. Investment in imaging equipment, will also be a key initiative to ensure we maintain our competitiveness.

Currently, our plans in place to address these issues are:

- Working with other providers to secure tertiary referrals;
- Expand our interventional cardiology offering;
- Increase ring fenced cardiac critical care and surgical facilities;
- Improve productivity and reduce length of stay;
- Support acute services elsewhere in the Trust, but prioritise the Bristol Heart Institute for cardiac and specialist cardiology services.

We will develop – by summer 2015 - further plans to address sustainability in the medium

term, with particular focus on:

- Developing newer cardiac surgery techniques e.g. minimally invasive surgery;
- Development of clinical pathways to reduce emergency admissions, linking with ambulatory care;
- Reviewing the suitability and capability of imaging equipment to feed into forward looking capital investment plans;
- Continuing to support - and develop - academic leadership in clinical roles.

By 2020 we aim to have continued productive and competitive cardiac services, with appropriate technology to support the BHI in delivering cutting edge surgical and cardiology techniques.

Maternity Services

Key issues in terms of the future sustainability of these services are linked to the plateauing of birth rates across the city, but with increasing complexity resulting from an increase in maternal age at birth. In addition, midwifery recruitment difficulties are compounded by a lack of availability of midwives and services are already running with a high number of vacancies.

Services delivered to mothers living in North Somerset make up an important portion (c25%) of the UH Bristol activity and the long term sustainability of the service is inextricably linked to the future of Weston Area Health NHS Trust and its maternity service and the continued flow of patients from North Somerset.

Neither of the providers of level 3 neonatal care in the City is fully compliant with national service standards, notably in relation to workforce availability with both consultant and specialist nursing skills being scarce. The long term sustainability of this service is a key risk for the Trust and plans to address this are a key focus for action working closely with partners at North Bristol NHS Trust.

We will develop – by summer 2015 - further plans to address sustainability in the medium term, with particular focus on:

- Workforce planning to address shortages and fill vacancies where necessary;
- The future model for specialist neonatal services across the City;
- Our ongoing role in the provision of services and support to maternity services in North Somerset.

By 2020 we aim to have a sustainable model for level 3 neonatal services and a maternity service, appropriately configured for the population we serve.

Planned Care and Long Term Conditions

Key issues in terms of the future sustainability of these services are related to our ability to protect sufficient capacity to consistently deliver planned care, to the desired standards and to “right size” our services (workforce and infrastructure) to reflect the changes in demand for this portfolio which includes growth from demographic impacts and reductions from the redesign of pathways shifting the focus of care towards community settings. Notably, successful implementation of the proposed Operating Model is critical to ensuring we can deliver operationally and financially sustainable services.

Alongside this are high cost bases in some surgical specialties, difficulty recruiting to specialist areas such as dentistry and anaesthesia and difficulty accessing nurse specialists across all surgical specialties which we must address.

Currently, our plans in place to address these issues are:

- Maximising the use of existing facilities and increased productivity measures in theatres and outpatients;
- Better use of peripheral sites, such as South Bristol Community Hospital;
- Clearly differentiating elective and emergency flow;
- Integrated working with primary and community care to assist early discharge;
- Implementing plans to reduce costs;
- Right sizing capacity in areas where we have excesses or deficits;
- Redesigning pathways, notably for the management of long term conditions, in partnership with primary and community providers.

We will develop – by summer 2015 - further plans to address sustainability in the medium term, with particular focus on:

- Growth in market share and development of specialist and tertiary services;
- Working collaboratively across divisions, with other trusts and with primary care and community partners.

By 2020 we aim to be able to support the acute emergency services of the Trust, but be able to deliver productive, efficient outpatient and surgical services to elective patients and people with long term conditions.

Diagnostics and Therapies

The key issues in terms of the future sustainability of these services are increased desirability of community, as opposed to hospital delivered diagnostic and therapy services, against the backdrop of competition from any qualified/willing providers. If the Trust does not embrace technology and innovation in these areas, it could fall behind innovative competitors. This sits alongside specific issues of viability of services in the short term, such as cellular pathology and paediatric radiology and the longer term challenges of determining the future model for pathology services and how to respond to the challenge of seven day working within available resources, both workforce and financial.

Currently, our plans in place to address these issues are:

- Implementation of local pathology action plans;
- Integration of cellular pathology;
- Developing a clear sense of how the Acute Services Review findings could be implemented in D&T;
- Developing policies and processes, underpinned by the Trust Strategy, to determine which new business opportunities to bid for, or where to disinvest;
- Establish a rolling programme of capital investment in equipment and technology innovation.

We will develop – by summer 2015 - further plans to address sustainability in the medium term, with particular focus on:

- Engagement and investment in future technology and innovation;
- Working with partners to determine which services could move to the community;
- Agreeing the future model for pathology services i.e. to retain in house or outsource.

By 2020 we aim to be continuing to deliver general diagnostic services in such a way as to support the Trust as a whole, but with much greater focus on the delivery of therapies and diagnostics in the most appropriate place for patients. We also aim to have concluded any reorganisation of pathology services across the city.

Critical Care

Key issues in terms of the future sustainability of these services are mainly linked to the competing demands across the Trust for critical care facilities.

Currently, our plans in place to address these issues are:

- Developing ring fenced cardiac critical care within the Bristol Heart Institute;
- Right sizing of critical care capacity across the Trust and improved flow out of critical care to ward based settings;
- Protected pathway redesign to improve operational resilience and reduce cancellations of planned care.

By 2020 we aim to have the right level of capacity in critical care which can support the acute activity within the Trust, and ensure that the specialist, tertiary services can also be delivered effectively.

THE SUSTAINABILITY OF SPECIFIC SERVICE LINES

Appendix 4 describes the risks to specific lines and the key actions to address.

5.3 Strategic Initiative 3 - Broader programmes of change

This initiative sets out a series of 'hooks' for the development of broad change programmes to address the thematic challenges we have identified during our review. The details of this initiative set out our commitment to develop plans in these areas and will provide us with a strategic framework for our major change programmes. As they are developed, these plans will be incorporated into our Transforming Care programme (Strategic Initiative 5) and/or strategic objectives, flowing from the yet to be developed Strategic Implementation Plan which will be developed over the remainder of 2014/15.

The Aim of this initiative is to:

Take a thematic approach to dealing with broad areas of challenge that we have identified as a result of our strategic review.

Our Strategic Plans in this area are:

- **To review and refresh our approach to public engagement and patient and public involvement** in the development and delivery of our services;
- **Where necessary, review workforce models to ensure capacity is aligned with workforce.** In the medium term, this may include developing new models for our workforce to ensure that the most appropriate staff deliver services to ensure that they are cost effective and sustainable with a particular focus on the utilisation of our non-medical workforce;
- **To drive system level changes to the shape of our health and care systems on the basis of a new 'patient centred' understanding of value in health and care systems;**
- **Developing a much more active approach to data and the way we use and share it.** We must accept the underpinning role of information technology in getting better at this, but at the same time realise that better IT will not in itself be the answer. We must make data social (open and not proprietary) in a way that we have not done before;
- **To re-examine the way we use technology and how we understand its benefits** – specifically to consider how technology facilitates access to our services and advice as well as how it allows us to deliver those services more effectively and efficiently;
- **Working on technology and innovation from a system or regional perspective** – through organisations such as the Academic Health Science Network. Our organisations typically lack the expertise or economies of scale to develop and utilise new technology on an individual basis, but there is much to be gained if we can work with and for each other to utilise the potential of advances, such as 3-D printing.

We assess that the impact of these plans will be:

To transform our organisation by delivering major changes in the areas outlined above. In particular, we aim to:

- Be innovative in the way we think about how our application of resources actually creates value for patients and to redesign services on that basis;
- Use technology to facilitate access as well as improve service efficiency and quality;
- Focus in particular on the greater utilisation of our non-medical workforce as we implement our new organisational strategy.

5.4 Strategic Initiative 4 – Our Estate Strategy

The Trust Estates Strategy builds on our current 2005-2015 strategy which is set to be concluded in March 2016 following completion of Phase IV of the BRI development programme.

To date, strategy implementation has focussed on the development and optimisation of core clinical facilities to significantly improve adjacencies and co-locations of key services and retire estate that is no longer fit for purpose. This approach has resulted in the expansion of core clinical accommodation, elimination of poor quality accommodation including nightingale ward environments, and improvements in the built environment of more than 50 services.

Notably, the current strategy has realised £200m of estate investment to improve facilities for our patients, visitors and staff, supporting the Trust in delivering its mission.

The Aim of this initiative is to:

- Complete the current 15 to 20 year strategic asset management cycle which commenced in 2005.

The 2015-2020 estate strategy now concentrates primarily on ancillary and non-clinical estate provision - which is the final element of the asset management cycle - whilst ensuring the estate is 'future proof' for known or predicted clinical requirements.

Our Strategic Plans in this area include two major initiatives :

- To evaluate the options for the future use of the Old Building Site as set out in the strategy;
- Develop an outline business case for the redevelopment of land at Marlborough Hill (including the provision of approximately 1200 new parking spaces).

We assess that the impact of these plans will be:

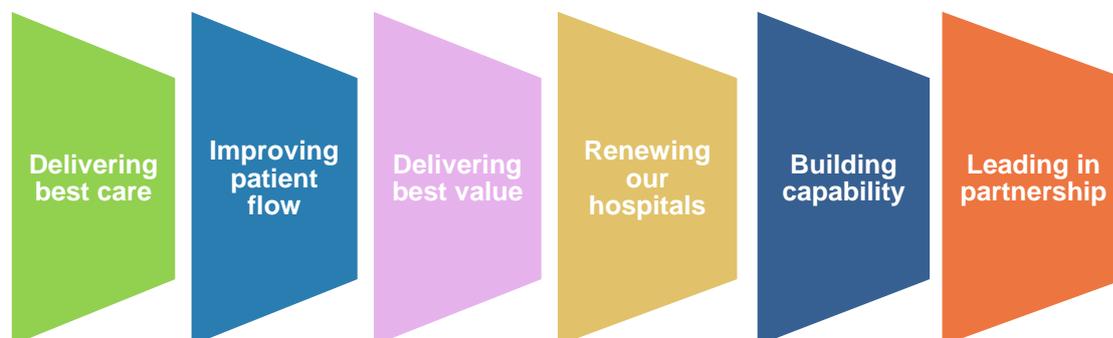
- Improved patient access through on-site, multi-storey parking provision, alongside

associated rationalisation of existing provision and enhanced drop off and site circulation;

- Replacement of Trust Headquarters (THQ) and Estates and Facilities accommodation arising from rationalisation of land on Marlborough Hill to accommodate multi-storey parking.
- Re-provision of:
 - Soon to be obsolete parent accommodation and further expansion to accommodate the impact of recent service and future service growth, notably the specialist paediatric transfer from Frenchay;
 - Accommodation for services displaced by any future service changes e.g. requirement for neonatal intensive care expansion.
- Retained space for:
 - An additional 24 bed ward or other clinical accommodation such as a care home;
 - Further expansion of Trust research and teaching offer, including enhanced medical school provision;
 - Displaced services in a scenario where disposal of Central Health Clinic and/or Tyndalls Park is deemed desirable.

5.5 Strategic Initiative 5 – Transforming Care

Transforming Care is the Trust’s unifying strategy for improvement. It is the overarching programme of transformational change designed to drive us towards our vision for the Trust. Transforming Care is both a set of projects and a structured approach to support the organisation in making change happen and to enable all our staff to improve the services which our patients receive.



The programme is structured under the 6 “pillars” above, which provide focus on the areas we need to address in order to achieve our vision.

Transforming Care is already well established in the Trust and is the key mechanism by which we plan to execute our Operational Plan. It will remain a key component of our longer term strategic plan, and an outline of the way in which the key elements of the programme will develop is set out below.

The Aim of this initiative is to:

Build on the current work of Transforming Care by developing programmes to support the strategic objectives below and the priorities set for the coming year and beyond.

Our Strategic Plans in this area are:

Delivering Best Care

- We need to maintain our good position in care quality and outcomes and react when necessary to ensure consistency of high standards;
- We must promote innovation more strongly – for example by a greater focus on collaborative work and connection to the work of larger partnerships such as Bristol Health Partners.

Improving Patient Flow

- There is more to do – we need to be increasingly robust in both planned and unscheduled care;
- There is a twofold challenge - to become better at making and sustaining improvements and to convert those improvements into measurable performance improvement and efficiency savings;
- We need to align our efforts with health economy wide initiatives (e.g. Better Care Fund).

Delivering Best Value

- We must be more forensic about understanding and dealing with our cost base, using available intelligence such as reference costs and benchmarks to deliver increasing value for money.

Renewing Our Hospitals

- We must continue to implement our Estates Strategy;
- We must implement our clinical systems strategy moving to Paper Light and then onto Paper Free;
- We must continue to support clinical teams in adopting technologies that enable better access to and use of data to improve patient care;
- We must fully realise the transformational potential of our investment in information systems.

Developing Capability

- We must deliver a step change in staff engagement and staff experience through a cultural change programme, knowing this will bring further benefits in patient experience;
- We must deliver our workforce strategy across staff groups to develop our workforce aligned to the future needs of our patients.

Leading in Partnership

- We will address the unscheduled care pathway and complex discharge with our partners at system level;
- We need to develop greater agility in the way we work with others – so we can move to action more quickly without any loss of governance and assurance.

5.6 Strategic Implementation

The Trust is acutely aware that the success of any strategy lies in its successful execution. A detailed Strategic Implementation Plan, which will be overseen by the Trust's Senior Leadership Team is being developed and will conclude for the 2015/16 planning round.

Our mechanisms to drive strategic implementation are as follows:

Our Business Planning and Operating Plans

The first two years of this strategic plan are already in place and have been set out in detail in our Operational Plan. We will begin business planning again in October 2014 and will then look at the first of years 3-5 in our strategic plan in more detail. Successive years of the strategic plan set out in outline here will then be picked up and clarified as part of our annual Business Planning process.

Our model for planning and implementation will continue to reflect the balance of corporate and divisional initiatives within our overall business model of devolved autonomy to our five clinical divisions.

Medium Term Capital Plan

This plan is set out in our Financial Plan (Section 7) and contains the provisions for the major investments that we anticipate in our Estates Strategy in particular. The provision for spending on medical equipment, minor estates works and other infrastructure spending also includes the outline provisions for the estimated costs of addressing the sustainability challenges described in this Plan.

Transforming Care

Although it is itself one of our key strategic initiatives, Transforming Care is itself the overarching programme of change through which we drive delivery across the Trust. In simple terms, as specific strategic plans in each of our strategic initiatives are confirmed, they will be fed into and become part of the Transforming Care programme where they are intended to deliver a step change in performance or outcomes, and will be governed and managed via the auspices of that broader programme.

SECTION 6 – OUR STRATEGIC WORKFORCE PLAN

6.1 Introduction

This section sets out our current position, including our strengths, weaknesses, opportunities and threats in relation to our workforce agenda and describes the plans and programmes which will enable us to achieve our objectives over the next five years.

Our plans and programmes include delivering our services in different ways, optimising productivity and efficiency, and redesigning our workforce, ensuring that it aligns with the resources available and the needs of our services and patients.

6.2 Our Workforce in 2014

Our strengths, which we need to maintain and build on, are: our highly skilled, dedicated workforce; traditionally good partnerships with our trade union representatives, redevelopments which provide a better working environment for staff and a number of positive ratings in our staff attitude survey, including proportions of staff recommending the Trust as a place to work or receive treatment.

However, our analysis also shows that we have a number of weaknesses, for example turnover and sickness absence rates, which are higher than those of similar trusts, and financial challenges associated with the need to align staffing levels with activity and capacity, and to reduce bank and agency usage. We also have some key threats in the future: recruitment to key staff groups in a tight labour market, and the financial challenge of maintaining and developing the quality of our services with fewer available resources. These threats will bring opportunities, making it more important to work in partnership with local organisations and our own staff side, and providing staff with the chance to work in new ways and train for new roles.

SWOT Analysis May 2014

Strengths	Weaknesses
<ul style="list-style-type: none"> • Staff who are committed to delivering excellent patient care • A developing culture of lifelong learning and personal development • Highly regarded teaching trust – attractive to potential recruits • Specialist tertiary service with highly skilled and expert workforce • Traditionally good partnerships with our trade union representatives • High appraisal rates, relative to sector • Clear KPIs and action plans • Areas of potential strength indicated by the staff attitude survey: <ul style="list-style-type: none"> ○ Numbers receiving job-relevant training, learning or development ○ Staff recommendation of the trust as a place to work or be treated ○ Not feeling pressured to attend work when unwell • A modern and pleasant environment 	<ul style="list-style-type: none"> • Turnover above benchmarking peer Trusts • Sickness absence levels above benchmarking peer Trusts • Bank and agency levels above KPIs • Workforce costs higher than budget • Issues indicated in the staff attitude survey: <ul style="list-style-type: none"> ○ Work related stress ○ Health and safety training ○ Well-structured appraisals ○ Harassment and bullying from other staff ○ Communication between senior management ○ Equality and diversity training ○ Discrimination at work ○ Satisfaction with work quality

Opportunities	Threats
<ul style="list-style-type: none"> • Further opportunities to develop our workforce – new roles, different ways of working – providing staff with new opportunities and new skills • We can do more to optimise the productivity and operational efficiency of our systems, processes and staff • The need to change and adapt will drive change and provide scope to transform the way in which we deliver care through service and workforce redesign • We will need to engage even more closely with our staff and Trade Union representatives to support future changes • Academic partnerships can be developed which would produce benefits in shared expertise and skills, and workforce development. • We can do more to market potential employees the benefits of working at UH Bristol, including our status as a major teaching trust and being centre of expertise for specialist services • Partnerships with other providers could be further developed to learn from best practice, benchmark and work collaboratively in developing our workforce and delivering services 	<ul style="list-style-type: none"> • National shortage of qualified nurses due to retirements likely to impact during 2015-17 • Difficulties in recruiting to certain areas, such as consultant radiologists, pathologists, oncologists and acute physicians • Changes to junior doctor numbers mean potential shortages 2016 onwards • Financial challenges due to reduced funding • Scale of change may be demanding for staff to accommodate • Funding and infrastructure to develop and train for new roles and new ways of working may be difficult to identify and secure • Potential national agreements regarding pay which may impact on our ability to deliver 7 day working • The age profile of some consultants and some specific areas of the service could result in cohorts of retirements, resulting in the loss of key skills

6.3 Our Workforce Vision

Our workforce vision is:

We will be an employer of choice, attracting, nurturing and developing a workforce that is skilled, committed, compassionate and empowered, so that we can deliver excellent care to our patients.

Our vision is underpinned by a number of strategic themes which are as follows:

- Supporting our leaders to deliver transformational change, creating a culture of high performance, continuous improvement and organisational transformation;
- Engaging our workforce, so staff feel valued, empowered and are committed to delivering excellent care;
- Recruiting and retaining the best staff to ensure that we can meet future demand to provide the exceptional quality of healthcare to our patients;
- Ensuring that staff are rewarded and recognised for high performance and that teams and individuals have clear accountability for their actions.;
- Developing a culture of lifelong learning across all staff groups within the Trust where Teaching and Learning supports the Trust values and strategies;

- Ensuring that we have a sustainable workforce which aligns capacity and staffing within the financial envelope, with safe and appropriate numbers of staff and skill mix, and minimal agency usage.

The work streams to deliver these priorities will be supported by partnership working, both across the Trust, with our trade union representatives, and with external partners, impacting on all staff groups. Progress against the work programmes which underpin these themes will be reported to the relevant workforce governance group on a quarterly basis.

6.4 Workforce Risks to Sustainability

Our key workforce risks – along with our mitigation plans – are considered below.

6.4.1 Workforce affordability

Risk: We recognise the future risk of delivering services within a reduced resource, particularly given the increasingly complex health needs of patients, and the requirement to provide services within extended hours.

Mitigation: There are a range of solutions which are being implemented to address the key issue of workforce costs, which include the following:

- We have reviewed our nursing levels, using the national Safer Care Nursing Tool, combined with an external review, benchmarks and review of risks. This has resulted in agreed general ratios which are already being met, even taking account of acuity and dependency requirements, providing the assurance that there are not significant increases in nursing levels required to achieve national benchmarks;
- Our consultant job planning database enables an assessment of capacity against service requirements. In addition, we have a rigorous approach to ensuring that new consultant posts are not established without a clear justification and business case. We have a specific workstream which will focus on securing further efficiencies from our medical workforce. We are also collaborating with NHS Employers to support their modelling of the implications of changes to the consultant contract, with the objective of reducing the financial impact of 7 day services;
- We are leading on a programme to develop workforce models as part of the Better Care Fund in the Bristol Health community. This work is in recognition of the increasing proportion of elderly who are admitted to our hospitals and the specific workforce and service redesign across health and social care which is required to ensure that patients are cared for in the most appropriate place by staff with the best possible skills;
- UH Bristol will also continue to develop the expectation that staff work across sites in the Bristol community, whether this is in a community setting, or for a different acute provider, in order that services continue to be sustainable and cost effective.

6.4.2 Changes to junior doctor training

Risk: By 2015, 80% of Foundation posts will be required to contain a 4 month Community

post, rising to 100% by 2017. These changes will result in significant reductions in junior doctor numbers working in the Trust. This will exacerbate the existing shortages in some areas of juniors and middle grade doctors.

Mitigation:

- Develop and implement an action plan, based on a cost benefit analysis, in partnership with Divisions, which will be focussed on the following solutions:
 - Instigate Academic F2 posts where available, which are funded by Health Education South West (HESW) with out of hours and on costs funded by UH Bristol;
 - Review and extend the Clinical Site Management Team;
 - Develop a “Teams at Night” programme, to ensure the cover at night is provided using cross-team approaches;
 - Review of roles to ensure that doctors are only undertaking tasks which specifically require medical input and ensure that processes are efficient in supporting junior doctors to increase efficiency;
 - Implement the Advanced Nurse Practitioner and Extended Practice Physiotherapist/Health Care Scientist roles which we already have in place in several areas such as the Emergency Department, Rehabilitation, Paediatrics and Cardiac, to cover other specialties as necessary;
 - Continue to work with Health Education South West to ensure there is appropriate training available to support the development of the new roles, and in particular, ensure that there is increased provision for non-medical prescribing training;
 - Ensuring we continue to collaborate with Health Education South West Severn Post Graduate Medical Education Deanery to understand as early as possible the potential impact in years beyond 2017.

6.4.3 Temporary Staffing Usage

Risk: Some use of temporary staffing is positive and providing the flexibility to supply additional staff during peaks and troughs of demand and to cover for maternity, sickness absence, and vacancies. However, temporary staffing usage currently exceeds budgeted establishment, and this would be a risk if not reduced in the future.

Mitigation:

- We have a range of actions which are being implemented to support and maintain reduced bank and agency usage through the reduction of the drivers, including vacancies and sickness absence and to further improve control mechanisms;
- We are also improving the way we use our rostering system, to ensure shifts are booked six weeks ahead, that rosters are signed off at an appropriate level, and that

staffing levels comply with agreed Chief Nurse staffing guidelines;

- There is enhanced reporting at Quality and Outcomes Committee and at Divisional Reviews to ensure that the agreed trajectory for reducing bank and agency usage is achieved.

6.4.5 Recruitment and Retention

Risk: Where there is a limited supply of a specific professional group and recruitment is challenging, this can result in difficulties in recruitment. National projections for the forecast future supply of registered nurses shows a likely reduction of between 6 and 11 per cent between 2013 and 2016, and baseline projections for supply and demand show a shortfall of nurses by 2016 (The Centre for Workforce Intelligence CfWI 2013). In addition, there are specialist areas which are difficult to recruit to, and given our age profile, service sustainability could be impacted when key staff with specialist expertise retire.

Mitigation:

- We have a range of recruitment activities which are focussed on attracting both newly qualified and experienced nurses, including participating in recruitment fairs, holding open days, and utilising the Trust Microsite;
- We have aligned workforce plans with recruitment to anticipate demand resulting from turnover and service developments;
- We are developing appropriate attraction packages, both to market the benefits of working in a specialist, tertiary teaching Trust, and in offering specific terms where appropriate, focussing on difficult to recruit areas, which include histopathology, pathology, radiology and oncology;
- We have taken the opportunity to transform our recruitment processes, implementing an assessment centre approach which will be extended to all staff groups, to ensure that we recruit for compassion as well as skills.

6.4.6 Sickness Absence

Risk: Our long term ambition is to achieve a sickness absence level of no more than 3%, with an interim target for 2014/15 of 3.5%. High levels of sickness absence are linked with reduced productivity and increased usage of temporary staffing, but these are challenging targets and there is a risk that they will not be achieved.

Mitigation:

- Our early priorities as part of our Staff Experience and Engagement programme include providing support for staff, in terms of wellbeing and tackling work-related stress in addition to the existing services for employees through our physio-direct service, allowing direct access to physiotherapy at the earliest sign of musculoskeletal injury, a staff counselling service and a programme to address stress related absence;

- We will also be scoping and piloting an Employee Assistance Programme, and will extend this subject to positive outcomes.

SECTION 7 - FINANCE STRATEGY

7.1 Introduction

The Financial Strategy commentary describes the Trust's assessment of the Strategic Plan for the period until 2018/19 and builds upon the Operating Plan submitted to Monitor in early April 2014. The commentary details the key assumptions, transactions and projections in support of the financial template for the "Base" scenario and "Downside" scenario.

7.2 Financial Sustainability

The Trust undertakes regular reviews of its Long Term Financial Plan and formally updates the Long Term Financial Plan on an annual basis in line with Monitor's annual planning cycle. The Trust has always adopted a prudent approach to financial planning and refers to the following criteria in assessing the affordability and sustainability of its plans:

- A recurrent or normalised surplus achieved in every year of the plan;
- An in year surplus of 1% of turnover excluding technical items to meet the Trust's loan principal repayments;
- A minimum cash balance of £20 million;
- A Continuity of Services Risk Rating of at least 3; and
- A maximum Reference Cost Index of 100.

7.3 The Base Scenario

7.3.1 Savings Plans

The Trust has delivered savings of £84.2 million since it became a Foundation Trust in June 2008. Going forward, the Trust believes the continued delivery savings at a rate of 4% is unsustainable having assessed the opportunity to transform its own services at c2%. For the purposes of the Strategic Plan submission, the Trust has set a strategic assumption of net tariff efficiency of 2.5% in 2015/16 and 2% from 2016/17 onwards as the Trust's "Base" scenario. This does assume that 'tariff leakage' is real and will effectively net off against the gross tariff efficiency. There remains some doubt about this but the strategic assumption is retained. In line with the Monitor guidance, should 'tariff leakage' reduce the gross efficiency deflator will also reduce in line. The Trust savings plan going forward is summarised below:

Base Scenario	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m
Savings requirement	10.0	8.4	8.5	8.7

It should be noted that, at this stage of the Strategic Plan, detailed plans are not in place to deliver the savings; these will need to be worked up in due course as the strategic direction is translated into savings plans.

7.3.2 Income

The income assumptions over the period of the Strategic Plan are as follows:

- Net nil activity growth pending a review of activity volumes and the impact of the Better Care Fund;
- An assessment of National Tariff gross uplift at 2.67% in 2015/16, 3.67% in 2016/17, 3.77% in 2017/18 and 3.87% in 2018/19 offset by a National Tariff gross efficiency requirement of 2% in each year. The net inflator of 0.67% in 2015/16 is necessary to cover increases in employer costs arising from NHS pension contributions. The net inflator of 0.17% in 2016/17 is due to an increase in National Insurance employer contributions. Smaller changes in later years is due to further increases in NHS pension contributions due to automatic enrolment of staff into the NHS pension scheme from 1st October 2017.
- MPET rebasing impact of £1.0 million in 2015/16 and £0.5million in 2016/17; and
- The receipt of charitable donations in 2015/16 of £3 million in support of the Trust's Medium Term Capital Programme.

7.3.3 Costs

The 2015/16 – 2018/19 cost outlook for the Trust should be considered in the context of an increasingly challenging environment. Pressures on spending, savings plans and transformation initiatives are intensifying and firm control will be required to avoid the Trust's medium terms plans being undermined. The main assumptions and considerations included in the Trust's cost projections are:

- Pay inflation 1.25% in 2015/16, rising to 2.73%, 2.88% and 3.04% by 2018/19 which includes a 1% pay ward and the impact of NHS pension and National Insurance contribution changes, drugs at 5%, clinical supplies 2% and capital charges at 2%;
- Recurrent savings delivery at 2.5% in 2015/16, followed by 2% each year;
- Payment of loan interest at £3.1 million in 2015/16 falling to £2.5 million in 2018/19;
- Loan principal repayment of £5.8 million each year; and
- A recurring risk reserve of £0.5 million in each year from 2015/16.

The following non-recurring costs are provided for:

- £1.0 million change / invest to save costs each year in recognition of the transformation requirement;
- £0.5 million transitional costs in support of the Trust's strategic capital schemes;
- £0.8 million technology implementation costs in 2015/16 and £1.0m each year from 2016/17;
- £0.5 million risk reserve in each year;
- £0.5 million contingency in 2016/17 rising to £1.25m in 2018/19; and
- £9.4 million gross impairment in 2015/16 arising from the writing down of capital cost to depreciated replacement cost of the BRI Redevelopment Phase 4.

7.3.4 Strategic Developments

Bristol Royal Infirmary Redevelopment

Commissioning of Phase 3 begins in June 2014 and will be completed in January 2015 providing up to date and modern estate. Phase 3 will enable the delivery of new models of care through the Acute Medical Assessment Unit which will improve service efficiency, patient flow and quality of care. The full year effect net recurring revenue cost of Phase 3 in 2014/15 is £6.9 million, the part year effect is £4.6 million. A key risk is the delivery of the planned length of stay reductions before the opening of Phase 3, and the delivery of length of stay savings post 2014/15. The bed closures are necessary to deliver the decant of patient services from the Trust's King Edward Building and the subsequent closure of the BRI Old Building in March 2016. The closure of the BRI Old Building delivers recurrent savings of £2.0 million from 2016/17 meaning the net recurring revenue cost of the scheme from 2016/17 is £4.9 million.

7.3.5 Other Service Developments

There are no further developments planned for the period 2015/16 to 2018/19.

7.3.6 Transactions

Breast Screening Transfer

The transfer of the Avon Breast Screening Service from UH Bristol to North Bristol NHS Trust is planned to take place from 1st August 2014. The transfer will reduce the Trust's income by £1.5 million and reduce the Trust's expenditure by £1.36 million resulting in a net loss to the Trust of £0.14 million.

Centralisation of Specialist Paediatrics

The project meets the long-term vision and strategy to centralise paediatric services delivering integrated paediatric services within the existing Bristol Royal Hospital for Children. The recurring revenue impact is financially neutral with increases in both income and expenditure of £16.1 million in 2014/15. The new service commenced in May 2014.

Vascular Transfer

The transfer of Vascular services from UH Bristol to form a Major Arterial Centre at North Bristol NHS Trust is now scheduled for October 2014. The recent full year effect assessment shows the transfer will reduce UH Bristol's income by £3.3 million and costs by £2.5 million resulting in a net loss to the Trust of £0.8 million.

Other Transactions

There are no further transactions currently planned for the period 2015/16 to 2018/19.

7.3.7 Capital expenditure

The Trust has a significant Medium Term Capital Programme investing £94.6 million from April 2015. This is summarised in the table below:

	2015/16 Plan £m	2016/17 Plan £m	2017/18 Plan £m	2018/19 Plan £m	Total Plan £m
Strategic schemes	12.0	6.1	8.9	7.3	34.3
Backlog works	2.4	2.7	2.7	2.7	10.5
IM&T	1.3	1.5	0.8	1.4	5.0
Operational capital	6.3	4.5	4.5	4.5	19.8
Medical equipment	2.5	7.9	5.3	5.3	21.0
Slippage	3.7	0.6	0.0	(0.3)	4.0
Totals	28.2	23.3	22.2	20.9	94.6

The Trust's major strategic schemes in this period are:

BRI Redevelopment Phase 4 £13.0 million

Phase 4 involves the refurbishment and conversion of the Trust's King Edward Building and the BRI Queen's Building upon opening of Phase 3 in January 2015. Phase 4 will complete by March 2016 and will ultimately allow for the decommissioning and disposal of the BRI Old Building in 2016/17 and 2017/18 respectively.

Strategic Capital £21.3 million

The Trust's Medium Term Capital Programme has set aside uncommitted strategic capital monies of £21.3 million over the period 2016/17 to 2018/19.

7.3.8 Liquidity

The Trust's liquidity is fundamental to ensuring the Trust can meet its financial obligations arising from its revenue expenditure and capital investment as they fall due. The 2015/16 projected year end cash balance is £46.5 million, rising to £53.8 million in 2018/19. The Statement of Financial Position forecasts net current assets of £12.8 million at the 31st March 2016 rising to £18.7 million as at the 31st March 2019. This increase reflects the Trust's decreasing Medium Term Capital Programme over the period and includes assumed disposal proceeds of £2 million in 2017/18 relating to the BRI Old Building.

	2015/16 Plan £m	2016/17 Plan £m	2017/18 Plan £m	2018/19 Plan £m
Current Assets – Cash	46.5	46.7	50.2	53.8
Current Assets – Other	30.2	30.1	30.5	30.8
Current Liabilities	(63.9)	(64.8)	(65.3)	(65.9)

Net Current Assets	12.8	12.0	15.4	18.7
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7.3.9 Continuity of Services Risk Rating

The Trust's forecast Continuity of Services Risk Rating performance is 3.5, rounded up to 4 over the period to 2018/19. The Trust's forecast liquidity days exceeds zero days for each of the financial years giving a liquidity metric rating of 4. The Debt Service Cover metric performance exceeds 1.75 times over the planning period giving a metric rating of 3. The components are summarised below:

	2015/16 Plan	2016/17 Plan	2017/18 Plan	2018/19 Plan	Rating 4	Rating 3	Rating 2
Liquidity - days	2.4 days	1.8	3.9	6.0	0 days	-7 days	-14
Liquidity metric	4	4	4	4			
Debt service cover –	2.2 times	2.2	2.3	2.3	2.5	1.75	1.25
Debt service metric	3	3	3	3	times	times	times
Overall Rating (rounded up)	4	4	4	4			

7.3.10 Summary Financial Results – Base scenario

The financial outlook for the Trust over the planning period remains one of strength relative to the Foundation Trust sector with a forecast Continuity of Services Risk Rating of 4 in each year of the Strategic Plan.

The Base scenario outlook continues the past decade of delivering net surpluses and forecasts:

- A normalised surplus in every year of the plan;
- A net surplus margin of 1%;
- A minimum Continuity of Services Risk Rating of 3; and
- A minimum cash balance of £20 million.

The financial results are summarised in the table below:

7.3.11 Summary Financial Projections – Base scenario

	2015/16 Plan £m	2016/17 Plan £m	2017/18 Plan £m	2018/19 Plan £m
Income	570.2	574.4	582.5	591.3
Operating expenditure	(527.0)	(533.3)	(540.6)	(548.7)
EBITDA*	43.2	41.1	41.9	42.6
Non-operating expenditure	(45.2)	(38.5)	(39.1)	(40.2)
Net surplus / (deficit)	(2.0)	2.6	2.8	2.4
Net surplus / (deficit) (excluding exceptional items)	5.4	5.8	5.8	5.8
Year-end cash	46.5	46.7	50.2	53.8
Continuity of Services Risk Rating	4	4	4	4

*Earnings Before Interest, Taxation, Depreciation and Amortisation

7.4 The Downside Scenario

The Trust has undertaken a simple “Downside” scenario as an illustration taking into account a national savings requirement set at 4% from 2015/16 onwards. All other assumptions and transactions are unchanged from the “Base” scenario. The savings requirement at 4% is summarised in the table below:

Downside Scenario	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m
Savings requirement @ 4%	15.9	16.4	16.4	16.4

The impact of the savings requirement at 4% and delivery at 2.5% in 2015/16 and 2.0% from 2016/17 are summarised in the table below:

7.4.1 Summary Financial Projections – Downside scenario

	2015/16 Plan £m	2016/17 Plan £m	2017/18 Plan £m	2018/19 Plan £m
Income	564.3	560.1	559.8	560.0
Operating expenditure	(527.0)	(533.4)	(541.1)	(549.8)
EBITDA*	37.3	26.7	18.7	10.2
Non-operating expenditure	(45.3)	(38.4)	(39.1)	(40.2)
Net surplus / (deficit)	(7.9)	(11.8)	(20.4)	(30.0)
Net surplus / (deficit) (excluding exceptional items)	(0.5)	(8.6)	(17.4)	(26.6)
Year-end cash	40.6	26.4	7.1	(21.3)
Continuity of Services Risk Rating	3	2	1	1

*Earnings Before Interest, Taxation, Depreciation and Amortisation

The impact of the recurring saving requirement at c£16 million per year compared with recurring sustainable delivery at £8 million per year has a major compound effect of c£75 million over the planning period. The result is a Continuity of Services Risk Rating of 3 in 2015/16, 2 in 2016/17 and 1 in later years.

Clearly, the scale of mitigation required would need to be significant in order to first restore the Trust's cash balance and weak liquidity position. The only material mitigation available to the Trust would be an equivalent reduction of the Trust's Medium Term Capital Programme. This scenario would have a significant adverse impact upon the Trust's ability to provide high quality care and is, in relation to the Trust's criteria of financial sustainability, an unsustainable scenario.

The Trust does not believe that savings above that assumed in the base scenario are deliverable without adverse service and clinical impacts.

7.5 Changes to the 2015/16 Financial Plan

7.5.1 Introduction

Monitor received the Trust's 2014/15 – 2015/16 Operating Plan submission on 2nd April 2014. Having reviewed the Operating Plans of the Foundation Trust sector, Monitor has written to all Foundation Trusts asking them to consider their 2015/16 plans in light of the financial challenge.

7.5.2 Rationale for the changes

The 2015/16 plan was based on information and intelligence available to the Trust in March 2014. In the context of the Trust's savings delivery of £84.2 million since 2008 and a further savings requirement of £20.9million in 2014/15, it has become increasingly apparent that savings delivery in 2015/16 at 4% is not sustainable having assessed the opportunity to transform its own services at 2.5%. (In line with the provider efficiency metric from Monitor guidance).

7.5.3 Changes made

The following key changes have been made to the 2015/16 plan compared with the April submission:

1. The National Tariff uplift is assessed at 2.67% compared with 2.5% taking to consideration an initial assessment of the increasing cost of employer pension contributions;
2. The National Tariff deflation or saving requirement re-stated at -2.5% from -4% having assessed the opportunity to transform the Trust's services. In absolute terms, a 2.5% saving requirement equates to £10.0 million;
3. A re-assessment of pay inflation at 1.25% , up from 1% including the initial assessment of additional employer pension costs; and
4. An increase in capital expenditure of £3.5 million from £24.7 million to £28.2 million due to timing changes arising from an update of the BRI Redevelopment Phase 4 programme.