



**Strategic Plan Document for 2014-19**

**Heart of England NHS Foundation Trust**

## Strategic Plan Guidance – Annual Plan Review 2014/15

The cover sheet and following pages constitute the strategic plan submission which forms part of Monitor's 2014/15 Annual Plan Review.

The strategic plan must cover the five year period for 2014/15 to 2018/19. Guidance and detailed requirements on the completion of this section of the template are outlined in Section 5 of the APR guidance.

Annual plan review 2014/15 guidance is available [here](#).

Timescales for the two-stage APR process are set out below. These timescales are aligned to those of NHS England and the NHS Trust Development Authority which will enable strategic and operational plans to be aligned within each unit of planning before they are submitted.

Monitor expects that a good strategic plan should cover (but not necessary be limited to) the following areas, in separate sections:

1. Declaration of sustainability
2. Market analysis and context
3. Risk to sustainability and strategic options
4. Strategic plans
5. Appendices (including commercial or other confidential matters)

As a guide, we would expect strategic plans to be a maximum of fifty pages in length.

As a separate submission foundation trusts must submit a publishable summary. While the content is at the foundation trust's discretion this must be consistent with this document and covers as a minimum a summary of the market analysis and context, strategic options, plans and supporting initiatives and an overview of the financial projections.

Please note that this guidance is not prescriptive. Foundation trusts should make their own judgement about the content of each section.

The expected delivery timetable is as follows:

Expected that contracts signed by this date	28 February 2014
Submission of operational plans to Monitor	4 April 2014
Monitor review of operational plans	April- May 2014
Operational plan feedback date	May 2014
Submission of strategic plans (Years one and two of the five year plan will be fixed per the final plan submitted on 4 April 2014)	30 June 2014
Monitor review of strategic plans	July-September 2014
Strategic plan feedback date	October 2014

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

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

Name	Angeline Jones
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Date	27 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.**

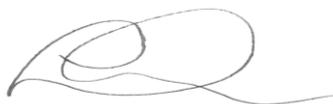
In signing below, the Trust is confirming that:

- 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)	Les Lawrence
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Signature



Approved on behalf of the Board of Directors by:

Name (Chief Executive)	Mark Newbold
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Signature



Approved on behalf of the Board of Directors by:

**Name**

Aidan Quinn

*(Finance Director)*

**Signature**



A handwritten signature in black ink, consisting of stylized, overlapping loops and a trailing flourish, positioned above a horizontal line.

## 1.2 Declaration of sustainability

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

**Confirmed**

**The Trust can declare that its strategic plans will ensure the sustainability of the Trust over the coming five years on a clinical, operational and financial basis.**

As set out in the Operational Plan Document for 2014-2016, The Trust has updated its strategy (the Corporate Strategy) to make sure the way it is developing is relevant to the future needs of the NHS. This five year strategy has concentrated on the acute models of care and developing out of hospital services. It incorporates work streams including the Reshaping HEFT Programme, the surgical reconfiguration programme, review of specialised services and the redesign of front door services at Solihull. The Corporate Strategy recognises that radical transformation at the Trust is needed in order to deliver a clinically, operationally and financially sustainable organisation. There are five key themes to the Corporate Strategy;

1. Transforming Acute Care,
2. Investing in Out of Hospital Services,
3. Becoming recognised as providing good or outstanding services,
4. Developing a more distinct identity for our hospitals, and
5. Creating a truly patient centred culture.

These plans will ultimately deliver a significant reduction in the acute footprint based on a short-stay model of care, a reconfigured surgical service, an integrated health and social system in Solihull and an outstanding or good CQC rating for each of our services. By improving the way services are delivered, acute capacity will be reduced and efficiencies will be achieved leading to cost reductions to support the Trust's financial security.

The financial sustainability of the Trust is secured over the Plan period due to strong opening cash balances, a smaller capital programme and a challenging efficiency challenge of £24m per year. The Trust has recognised that in the later years of the Plan there is insufficient detail to give certainty on the delivery of all of the efficiency schemes and this shortfall has resulted in a deficit being reported in the later years of the plan.

The clinical and operational sustainability of the Trust is secured over the Plan period due to the operational and clinical buy-in to the Corporate Strategy and its constituent parts. The operational and clinical teams have already set out plans for how to reduce the component of care provided within the hospital. The surgical reconfiguration plans have been subject to clinical consultation and the plans that are being developed are being led by clinicians. The redesign of front door services at Solihull has been led by the Solihull CCG and has been through a public consultation. This demonstrates that at every step of change the views of the relevant parties are considered in order to gain the buy-in of stakeholders that is the key to the success to these changes.

### 1.3 Market analysis and context

In developing the Corporate Strategy the Trust reviewed the current and the future needs of the population of the Trust. The Trust provides services to over one million people who live within 20 minutes of our hospitals. Each year we provide over three quarters of a million outpatient appointments, over a quarter of million people use our Accident and Emergency services and we help deliver over 11,000 newborns. However, analysis shows that there are some emerging themes;

- In the next 10 years we will see the number of people aged over 90 in our local population rise by 65%, and over 80 by 23%.
- At any one time about two thirds of our patients are over 65
- Thirty per cent of our admissions could be treated at an alternative care location, including two thirds who could be treated at home,
- The NHS spends about 70% of its money caring for people with long term conditions.
- Sixty three per cent of people think moving services from hospital to the community will improve them.
- There is a continued growth of patients with long term conditions, many of whom have co-morbidities.
- Social Care budgets are being cut dramatically, and
- There is an increasing trend of centralisation of specialist services into fewer hospitals.

On-going discussions with the clinical commissioning groups, NHS England and Local Authorities as part of the 2014/15 contract agreement and their future outlook indicate that there is increasing pressure on budgets in the future. The current rates of growth cannot continue to be delivered in the same way as it has been done in the past.

The Trust's response to these challenges is not a do nothing approach. The traditional methods of coping with efficiency programmes and changing patient service delivery were showing diminishing returns so the Trust strategy is about transforming this situation. This includes a focus on;

- invest in out of hospital services
- a shift in resources towards our (first 72 hours) acute services
- a clearer identity for our hospitals and
- a change in working culture in when we admit patients and where and how we look after them while they are in our care.

The three main work programmes that support this focus are transforming emergency care, surgical re-design and urgent care centre development at Solihull.

There is a system wide programme of work under way to create a "Five Year Strategic Plan for Birmingham, Sandwell and Solihull" that is being supported by PwC. The Chief Executive has been part of these discussions and is committed to ensuring the Trust is an integral part of the emerging strategy. The Trust will use this overarching work, which includes the impact of the Better Care Fund, to guide its strategy.

### Specialised Services

The Trust commissioned an external review of its specialised services portfolio compared to other regional providers. This work confirmed that there was not a significant duplication of services across the city and has allowed the Trust to prepare for the changes expected in specialised services commissioning from 2015/16 onwards.

### Other Commercial Activity

There is an increasingly competitive environment for service provision, either from other NHS organisations looking to secure market share and funding as part of their strategy, from commercial organisations looking to profit from NHS income streams or from commissioners who are using tender arrangements to ensure that services are delivered at best value for money. Where the Trust already provides these services it will participate in the tender to maintain this provision. Where there are opportunities to deliver additional activity such as regional tenders the Trust will bid for this provision where it fits with the Trust strategy. Two such schemes identified are regional sexual health services provision and centralised pathology provision and these have been included in the financial position in the Plan.

## 1.4 Risk to sustainability and strategic options

As explained in the “Operational Plan Document for 2014-16”, the Trust’s Corporate Strategy describes a different way of doing business in future. Whilst the Trust is anticipating small annual growth in activity, it will be sufficient to further intensify capacity issues in the LHE over the next 5 years if action is not taken.

### **The options available include:**

1. Requesting CCGs and local government to provide further out of hospital care as we focus on further reducing the LOS in acute care
2. Rely on the Delayed Transfers of Care payment mechanism to penalise local government if out of hospital care becomes insufficient
3. Ask CCGs and local government to maintain their current provision of out of hospital care and we invest in further out of hospital or sub-acute care as we focus on further reducing the LOS in the acute care.

The Corporate Strategy is based on option 3 and will transform the way the Trust works. The plans will ultimately deliver a significant reduction in the acute footprint based on a short-stay model of care, a reconfigured surgical service, an integrated health and social system in Solihull and an “outstanding” or “good” CQC rating for each of our services. By improving the way services are delivered, acute capacity will be reduced and efficiencies will be achieved leading to cost reductions to support the Trust’s financial security.

The combination of the expected activity growth and the tariff deflator means we are planning for marginal income growth each year. We expect this income to include more community based activity provided by the Trust, as we move to less reliance on acute inpatient care.

In order to deliver the strategy the support of the local health economy is required in the following areas;

- Agree to surgical reconfiguration changes,
- Follow through on urgent care centre at Solihull proposals,
- Agree to the Trust’s proposals for out of hospital care and partner with us to provide some of those services, and
- Not withdraw currently provided services wholesale, particularly those services that would support planned inpatient activity.

### **Risks**

There are a number of risks to this plan including the following;

- a. The Trust does not deliver its CIP or transforming models of care and reconfiguration programmes.
- b. Demand and activity rise above the levels predicted in the plan, which could cause capacity constraints.
- c. Tariff rules laid down by the Department of Health result in a higher tariff deflator or inflation runs higher than expected.
- d. The Trust does not win the tenders assumed within the plans.
- e. Capacity for social and community care in the local health economy reduces due to their economic constraints.

## 1.5 Strategic plans

In order for the Corporate Strategy to succeed the Trust needs to follow through on the implementation of the key parts of the strategy.

The Corporate strategy implementation will follow the timetable below;

- January 2014 - Board agreed the principles of the strategy with follow up detail on plans to achieve the outcome presented in February,
- February -March -Divisional implementation plans drafted and aligned to efficiency planning,
- March - Governors agreed the Corporate Strategy and the overall financials,
- May - CCGs used our strategy in the LHE plan,
- June - Workforce transformation group will begin to support delivery of strategy and the changes in the mix and development of staff,
- Quarter 2 – Delivery Unit structure established,
- Quarter 3 – theatre reconfiguration consultation feedback available.

### Delivery

- In May 2014 the Trust restructured the Board and the management team
- In the new arrangements transformation and delivery are inextricably linked which will increase the effectiveness of the implementation of the strategy.
- A new Delivery Unit has been created with the Director of Delivery, the Medical Director and the Chief Nurse jointly responsible for the performance of the Trust, and they are supported by a Director of Transformation, a Director of Improvement and a Director of Operations.

This structure will support the planning and implementation of the strategy through the existing internal and external review boards, such as the Solihull Urgent Care Board, Workforce Transformation Group, CIP Board and Operations Boards. Each of the Operations teams has presented a plan on the implementation of the first two years of the strategy and this will be extended to include the final three years of the Plan period. A quarterly update on progress on these plans is presented to Finance and Performance Committee. Activity is reviewed regularly with commissioners and any divergence from their commissioning plans will be discussed with them and in the annual contract negotiations the Trust's activity plans will be reviewed in more detail.

## 1.6 Appendices

