

Strategic Plan Summary

2014 - 2019

Welcome to the Strategic Plan summary, which provides a brief overview of the James Paget University Hospitals NHS Foundation Trust's business plan for 2014/2019.

Christine Allen, Chief Executive



Introduction

The next few years will be extremely challenging for us, the local health system and the NHS. We will need to radically transform and redesign our existing services and staff will be required to work in different and yet more creative ways to ensure we use our resources to best effect.

We must continue to meet the demands of our patients, but also deliver them in the most cost effective, high quality and efficient way, eliminating waste and cutting bureaucracy. We must ensure our services represent value for money and they meet all appropriate clinical standards.

We have a good working relationship with HealthEast, our Clinical Commissioning Group, which enables us to take a long term strategic view on the planning of healthcare services. The Trust completely supports local commissioning, will play an active role in the planning and provision of future services and welcomes the openness of the CCG in embracing all stakeholders in the process.

We also want to deliver more integrated clinical care with the Norfolk & Norwich University Hospitals NHS Foundation Trust (NNUH) and East Coast Community Healthcare (ECCH), the provider of local community services. We want to ensure our patients and their families receive seamless, first class services. This approach will also help to reduce any health or wellbeing inequalities and reduce waste. More importantly, it will help to secure the sustainability of the local health economy for the coming years.

Our local population

Evidence shows that the local population has a particularly high use of acute hospital services including a high proportion of admissions from diseases that could be managed outside hospital. This would suggest closer and more integrated working is needed with our partners to make better use of existing services provided in primary care and in the community.

Work to improve the health of our local population has been a focus of the local health and social care economy for some time and some improvements are already being seen. However, there are still four long term conditions where there is significantly higher demand. These are:

1. **Circulatory diseases**, including coronary heart disease and strokes
2. **Diabetes**, an important contributor to high rates of circulatory diseases
3. **Cancers**
4. **Respiratory disease**, mainly chronic obstructive pulmonary disease

Our Clinical Commissioning Group (CCG) has identified a number of priorities for prevention, reducing inequalities and improving health including reducing smoking levels particularly in pregnancy; reducing obesity, diabetes and alcohol related harm; and to ensure that every child has the best start in life.

There are a number of key themes which are consistently reflected in both our own and commissioner plans:

- Increase the numbers of patients with a positive experience of hospital care
- Mortality reviews
- Improving compassion in practice
- Workforce assumptions for the 5 year planning period
- Increasing elective efficiency over the next 5 years.

Demand and future planning assumptions for services

Elective care demand profile - GP referrals increased in the last financial year by 0.5%, following a period of decline in the preceding two years.

We continue to establish strong clinical relationships and engagement with GPs to support the choice of the Trust for patients' elective care. Regular clinical forums take place between GPs and hospital consultants in a number of specialties to use the combined clinical expertise to move forward. The Trust and CCG are working closely together on a joint savings target, which will include the review of clinical thresholds for elective treatment and in some cases which treatments may be offered on the local NHS. This work is likely to have an impact on elective demand towards the end of the year which will provide mitigation of growth in elective demand, which will support the achievement of both performance targets and the local health system's financial targets.

A&E and non-elective care demand profile - The Trust has seen significant growth in demand for unscheduled care between 2009 and 2014. Demand for A&E services has grown by 9.7%, with ambulance conveyances to the Trust increasing by 23.4%. Emergency admissions have grown by 18.0% with admissions for orthopaedic trauma increasing by 13.6%. This level of growth in demand has led to sustained pressure on the Trust's bed capacity, which must be addressed in the future through system wide changes to pathways and the increased use of non-acute models of care, if the health system's financial targets are to be achieved.



A&E refurbishment

Future planning assumptions: growth areas

There are a number of opportunities for the Trust to grow its business whilst diversifying its funding streams to reduce financial dependency on a single lead commissioner. These include:

- Repatriation of elective activity from distant providers
- Establishment of services locally that are currently commissioned under higher cost risk share contracts from distant providers
- Consider provision of services other than the traditional NHS services that have formed part of the Trust's acute portfolio, such as care / nursing home provision and the opportunities that a co-located primary care facility in a Health Campus model may offer
- Grow private patient income and review opportunities to utilise treatment capacity on the boundaries of the Trust's catchment area to generate new business.

Strengths, Weaknesses, Opportunities and Threats

The market analysis and context can be distilled into the high level analysis shown below. This strategy sets out a number of actions and approaches which directly tackle the points arising from this Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis.

Strengths

- Strong financial track record
- Loyal staff
- University hospital
- Medical school
- Strong research profile
- Excellent relationships with commissioners and other providers

Weaknesses

- Lack of community presence
- Weakened local reputation
- Lack of transformational change – need to do more with less
- Availability of medical staff
- Age of the estate
- Geographical location leading to recruitment difficulties

Opportunities

- Business development on the borders
- Increase integration with NNUH, community and other providers
- Dedicated Health Campus
- Divisional development programme
- Integrated Care System lead provider
- More proactive engagement with patients and carers to improve quality of care and shape service improvement
- Better Care Fund

Threats

- Private / commercial sector competition
- Increasing levels of emergency admissions and ageing population
- Specialist centres
- Tightening financial position in the NHS and the local health economy
- Potential for negative policy direction regarding the small DGH model

Strategic plans

Quality and patient experience - The quality of care and safety of our patients is at the heart of everything we do. Every member of staff has a responsibility for making sure this happens on a day to day basis. Our frontline staff will be central to delivering the Trust's vision and the care standards that we expect every patient will receive. Our key areas of focus are detailed within the Trust's Five Year Strategy and include:

- Quality and safety – putting our patients first
- Managing emergency admissions
- Attracting high calibre staff to critical medical posts
- Developing clinical networks
- Developing integrated care pathways
- Encouraging staff to speak up regarding concerns and to help identify solutions.

Our Quality Strategy puts into context our vision in terms of patient safety, clinical effectiveness, and patient experience and outlines the direction of travel for the next three years (2014 - 2017). This strategy will be reviewed on an annual basis and will be delivered via our quality improvement goals, as described in the Quality Report each year.

In developing this strategy we have reviewed the recommendations within the recent national reviews into quality, including the Francis, Keogh, Berwick and Clwyd reports. We will continue to be sighted on the specific actions we have identified as being instrumental in delivering our strategic aim to improve quality and safety. The diagram below summarises the content of our Quality Strategy, how it will be delivered and monitored and the linkages to new national guidance and recommendations, as well as how it will be supported via other key Trust strategies.



Patient experience - A key priority in the Trust's Quality Report is to develop a Patient and Carer Engagement Strategy. The sole purpose is to triangulate this information with the information we have around safety and effectiveness to improve services and specifically patient experience. This is one of the Trust's corporate objectives for 2014/15 and will also then filter down into the appraisal objectives of our staff at various levels.

The Trust has an ambition to provide our service users with a truly positive experience of care. This means really engaging with those who use our services, including the hard to reach groups. We want to understand their experiences to date and what they expect from their local health care services, so that we can shape our services to meet these expectations. This will be achieved by firstly ensuring that our staff are totally committed to providing high quality care. We are introducing recruitment in line with the Trust's values and behaviours and enhancing nursing and medical leadership.

We will continue with our review of complaints handling and reporting, ensuring that the recommendations made by Francis, Keogh, Berwick and Clwyd are fully considered as our systems and processes are enhanced. We will improve our complaints handling in line with the pathway described by the Parliamentary and Health Service Ombudsman. However, crucially, we will take this further by shaping our responses to complainants in a way which is tailored to meet their specific needs, including earlier meetings at times and places convenient to them, involvement of complainants in developing improvement plans and audits to ensure changes have been embedded, as well as utilisation of patient stories to influence change across the organisation.

We will enhance our relationships with patient representative groups and use patient experience and feedback to check that our information regarding safety and outcomes is resulting in a positive patient and carer experience and take preventative and corrective action where it is found to be deficient.

The Trust has agreed the following key priorities for 2014/15:

- Complete review and development of strategy for how we seek and review patient experience information
- Enhance communications with patients, relatives and carers e.g. DNACPR (Do Not Attempt Cardio-pulmonary Resuscitation), EoL (End of Life), admission, discharge
- Shape our responses to complainants to meet their specific needs, including earlier meetings at times and places convenient to them, involvement of complainants in developing improvement plans and audits to ensure changes have been embedded.

Patient safety - The Trust is committed to reducing avoidable harm including hospital acquired pressure ulcers, infections and inpatient falls. This will be done by reviewing and learning from when things go wrong. An enhanced mortality review process has already commenced, specifically focusing on cases where it is identified that there has been a failure to rescue, failure to plan, and/or failure to care.

Furthermore, the Trust will specifically:

- Triangulate information received from internal reporting systems together with feedback from peer reviews, medical and nursing schools and other external assessments;
- Review, with other health care partners, End of Life care planning.

The Trust has agreed the following key priorities in response to existing quality concerns for 2014/15:

- Never Events – to increase staff education and training around Never Events and ensure systems and processes are in place to reduce the risk of occurrence
- Medicines management - improve controls assurance by implementing robust, effective, sustainable systems for safe and secure handling of medicines

- Documentation - to reduce the incidence of omissions in patient documentation so as to achieve complete and accurate records of care.

Clinical outcomes and effectiveness - The Trust has agreed the following key priorities for 2014/15:

- To review all NICE Quality Standards and demonstrate planning of service delivery around the ability to achieve these aspirational standards
- Prioritise clinical audits conducting those which are linked to Never Events, Serious Incidents, major litigation, complaints and other national and local priorities and risks
- Deliver the Clinical Audit Forward Plan in-year.

Commissioning for Quality & Innovation (CQUIN)

A number of CQUIN schemes will be in operation during 2014/15, with some challenging transformational schemes planned to run for two years through to 2015/16. These cover both main acute services and regionally commissioned specialised services. CQUIN performance is reported each month to the Board of Directors and monitoring of delivery during 2014/15 will be integrated with the delivery of the Trust's transformation programme. A complete list of the schemes for 2014/15 can be found in the Trust's Performance Management Report on the Trust's website.

Estate Strategy

As part of the five year planning process the Trust is creating a new site development and estate strategy setting out how the hospital estate needs to change to enable the successful delivery of the trust's clinical and business development plans. The strategy will need to respond to the operational divisions' individual strategic plans by setting out the changes required across the estate. The estate strategy also needs to incorporate a five year capital plan to support the long-term financial model and will be:

- Clinically driven - all too often the estate drives clinical service delivery: this cannot be the case if this strategy is to support rather than hinder delivery of the clinical strategy.
- Flexible enough to respond to any uncertainty around future service delivery.
- Targeted at ensuring local people receive local services delivered from premises which are fit for purpose – premises must help not hinder healthcare delivery, must be compliant with legislation and must be in a suitable condition.
- Detailed enough to give a firm foundation upon which annual and two-year operational plans can be based and it must be grounded in reality providing a 'road map' for implementation.
- Innovative - new IM&T technologies offer exciting opportunities to make the workforce more efficient: the estate strategy must make the link. There could also be interesting options to explore around sale and leaseback arrangements, joint ventures and exploring the potential of a 'Health Campus' model with the Trust's local health economy partners.

- Affordable - every pound spent on the estate is a pound not spent on service delivery and business transformation. The strategy should aim to maximise asset utilisation, make the best available return on capital investment and contribute towards the Trust's transformation and savings programme.
- Achievable over a timescale that is both realistic considering issues such as planning and ambitious enough to mean that genuine change is delivered within five years.



IT

The Trust is currently developing a new Information Technology Strategy, to provide options for greater access to information to support service improvement and integration. The core themes of the Trust's draft IT Strategy are:

- The Trust must move through becoming 'paper light' to becoming 'paperless'
- Information must be made available to those with a valid reason to seek it
- The information must be made available to as wider audience as possible
- The information must be made available to where it is needed
- The information must be made available in the format and on the device required
- The information must be quick and simple to access
- The applications used must fit the business and operational processes and tasks that require them
- The applications must be effective, efficient, and reliable
- The data must be easily manipulated into knowledge, so that sound clinical decisions can be safely made
- Real time data collection – the Trust must look to collect complete and accurate data at source
- The core infrastructure must be reliable, fast, and present; wherever it is needed.

The implementation of the IT strategy is influenced by the priorities of the Trust, the affordability of the components of the strategy, and by the Trust's National and local partners. Current influences include NHS England technology funds, which if the Trust's bids are successful, could change the order and dates of the proposed developments.

Workforce

The Trust permanently employs 2668 staff, plus 542 additional staff employed to work 'as and when' required. This represents an annual salary bill of £110m. The Trust's single biggest staff group is qualified nursing, midwifery and health visiting staff, representing 33% of the entire workforce. This is closely followed by the staff who directly support the Trust's clinical teams. It will be essential for the Trust to work closely with its partners to deliver the strategic workforce aims in the next five years. There are four key workforce challenges for the Trust to address with the health and well-being of staff central to achieving these:

- Attracting a supply of good quality staff
- Culture, leadership and performance management
- Getting staff working in the right place and at the right time
- Ensuring the working environment is fit for purpose.

Management Review

The Trust has already commenced changes to the management structure to prepare the organisation for the challenges over the next five years. The Board of Directors agreed to four phases of review and restructuring which commenced in August 2013. The key structural changes include:

- Three divisions becoming two – with Family and Diagnostics (FADs) merging into both the Emergency and Elective Divisions (Medicine and Surgery)
- New divisional senior management teams – comprising Deputy Director of Operations, Divisional Director and Divisional Lead Nurse in each division
- New posts of Service Managers in divisions – to be responsible for groups of services and replacing Deputy Divisional Manager posts
- Appointment to the vacant post of Director of Operations – interim currently in place

Clinical Workforce and sustainability

The Trust's key workforce priorities over the planning period are:

- Reviewing ward based clinical establishment/skill mix in response to changing patient needs, with reference to the Francis Report, recent CQC reports, the patient flow/length of stay project and the local healthcare system's demand management outcomes
- Reduction in Registered Nurse (RN) agency expenditure to substantively recruit to all funded RN posts. The Trust has successfully used international recruitment to fill vacancies and will continue with this strategy during 2014/15
- A medical staffing recruitment working group has been set up to identify new recruitment strategies to attract more highly qualified middle and senior medical staff to the Trust
- Review of Management Establishment to ensure a 'fit for purpose' management structure capable of matching the needs of the Trust and its strategic plan from 2014/15 onwards

- Reduction in staff sickness rates to meet Trust's target of 3.5%. The Trust will use its resources effectively to performance manage sickness/absence, but more importantly to support staff in attending work
- Achieve Mandatory Training compliance target, enhancing patient safety through regularly trained and updated staff, and protecting staff from unnecessary harm.

Difficulty in recruiting to key medical posts in certain specialties or service areas has also been considered. In certain specialties there is a clear national shortage of suitably qualified senior and middle grade doctors. Strategies are being developed to address these concerns, with the Trust striving to recruit to substantive posts by tactically offering enhanced packages. The Trust is also working closely with its key partner, the Norfolk and Norwich University Hospitals NHS Foundation Trust to enhance existing clinical networks.

Education, training and research

The Trust's vision is to proactively support all its learners, including permanent staff, those on placement, students and apprentices, through the provision of high quality learning resources and excellent teachers and trainers. The Trust will equip the workforce with the right skills and knowledge to deal with the increasing needs and complexity of patient care and in doing so, deliver safe, consistent, high quality services and care with compassion. The Trust will consider training of its medical staff on a par with, and in all aspects of service delivery. This will ensure focus on the quality of training to improve the quality of patient care and patient safety and will continue to grow the Trust's reputation as a hospital where doctors want to work, train, and commit their future to.

The Trust has an established and dedicated research team who have generated a significant amount of revenue for the Trust. We are fully committed to growing research facilities and exploring the opportunities to expand in this field. As a University Hospital with a dedicated medical school, training the next generation of health professionals and developing research is a key priority. There has been significant investment in the re-development of a dedicated new complex housing the library, conference and lecture facilities and other learning facilities.

The Trust's new Academic Committee of the Board of Directors continues to develop, with the following priorities over the planning period:

- Ensure the Committee further supports the strategic direction of the Trust
- Increase the Committee's links with core business functions, specifically to support patient safety
- Integrate the subgroup work streams for education and research more closely
- Further develop the Trust's innovation and enterprise approaches
- Conduct a stocktake of all research in the organisation, to ensure that:
- Enhance engagement with the whole workforce regarding education and research
- Consider further opportunities for medical student electives

- Strengthen the relationship with Health Education England and ensure the Committee co-ordinates education and training across the Trust and with its partners
- Increase the external focus of enterprise activities
- Continue to strengthen links with the University of East Anglia.

Clinical Strategy

The Trust will develop its Clinical Strategy to both support the objectives of the Trust's Five Year Strategic Plan and to complement the integrated business planning process. The clinical strategy will pull together the various workforce, service delivery and sustainability challenges and opportunities and will be developed in close consultation with clinicians across the local health economy to ensure consistency in the direction of local primary, acute and community services.

The strategy will also examine how the Trust can develop the health component of the health system's direction towards an Integrated Care System (ICS), both operationally and contractually, how the Trust can engage with NHS England Specialised Services to support the development of network led QIPP schemes and how the Trust and the commissioner can further develop the new joint commitment to a shared service transformation savings target.

A number of specific service opportunities and challenges will also be explored as part of the development of the clinical strategy, including but not limited to:

- The number of and extent to which the Trust will develop joint services with other providers in order for these services to remain sustainable and the impact of not doing this
- The efficiency opportunities arising from the completion of the new dedicated day case complex
- Development of a system wide 'Care of The Elderly' pathway with the right level of care taking place at the right time in the right place
- The future scope of the Best Practice Tariff and the service and technology requirements to ensure compliance in the future
- Alternate models of care required locally to definitively address the continual increase in demand for A&E services, supported by the recent redevelopment of the A&E department
- Consideration of a co-located out of hours service on the Trust site
- Potential service models to support the development of a Health Campus on the Trust's site
- Potential for a wider involvement by GPs in certain acute services, such as GP assessment of patients with chest pain to improve access times and time to diagnosis
- Full roll out of Ambulatory Care pathways and the role of primary and community care in supporting reduced admissions and facilitated discharges
- Continuation of the local health systems work on the Seven Day Services Transformational Improvement Programme" (SDSTIP), facilitated by the health system's Early Adopter status
- Options for redesigning pathways through the use of Point of Care Testing (POCT), currently in project phase within

the Trust, and the role this could play within the wider health system

- Revised patient flow processes, the opportunities created from the 'pull' discharge model being considered as a BCF scheme and how these could impact service delivery
- Options for achieving significant and sustainable reductions in length of stay, whilst maintaining quality outcomes such as low re-admission rates
- Optimal use of CQUIN schemes and resources for 'pump priming' sustainable service transformation
- Aligning service development plans with capital and estates programmes to ensure high value equipment such as CT and MRI scanners are replaced with the right specification at the right time to meet service demand
- Consideration of how to maximise the use of specific clinical assets on the Trust's site where their use may be restricted through commissioning policy, such as Hyperbaric facilities
- Considering the options for how and if the Trust will compete with other commercial providers in the local market through the "any qualified provider" framework
- Options to widen the scope of telemedicine, such as to support on-call cover
- Options to address the structural underfunding through tariff of maternity services
- Growing private patient business
- Service Line Reporting (SLR) based reviews of all services
- Dementia care services to continue working closely with the Norfolk and Suffolk Dementia Alliance to develop robust relationships with local care homes to support an integrated approach to meeting the needs of patients living with dementia.
- Building on the successful implementation of the Louise Hamilton Centre as a multi-agency palliative care and support centre for patients' families and carers, respond to the commissioner's intentions to lead on delivering integrated pathways of care for palliative care patients.
- The Nutrition and Dietetics Service to become more involved with high risk populations in the community with more patients cared for in the community to avoid admission to hospital.
- Implement a revised model of Respiratory Care
- Implement a revised Cardiology model.

Service Transformation

The Trust and CCG are working closely on plans to approach the financial challenges faced by both organisations. The following additional activities have been agreed so far:

- A joint transformation / QIPP fund target has been agreed with risk management built in to ensure equal incentive and risk to promote joint work on service transformation and efficiencies
- In response to the CCG's commissioning intentions, the Trust is the lead provider in working with other partners to redesign the local health system's end of life care pathway, which will also provide a proof of concept for the principles of the integrated care system model
- The Trust is leading a system wide redesign of respiratory

services, utilising CQUIN resources to pump prime this important service change

- The Trust is restructuring its service transformation team to establish dedicated senior roles focusing on integration-based transformation schemes
- Elements of the transformation team will be funded by both the Trust and the CCG, paving the way for the potential of a true system wide joint transformation team with a joint budget and shared and agreed savings targets

There is a detailed planning approach defined for transformation for the first two years of the planning period, with the plan setting out:

- Milestones, actions, accountabilities and proposed quality and financial benefits
- Schemes which significantly reduce the expenditure run rate
- Effective mobilisation of the programme (projects staffed, communications agreed, sustainable plan for programme governance agreed and running effectively)

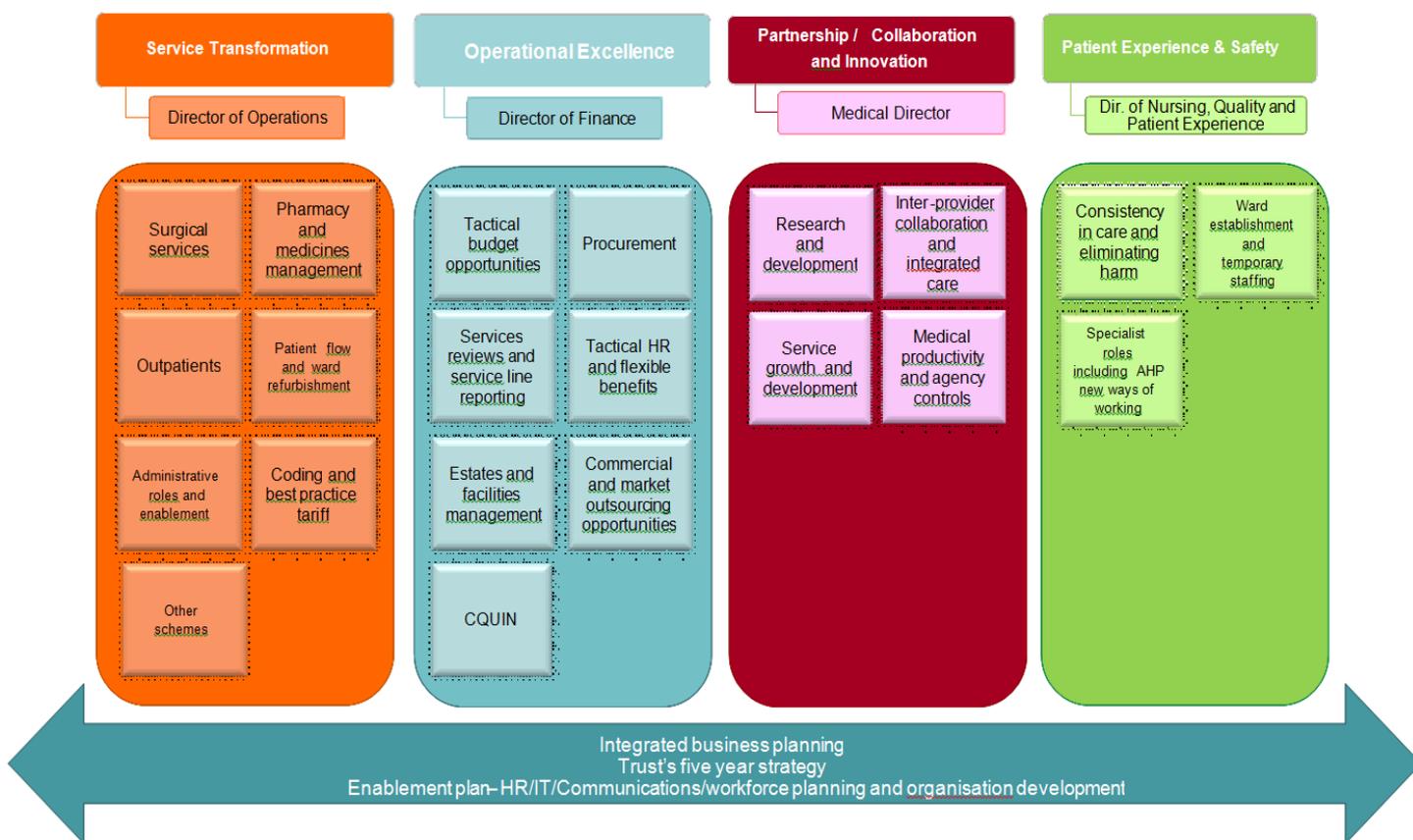
- Identification of potential pipeline schemes which can reduce the financial gap.

The two year plan has been structured into the following four key domains:

- Service Transformation
- Operational Excellence
- Partnership, Collaboration and Innovation
- Patient Experience and Safety.

Within the four domains, there are 19 work streams and with CQUIN as the 20th work stream there will be over 60 individual projects constituting the Trust's transformation and savings programme over the next two years.

The transformation programme will embed the principles of the NHS change model throughout the Trust to bring about system wide, large scale changes required for a sustainable Trust and local health economy.



The Integrated Care System (ICS) model

The vision for the ICS in the local health economy is captured in the following statement from the commissioner's strategic plan submission:

"By 2018/19 the citizens of Great Yarmouth and Waveney will receive their health and social care, and some district/ borough services, from a cohesive integrated care system (ICS) acting as a single provider of services. The ICS will be user focused, delivering high quality and safe services with an orientation to innovate and develop new methods delivering better care based on the ideas and ambitions of professionals and the feedback of users. Because it is operating in a coordinated way, eliminating inefficiency and waste, and striving for more effective delivery methods it will be using resources optimally and constituent member organisations will be in financial

balance and able to invest in further improvements."

Andy Evans, Chief Executive, NHS Great Yarmouth and Waveney CCG

At implementation, the ICS would be the **single greatest change in the commissioning and provider landscape** within the local health economy to date. This change would also bring significant associated risks and opportunities. The development of the ICS will form a significant part of the partnership working between the Trust and the commissioner over the coming years.

The Better Care Fund - The Better Care Fund (BCF) will be fully implemented in 2015/16, however some commitments are starting to emerge during 2014/15. The current position is that a number of schemes are in development which may impact the Trust, however to date further work is underway to develop scheme details and monitoring arrangements.

Schemes in development currently cover the following themes across the local health economy:

- Reduced emergency admissions to acute hospitals
- Reduced permanent admissions to care homes
- Integrated Community Health and Social Care Teams (Out of Hospital Team and palliative care)
- Supporting independence by provision of community based support interventions
- Urgent Care Programme including integrated care home and home care commissioning to facilitate hospital discharge
- Support for people with dementia and older people with functional mental health problems living in the community
- Support for carers and carer breaks
- Integrated neighbourhood working
- Reablement, rehabilitation and recovery
- Community based support.

Five Year Financial Forward Plan

The Trust is experiencing similar financial pressures as the NHS in general and acute services in particular. Demand for emergency services continues, despite investment being made by commissioners in alternative non-hospital services. Overall demand for services is increasing in line with the demographics of the population. The combination of demand, tariff prices reducing and cost pressures, coupled with the need to improve quality and manage the system wide QIPP challenge, continues to ensure that the next two year period in particular remains incredibly challenging for the NHS both nationally and locally.

The current financial position of the Trust remains positive, with an out turn surplus of £1.2m in line with the financial plan for financial year 2013/14. Income rose by £1.6m from £172.2m (excluding the impact of a one-off charitable fund building of £1.0m) in 2012/13 to £173.8m in 2013/14 and expenditure rose similarly by £3.0m to £172.6m.

The five year financial forward plan includes a £1.1m contingency throughout the planning period. In order to maintain a Continuity of Services Risk Rating of 4, against a background of tariff deflation from on-going anticipated efficiency and escalating costs, a clear focus on reducing the recurrent cost base of the Trust is required. To support this requirement the Trust has developed a transformation plan to improve quality and reduce costs. The inclusion of clinicians in this process has also been sought to ensure delivery of these challenging targets. Cost improvement, transformation and revenue generation targets valued at £16.6m over the next two years will be supplemented by further work to ensure the efficiency requirements of years three to five are converted into robust detailed plans. The cost savings target for years' three to five is for a further £15.1m of savings.

Other key priorities include:

- Improving the quality of care to the patients by transforming the way that the Trust carries out its activities;
- Delivering the contracted activity with minimal use of premium costs;
- Improving clinical areas through the Trust's capital investment programme to improve patient experience and clinical outcomes and ensure sustainability for services into the future;

- Working in an integrated way within the local health economy;
- Delivery of the transformation programme; and
- Avoiding contractual underperformance leading to fines being levied.

How will the Trust deal with the financial challenges ahead?

In order to deal with the financial challenges in the next five years, some difficult decisions will have to be made. We are keen to find ways of increasing productivity and increasing activity levels (through business development opportunities with other CCGs) and changing the way we work.

Over the next five years, there will be a real need to take a firm commercial attitude towards increasing the opportunities to grow our healthcare business to ensure the long term sustainability of the Trust. One area of focus will be to increase the profit margin of our services and make difficult decisions on loss making areas so we can be financially secure in the future.

Further savings will also need to be found to reflect any reductions in the Trust's annual contract with the local CCG. The breakdown of the savings target for the next five years is as follows:

Five year summary breakdown	Value of savings required (£)	CIP target as a % of the Trust's total income
2014/15	10.0m	5.7%
2015/16	6.6m	3.8%
2016/17	5.6m	3.2%
2017/18	5.5m	3.2%
2018/19	4m	2.3%
Total	£31.7m	

Over the next five years the Trust is planning to make significant investment into equipment and infrastructure to support service delivery. The five year capital investment plan has been refreshed and much of the investment is within the first two year period, specifically with the upgrade of the Trust's theatres and upgrade of Radiology equipment. In addition, the Trust has commissioned a strategic review of its entire estate which will result in a comprehensive Estates strategy.

Some of the major investments over the five year planning period are highlighted in the table below.

Scheme	Value	Completion
Theatre upgrade	£9.8m	2015/16
E-health records	£0.4m	2014/15
Radiology equipment	£3.7m	Rolling
Outpatient upgrades	£2.4m	2016/17
Ward refurbishment	£4.6m	Rolling
Maternity services	£0.3m	2014/15
E-prescribing	£1.7m	2014/15
Estates maintenance, IT, and medical equipment	£26.1m	Rolling
Total capital investment planned	£49.0m	