Musgrove Park Hospital

Summarised Strategic Plan Document for 2014-19

Taunton and Somerset NHS Foundation Trust

Contents

An Introduction to Taunton and Somerset NHS Foundation Trust

Taunton and Somerset NHS Foundation Trust (TSFT) provides healthcare to Somerset and parts of Devon and Dorset. It provides acute hospital care from its main site, Musgrove Park Hospital (MPH), located in Taunton, the county town of Somerset, along with some community based services. It also provides consultant, diagnostic, therapy and nursing services to other healthcare sites in Somerset, including Yeovil District Hospital and community hospitals.

Alternative providers in the area include Nuffield Hospital, in Taunton, and the Shepton Mallet Treatment Centre, operated by Care UK. Alongside GP practices there are also numerous voluntary sector and community groups involved in the provision of various aspects of primary and community care.

There are other NHS hospitals nearby, in Bath, Exeter, North Devon, Weston-super-Mare and Bristol. Hospitals in Bath, Bristol and Exeter are either of a similar or larger size than MPH.

Context: Why is this a tough time for the Trust?

Taunton and Yeovil are 28 miles apart and serve distinct populations separated by sparsely populated rural areas. Neither town has a population large enough to support an independent hospital that provides all the services people need. For example, new standards that hospitals have to meet to provide 24/7 care mean that more staff need to be employed, but, at the same time, the amount of money hospitals receive is not enough to keep up with rising costs and rising demand for services.

Hospitals are funded according to the types of treatments they provide and the numbers of patients they treat. In small towns like Taunton, there are not enough patients treated to pay for all the new staff required to run services around the clock, seven days a week.

A big city may have several large hospitals within a few miles of each other, which makes it easier to share resources and make changes to services which make them cheaper to run without having a big impact on patients. Somerset is predominantly rural, which means that when services are changed across hospitals, patients may have to travel much further. This makes such changes much more difficult and makes savings much harder to achieve.

Somerset has a population of 530,000 living in an area of 1,600 square miles. Greater London's population is 8,000,000 but its area is 600 square miles. Meeting the clinical and financial standards required to successfully run the full range of District General Hospital (DGH) services is much easier in urban areas.

Managing with an income based on a relatively low population is perhaps the single key challenge facing the Trust.

Demographic Challenges

Somerset has an older population, and a higher life expectancy, than the England average. An ageing population will present health challenges to the whole country, but they will be more pronounced in Somerset than in England as a whole.

The proportion of people aged 75 and over is expected to increase by 28% (to 73,000) between 2013 and 2021. By then 13% of Somerset's population will be over 75. Somerset County Council has produced a document known as the Joint Strategic Needs Assessment for Somerset. It predicts a growth in the numbers of people over 65 of 30% by 2021.

Such an increase in older people will have an impact on many health services, such as orthopaedics, ophthalmology, cancer care and a range of acute medical specialties such as cardiology, which tend to be used more by older people. Theatres, critical care and cancer services are also predicted to get busier because as people age they tend to require these services more.

The majority of people aged over 65 have two or more long term conditions, and the majority of over 75 year olds report having three or more. There has been a rise of 40% in patients admitted to the hospital with dementia between 2010 and 2012, and a 35% increase in admissions from nursing homes.

It is estimated that amongst the over 65 population, there will be a 24% increase in strokes by 2020, a 23% increase in heart attacks and a 26% increase in falls-related admissions by 2020.

The number of people diagnosed with diabetes increased by more than 20% between 2007 and 2011. Although deaths caused directly by diabetes are not common, the condition causes complications in other areas which make treatment more difficult and more expensive.

All of these changes will mean that more people rely on the services provided by the Trust. There will need to be services developed for more people which can be delivered efficiently in a way which provides the best care.

Financial Challenges

There is a significant and worsening financial problem which the Trust must manage.

As the population grows and ages, there are more old and frail people and greater numbers of people with chronic long term conditions. Caring for them will require changing care pathways and use of new medicines, but these are expensive. Meeting rising public expectations in terms of safety, quality and access will be difficult.

Costs of energy and supplies are going up, and these rising costs are causing additional pressures on NHS budgets. Due to national pay constraints in recent years there have been no cost of living pay rises for staff between 2010-2013 and only a small rise for some staff in 2014. As the economy picks up and pay increases in other sectors, there may be further pressures on hospital payroll costs to ensure the hospital can keep recruiting and retaining the best staff.

All of this is happening at a time when NHS funding as a whole is barely increasing at all. So NHS Trusts are required to deliver savings equivalent to a minimum of 4% per year in order to make sure that the money they have provides all the services it needs to. As a result, in 2014/15 the Trust has a £13m savings plan, with plans to save an additional £7 to 8m in each of the four subsequent years. Achieving this level of savings will be very tough. The hospital has historically been successful in making cost reductions of around 2% of its budget each year (i.e. c.£5m) whilst also seeing more patients through increased efficiency.

Most hospitals are now finding that savings above this level can only be done by thinking more radically about how services are provided in future.

Another consequence of this financial squeeze is the reduction in the amount of money available to invest in replacing the hospital's old buildings, which include many built as temporary structures during World War 2. This will place extra challenges on how the hospital maintains its excellent services and increases capacity to meet future needs in old fashioned and out of date buildings.

Clinical Quality Challenges

There are many changes being made in the NHS to make services better. These will have a big impact on this Trust.

NHS England, which designs how services look across the country, has said that emergency care will change. In future, hospitals are likely to be classified according to the level of emergency care they can provide. This may mean up to 100 hospitals becoming 'Major Emergency Centres', able to diagnose and treat patients on a 24/7 basis with other hospitals being designated to provide a lower level of emergency care. Musgrove Park believes it has the size and location to be a major centre, although this is still to be confirmed. This will have a big impact not only on the Trust's existing A&E but also other facilities such as critical care and theatres.

There will be more provision of round-the-clock services in future, with services provided at the weekends as well as during the week. However, providing enough doctors and nurses to run services across seven days is difficult and expensive. In Somerset, the existence of several relatively small providers to serve several distinct population centres makes provision much more expensive because services need to run despite fewer people using them. Whilst there will be definite quality improvements, there is unlikely to be additional money to help pay for the increased level of staff costs to provide on site cover on a 24 hour basis.

The Trust also wants to help reduce admissions and lengths of stay, particularly for older people. The Trust will look to work with other providers, such as Somerset Partnership NHS Foundation Trust, which runs the community hospitals in Somerset, to do this as efficiently as possible.

By increasing the population the hospital serves, the hospital will benefit from better economies of scale. This means that for a relatively small increase in cost it can provide a much larger benefit as it already has the fixed costs of running a consultant rota, specialist equipment and staffing. That is why the hospital is looking at closer working with Royal Devon and Exeter Hospital which will link certain specialist pathways closer together, and the potential acquisition of Weston Hospital. If the Trust were to be successful in taking over Weston, it believes that through better economies of scale it can provide improvements in care to the North Somerset population whilst also helping make services more sustainable at Musgrove Park.

Does the Trust have the capacity to meet increasing need?

Beds

The Trust needs enough beds to manage demand, but is looking to be as efficient as possible so that patients receive care out of hospital wherever possible.

Over the next five years the Trust is planning to reduce the number of beds on site. This reflects similar plans made by Somerset Clinical Commissioning Group (CCG), which buys hospital services from the Trust on behalf of local people. Reducing the time that patients stay in hospital, and working with primary care to prevent unnecessary admissions will help achieve a reduction. It is not clear exactly how many beds the Trust will have in five years because this will be determined by other factors such as the location of the Major Emergency Centre and the impact of patients choosing where to receive their treatment.

Staffing

Higher clinical quality standards will mean more doctors and nurses, but overall staffing will need to reduce because it is the single biggest cost to the Trust. TSFT employs around 4,000 people and spends over £150m on staff each year.

Staffing is already efficient and focused on clinical areas, so further cuts will be difficult. Fewer than 4% of staff are paid at Agenda for Change Band 8a (£40,000pa) or higher. 62% of staff are paid at Band 5 (close to the national average salary of £25,000) or lower.

Pay is determined nationally, which makes it difficult for the Trust to change things. National contracts are changing and this will have an impact. The Trust is also looking at doing what it can locally to influence pay, including a new values-based pay progression arrangement which will tie additional pay to performance, measured not only by fulfilling individual objectives but also by how well staff demonstrate commitment to the values of the organisation in terms of care, respect and taking responsibility.

Posts are reducing, and the Trust has recently embarked on a voluntary resignation scheme which led to around 35 staff leaving the Trust. Such initiatives will continue, helped by service changes and natural staff turnover.

Buildings and the estate

The Trust faces significant challenges in terms of keeping its buildings in good condition.

Many buildings at Musgrove Park Hospital are old, and around a third need replacement. Maintenance costs are high and there is a backlog of condition improvements of around £50m over the next ten years. As a result of the age of facilities, much of the clinical space is inflexible and in poor condition.

The Trust's general operating theatres and critical care facilities are perhaps the least suitable for their current role, and there has been significant work to identify a clinically suitable long term solution. The anticipated cost of replacing theatres and critical care is at least £25m. The Trust does not have the money for this or for other major improvements in its estate. There is a pressing need to improve some services in particular, for instance the poor quality maternity buildings and the radiotherapy service which requires expensive equipment replacement by 2019.

There have been some big improvements in recent years, such as the Beacon Centre and the Jubilee Building. The current financial situation makes it look unlikely that improvements will be possible in the future at the same scale. However, changes to the structure of services in Somerset (e.g. MPH being the location of the county's Major Emergency Centre) may mean that funding becomes available to make services better. The Trust must therefore look at alternative options for improving facilities without incurring high costs associated with new buildings.

Financial Projections and the Trust's overall financial position

The hospital receives its funding through a tariff based on the number and complexity of cases it treats. Tariff values have fallen in real terms year-on-year in recent years and will continue to do so, which means that the Trust now has to do more work to receive the same money. There remain big uncertainties about what types of services commissioners will want the Trust to provide in future and how much they will be able to pay for it.

The Trust's five year financial plans are very challenging. They are based on projections which show a small increase in demand for services each year, matched in part by a relatively lower rise in income. The 2014/15 plan requires £13m of savings to bring likely expenditure down to the Trust's level of income, and this will be a very challenging target to meet.

In future years, further savings of over £7m per year are required to bring expenditure in line with income.

Achieving these savings targets will allow for service continuity in the short term, but will leave no money for investment in new buildings or major equipment. The Trust runs many services from old buildings which need replacing, but current financial plans do not allow for such replacements. As a result there is a growing risk that buildings may fail.

The very challenging financial targets are based on an assumption that the Trust's income will go up each year to reflect rising demand. This conflicts with assumptions being made by Somerset CCG (who commission services from the Trust) which assumes that demand will go down. Should the CCG's assumptions prove correct, the Trust's income will go down too, and the financial position will worsen.

Should demand and income fall over time, the Trust will need to fund an even larger gap between income and expenditure. This can be achieved either through further savings, or a reduction in cash balances to make up the shortfall. It is considered unlikely that further savings can be found, and projected deficits going forward will need to be met using existing cash balances. The Trust's cash reserves are expected to run out during 2016 in this scenario, and its viability as an organisation will be seriously compromised. Service continuity from this point will be dependent on finding radical new ways of delivering services. Health organisations across Somerset and in neighbouring areas have started to explore the potential for such changes, as further described below, but these discussions are currently at only a very early stage and lack certainty.

Market Analysis: The Trust's competitors

There are many other organisations providing health care in the region, and the Trust has to make sure that it keeps quality high so that patients choose to use its services.

The Trust has started to develop links with other organisations where working together will help clinically and financially. This is made more difficult due to the government's policy of competition between providers, but there are some cases where the only sensible way forward is to work together with others to make services better. Examples of this work include partnerships developed with Royal Devon and Exeter Hospital on a range of services.

The Trust has acquired a significant amount of data to enable it to make informed decisions about its strategy as one of many providers in the region. The data has shown that in many areas the Trust performs well relative to others. Only two competitor Trusts in the South West have a lower length of stay for elective procedures, and only three have a lower length of stay for emergency care overall. However, in some particular specialties there is room for improvement on length of stay. This can sometimes be addressed by improvements, but is often due to factors beyond the control of the Trust, like the fact that NHS hospitals are the place where many patients are sent as a last resort. For example, in orthopaedic services, higher lengths of stay are probably due to an increase in the complexity of patients. Patients requiring simpler treatment can be treated at non-NHS hospitals under contract from the CCG. One such private hospital locally has seen a 400% increase in non-complex patients in the last year. Non-NHS providers can refuse to treat complex patients. MPH cannot, nor would it want to. But the impact is that patients stay longer at Musgrove Park, meaning that the Trust earns less money because there is little or no difference in the tariff value received for a complex versus a more routine case.

The Trust will continue to work with competitors and partners into the future, maintaining and increasing the network of market intelligence and potential partnering solutions in place to sustain high quality services.

The Trust's Strengths, Weaknesses, Opportunities and Threats

In tandem with ongoing analysis of competitors, the Trust analysed the strengths, weaknesses, opportunities and threats (SWOT) inherent across six of its major service lines – frail elderly services, paediatrics, acute care, elective care, maternity services and cancer.

This SWOT analysis was used to build up a Trust-wide analysis which informed plans for the future.

Strengths	**Weaknesses**
• The Trust consistently delivers high quality care • Infection rates are amongst the lowest in the country • Historically good financial management • High quality surgical wards • Class-leading cancer centre • Excellent reputation for teaching making MPH attractive to trainees and substantive appointments • Innovative models of partnership in place • Stable and experienced leadership • Relatively simple organisational relationships	• High level of old buildings • Various specialties serving a population not sustainably sized • Vulnerable to increased demand or small reductions in capacity causing increases to waiting times and breaches against referral to treatment times (RTT) • Population not large enough for economies of scale in urgent and emergency care, maternity and paediatrics
Opportunities	**Threats**
• Somerset Clinical Commissioning Group's review of acute services across the county • The potential establishment of a single Major Emergency Centre for Somerset • Partnership working with other hospitals and with community and social care providers • Potential acquisition of Weston Hospital	• The Trust's future financial sustainability • Specialist service provision changes • Sustainability challenges caused by the move towards 24/7 services in many areas • The establishment of the Better Care Fund which, nationally, will transfer £3.8bn of NHS money to local authorities to improve social care

Partner Plans

The Trust's plans need to align wherever possible to plans of other organisations, so that services change in a sensible way.

The Trust works closely with Somerset CCG, which buys health services for Somerset and who receive their planning guidance from NHS England. NHS England has indicated some key characteristics that they see as important to future health services.

The table below summarises the key characteristics identified by NHS England, and describes their potential effect on the country as a whole and Musgrove Park Hospital in particular.

Key Characteristic	**What might this mean across England?**	**What might this mean for MPH?**
Citizen Participation and Empowerment	More listening to the views of patients in terms of service re-design and system change. Wider consultation and more tailored packages of individualised care. Wider availability and use of data.	Extension of Friends and Family test to all services by March 2015. Wider roll-out of personal health budgets. Expectation of personalised care plans for patients with Long Term Conditions (LTCs). Wider roll-out of consultant-level outcome data, steadily across more specialities from now, and to all services by 2020. CCG operational plans must contain reference to a desire to link 100% of GP and hospital computer data by 2015.
Wider primary care, provided at scale	Strategic framework for commissioning GP services to be published in 2014.	Changes in primary care provision can have a large impact on patient demand at the hospital.
Modern model of integrated care	Emphasis on tailored care for vulnerable people, ensuring that care planning for the over 75s is repeated for all those with LTC. Big emphasis on collaborative and joined-up care across CCG / Local Authority boundary.	Plans for individualised care plans should be recurrently funded by reducing emergency admission payments. This is in keeping with the stated desire to reduce hospital emergency admissions by 15%. Role for the Trust in end-of-life care coordination, the importance of which is re-emphasised. Potential substantial reduction in income associated with the Better Care Fund, however, this would be linked to a reduction in services commissioned from the Trust for frail elderly patients.

Key Characteristic	What might this mean across England?	What might this mean for MPH?
Access to the highest quality urgent and emergency care	Substantial change proposed. Establishment of networks of emergency care, with 40-70 Major Emergency Centres supported by other emergency centres and urgent care centres. Urgent Care Working Groups to lead on spending the 70% retained tariff, and to present revised plans by Summer 2014.	Potential for the Trust to increase its role as an emergency care provider by becoming the local Major Emergency Centre. Failure to obtain this status would potentially lead to a downgrade of facilities. Important for Trust to be involved in ensuring visible and tangible plans are developed.
Step change in the productivity of elective care	Focus on a major step-change in productivity, looking at international models to potentially change how routine services are delivered and focusing on fewer sites for the delivery of specialist elective procedures.	Requirement for a critical mass of patients seen by a clinical department to remain "expert". This may present a challenge as elective activity drops and competitors increase. Potential to become one of the specialist centres, but not clear how any reduction in less-complex elective activity (e.g. through a greater role for competition) would be managed.
Specialised services concentrated in centres of excellence.	Substantial change proposed. Concentration in centres of excellence. NHS England will look to "significantly reduce" the numbers of sites from which specialist services are delivered, to between 15-30.	Potential reduction in specialist commissioned activity at MPH (unless MPH is one of the identified specialist centres). Potential emergence of a "hub and spoke" sub-contracted model. Potential ramifications for capital programme e.g. proposed radiotherapy expansion.

Somerset CCG has identified their priorities for 2014/15, based on the above. These are:

- A response to the Keogh Review (the national review looking at emergency care in England), with the identification of a single Major Emergency Centre for Somerset.
- Implementation of enhanced Seven Day Working across Somerset.
- A reduction in beds across Somerset, matching NHS England's priority as expressed in the "Everyone Counts" planning guidance.
- Enhanced ambulatory care services.
- Improved access to primary care and out-of-hours care.
- Better services for the frail elderly.

The Trust has developed this five year plan in the context of the CCG's ideas and the challenging environment in which it operates.

The Trust's Strategic Options and Plans

The Trust is clear in its vision and goals, based on NHS England and CCG goals and adapted to meet the needs of patients, the community and staff in Taunton. These drive the strategic direction of the Trust. A series of core objectives sit beneath them, feeding plans for improvement within individual directorates and services.

The Trust's vision is:

"To be an exemplary provider of healthcare, supporting patients in and out of hospital"

There are four strategic goals to help achieve this vision. They are:

1) Musgrove Park Hospital (MPH) will provide the highest quality, safe and consistent clinical services 24/7.

2) MPH will develop as a Major Emergency Centre, providing first class care for patients throughout their care in and out of hospital

3) MPH will seek to develop a clinically and financially sustainable model of acute hospital services across Somerset and neighbouring counties in partnership with health and social care organisations

4) MPH will achieve excellent performance through an engaged and inspired workforce

The Trust also has outlined its objectives which look to provide a framework to achieve not only the strategic goals but also the relevant stated objectives of the CCG and NHS England. They are:

1) To ensure that the Trust at all times puts patients first, complies with all fundamental standards and fosters an open and transparent culture from clinical areas to the Board.

2) To make the most effective use of the experience, skills and talent in the workforce to meet the demands of the changing NHS environment, including working flexibly across seven days.

3) To enhance the Trust's operational and financial capability to drive improvement.

4) To develop robust capital plans in partnership with commissioners for replacing and enhancing key clinical services.

5) To progress the development of the Electronic Patient Record (EPR) as an enabler of transformational change and managing patient information and supporting patient pathways.

6) To develop the Trust's strategic response to Weston General Hospital, in light of plans by the NHS Trust Development Authority (NTDA) to examine alternative provider models.

7) To co-lead a programme of transformational change with all health and social care partners to create a sustainable financial and clinical model of services across Somerset.

8) To increase capacity and scope in core services to meet new commissioner requirements and deliver sustainable services.

The Trust has developed a Clinical Strategy to respond to challenges, the priorities outlined by commissioners, and the options for the future that they generate. The strategy remembers that the first duty of the Trust is to provide acute services to the highest standard of care for those most in need.

The table below outlines what these goals and initiatives are across the Trust's six main service lines.

Service Line	**Goal**	**Initiatives**
Frail Elderly	To deliver redesigned frail elderly pathways in partnership with other providers and CCG, which meets aspirations of commissioners for reduced dependency on acute admissions and acute inpatient stays.	Pathways to be operational and embedded across Somerset, realising identified benefits for patients and the wider sustainability of NHS services.
Paediatrics	To develop new models of care which minimise the need for hospital admission by improving access to consultant opinion 'at the front door' and coordinate care over the two hospitals in Somerset to avoid duplication. To explore opportunities to extend this networked solution across North Somerset (dependent on outcomes of acquisition process for Weston Hospital).	Engage with other providers, CCG and specialist commissioners as part of Acute Service Review for Somerset to explore all options from the current model on separate sites to integrated models, provision and governance.
Acute Care	To develop a long term plan for improved critical care facilities building capacity from 12 beds to a potential requirement for 24 beds over the next 10 years.	An Outline Business Case to be completed to understand the full requirements of expanded critical care unit adjacent to theatres. To develop plans for an interventional radiology theatre to meet standards of specialist commissioners.
Elective Care	To deliver county-wide services for a range of services that are currently below the required critical mass, including ophthalmology, ENT and dermatology.	Pathway changes to be completed so as to be able to deliver a service at scale in the relevant specialties.
	To be delivering a sustainable range of specialist services provided at MPH, of	Negotiations with commissioners and other providers to have concluded,

Service Line	Goal	Initiatives
	high standards and within tariff. To ensure patients in Somerset have good geographical access to the highest quality services.	with necessary pathway changes implemented.
Maternity	To develop a county-wide model of maternity service, which has sufficient critical mass to ensure financial and clinical sustainability, and provided in the highest quality environment enabling a transfer of service out of WW2 ward accommodation on MPH site and integration with other women and child health services.	Initiate wider discussion with other providers of maternity care in Somerset to test the long term viability of the existing model and explore alternative options for greater integration.
Cancer	Develop longer term plan for meeting future demand, through extension to the Beacon Centre and / or working with other units to provide short term capacity during refresh periods.	Continue to model demand on a monthly basis, tracking impact on future capacity to inform the date at which demand exceeds available capacity (and duration of this state). Ensure that there is a clinically approved design for additional bunkers ready should demand dictate. Explore collaborative opportunities with other local providers to assist with 2018/19 capacity shortfall, and begin planning to treat patients elsewhere during capacity down time.
	Support Maggie's Charity in developing a new centre to support Somerset patients and their families.	Continue liaison with Maggie's regarding the availability of a suitable site for their Centre, providing capital planning assistance where required. Develop protocols allowing for the linkage of services between Maggie's and the Beacon Centre. Publicise and publicly support the development of the Maggie's Centre, involving Beacon Centre patients in the planning process and in the operation of the facility.

There are also initiatives which go beyond individual service lines and which affect the Trust as a whole, such as to explore opportunities for horizontal integration with other providers of acute care in the South West, or vertical integration with providers of other types of care in Somerset.

All of these initiatives will have an impact not just on the Trust, but on the wider health community in Somerset. Some will lead to financial savings, but it is hoped that all will lead to significant quality improvements which will put services on a more sustainable footing.

Supporting Initiatives: Helping to make the strategic plans happen

The Trust's strategic plans are supported by a range of enabling strategies involving staff, information management and technology, Procurement and Finance and Capital Planning.

Staff

The Trust will move away from what is effectively an 'industrial age' NHS culture where rank and hierarchy is prevalent and there is a gulf in staff perception of the accountability of 'clinicians' or 'managers'. The Trust will create a true culture of candour, not just in matters of patient safety but across all areas of how staff challenge and support each other to improve.

To support this, the Trust is embarking on a leadership development programme of unprecedented scale. This will be supported by the alignment of performance management process and measurement which will place matters of leadership, engagement and involvement firmly on the agenda of all staff. This effort will, in its first year, involve 800 of the 3500 strong workforce, with similar ambitions in the coming years.

Information Management and Technology

The Trust is embarking on its largest and most ambitious IT procurement project. Over the next 18 months the current Cerner Electronic Patient Record (EPR) system will be replaced. A new system will be provided by IMS, and in 2014/15 this system will be developed to replicate current functionality including theatres, A&E, Patient Administration System (PAS) and reporting modules.

The Trust has identified cashable financial savings associated with these developments of £13.4m over the next 10 years. There will also be significant productivity gains estimated at £48.5m over 10 years, as well as wider gains to the community caused by better and more efficient access to Trust services.

Procurement and Commercial Services

The Trust will improve its commercial operations and contract management through better procurement. It will build commercial income, for example, in respect of private patient activity, the development of Research and Development income (in particular from private sector/commercial sources) and from innovation which has led to the development of certain applications that may have the potential to be sold to third parties.

Through its work in exploring the potential for collaboration with the Royal Devon and Exeter NHS Foundation Trust, the Trust aims to explore the extent to which the two Trust's procurement functions may be integrated. This may mean the ability to support stronger category management and deliver increased purchasing power for both Trusts. Through this approach, the Trust expects, as a minimum to achieve savings that will eliminate inflation from the Trust's non-pay expenditure over the next five years.

Capital Planning

The Trust's capital programme (i.e. new and improved buildings and major equipment) will be smaller in future years than it has been in the past. This is largely due to the fact that the Trust will have less spare money than in previous years as costs go up and income remains the same.

There remains a significant sum allocated to the maintenance of the site and its plant/equipment.

How the Trust's Strategic Plans will be realised

The Trust is working hard to develop practical plans to realise the strategic initiatives it has identified. There is ongoing work to develop these plans, and they will become more detailed as time goes on. However, plans are in place now to adequately resource transformation projects and to identify when and how work will be done. The table below sets out at a high level how the Trust's strategic plans will be realised:

Initiative	Key Milestones	Resource Requirements	Dependencies	Specific Risks and Mitigations
Changes to Frail Elderly pathway	A project to assess the potential efficiency gains likely to be achieved with this work commenced in March 2014. Completion of the project is expected in December 2014. Implementation April 2015. Bed reductions planned from April 2015.	Project funding is in place.	Growth in emergency admissions will have an impact on the changes which may come from this project. Other provider plans will have an impact, including Somerset Partnership NHS Foundation Trust's plans for community hospital bed closures.	Higher demand above contracted levels. Winter capacity is planned into Trust calculations of beds in order to mitigate the effects of this.
New paediatric pathways and closer working with other units	Pilot of a potential new model was tested for one week in March 2014. Proposal will be further developed by June 2014. Engagement with CCG and other providers will follow. Timescales for integrated models across Somerset are dependent on	The impact on MPH will be low initially. Potential savings from the cross county model will be developed, and these may indicate further resources required.	Other provider plans will have an impact, as these changes will require cross-county working. Over the period of the Plan it may be that referral, admission and demographic patterns change in a different way to predicted, requiring further changes to service delivery models.	Higher and different demand. Resilience is to be built into structures to mitigate this. Staffing recruitment / replacement issues. Services will be designed to make them appealing to staff, and the organisation continue to strive to make itself a more attractive employer.

Initiative	Key Milestones	Resource Requirements	Dependencies	Specific Risks and Mitigations
	the CCG's Acute Services Review. However, a timescale of October 2014 seems reasonable. New model of care at MPH will be in place by April 2015. New integrated service model across the county will follow in 2016.			
New theatres and critical care solution	Business case options are to be presented to the Project Board in July 2014. Outcome of the decision regarding the locations of specialist services and Major Emergency Centre assumed April 2015. Funding options will be explored once other options are clearer. New development planning and construction will take place 2016-19.	Capital of around £25 - 30m.	Commissioning intentions are unclear as regards Major Emergency Centre location and specialist services. The outcome of the Weston acquisition process will have a significant impact on critical care and theatres capacity and demand, as well as on the financial position of the Trust.	Service failure in the interim period is a risk, mitigated by a contingency plan for mobile facilities if required. Space has been identified for this mobile facility to go into.
New interventional radiology capability in theatres	This development is being considered within the case for replacing theatres. It is required to meet new standards for vascular surgery.	As above	As above	The service will be maintained within the radiology department until a new development is available. The Trust will look to convert an

Initiative	Key Milestones	Resource Requirements	Dependencies	Specific Risks and Mitigations
				existing theatre if there is no progress with the main theatre redevelopment.
Reconfiguring maternity services	Various concepts for service configuration will be tested in 2014/15. Design and implementation of reconfigured services will take 3-5 years.	To be developed	The Acute Services Review will have an impact on the future locations and types of maternity services available. The reconfiguration of organisations within Somerset will also have an impact.	There is a lack of agreement on the need for change. This is dependent on any national steer over the sustainability of smaller units in relatively rural populations.
Managing capacity issues in radiotherapy through capacity expansion	The working hours of linear accelerators will be extended from 2014. Plans on managing the replacement programme will be agreed by 2017 and implemented in 2018/19. The refreshment programme itself will take place in 2018/19.	Additional capital of £1-1.5m will be required for a new linear accelerator. Downtime during the refreshment period will lead to a loss of income or higher costs for Trust to commission additional capacity. A collaborative model to rent space is being explored with other	A collaborative approach requires the support of alternative provider of radiotherapy in the region. Developments are contingent on Specialist Commissioner plans. Further extensions to capacity within the Beacon Centre are dependent on good relationships and cooperation from partners.	Lack of available capacity at the Beacon Centre and the wider regional network in 2018/19. Early negotiations with Specialist Commissioners and other providers are already taking place to plan to manage demand and capacity over whole network.

Initiative	Key Milestones	Resource Requirements	Dependencies	Specific Risks and Mitigations
		Trusts in a similar situation and may be available using a quid-pro-quo arrangement using the Trust's own staff to mitigate risk.		
Developing links with Maggie's	Fundraising commences 2014. Building will commence in 2016. Opening of the building will be in 2017.	Charitable fund raising campaign to be led by Maggie's.	The scheme requires the support of Taunton Deane Borough Council, which has expressed formal support for the development.	Nil for Trust
Horizontal integration with Weston	The Trust Development Authority (TDA) will announce the process by which the future of Weston Hospital will be determined in May 2014. The Trust will undertake planning and due diligence thereafter. Future milestones will be set once there is greater clarity. If successful in acquiring Weston Hospital, consultation will take place in 2015 (tbc) ahead of the formal acquisition date, and implementation of new	Transaction costs are to be confirmed, but are likely to be significant due to the need for extensive due diligence, planning, clinical involvement and consultation. Ongoing costs associated with the underlying deficit at	There are multiple stakeholders involved in this work including the TDA, North Somerset CCG, Monitor, the Competition Markets Authority (CMA), other potential bidders, North Somerset Council, local people and the Trust's existing commissioners / patients.	These will be identified and managed as part of a discrete project.

Initiative	Key Milestones	Resource Requirements	Dependencies	Specific Risks and Mitigations
	service models will take place in 2016/17.	Weston Hospital will also need to be addressed.		
Horizontal integration with RD&E	Further discussions regarding the potential for pathway integration will take place in 2014/15, with implementation in 2016/17. More radical solutions including the mergers of service lines or even organisations will take place (if they take place at all) towards the end of this planning period in 2017-19.	Ongoing staff time is required to explore potential service links. This is in addition to occasional external assistance.	There are many stakeholders involved in this work including the two large Trusts and the significant bodies of medical staff who will need to be involved in changes. There are also two CCGs involved, and the range of associated interested parties including Monitor, CMA, two Councils and patient groups.	Risks will become clearer as the project develops. There are risks around the sustainability of both organisations in the event that no radical solutions are found. However, closer working between the two Trusts also risks one or the other losing activity and income associated with certain changing services.
Vertical Integration	To be determined. Likely to be towards the end of this planning period.	To be determined according to the scale of the work. Likely to be significant.	To be determined, but likely to involve multiple providers and the CCG within the NHS community, as well as associated bodies such as Monitor and the CMA, the local Council and patient groups.	To be determined as part of a full project plan.