

FINAL OPERATIONAL PLAN 2016/17 NARRATIVE

PUBLIC VERSION

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1. APPROACH TO ACTIVITY PLANNING

1.1 Objectives

The Trust used a bespoke demand and capacity modelling tool to deliver two key objectives, which were essential to the 2016/17 operational planning round.

a) **Quantifying the level of activity and income** to be delivered by the Trust's clinical groups in 2016-17. This included:

- setting a baseline period for activity and income;
- defining the activity required to deliver against all **key operational standards across all specialties**;
- setting the level of new outpatient and elective work that is expected to be delivered by the Trust;
- setting the level of emergency work expected to be delivered by the Trust in 16/17; and
- Defining the impact of any change to 2016-17 tariffs and local prices.

b) Quantifying the **relationship between demand and capacity** in terms of:

- The number of diagnostic imaging sessions that are required to support the delivery of inpatient, outpatient and A&E activity;
- How many theatre sessions (type and location) are required to service the elective and non-elective demand;
- Defining the number of beds that are to be required to deliver the activity;
- Deriving the number of catheter lab sessions that are required to service demand; and
- Deriving the number of endoscopy sessions that are required to service demand.

1.2 Planning Assumptions - Demand

All of the Trust's activity and capacity modelling work starts from a month 6 2015/16 forecast outturn position which was set as the baseline. To get to our 2016/17 plan from this base, incorporated a series of modelling assumptions which are assigned to four main categories:

- Normalising the 2015/16 baseline to take account of the full year effect of any recurrent and non-recurrent changes that may have occurred in 2015/16;
- Establishing the value of underlying growth in the system using expert opinion and a review of historical trend information;
- Quantifying a level of work to ensure that the Trust meets the Referral to Treatment target in a sustainable fashion; and
- Quantifying the volume of work that was planned for but not delivered in 2015/16.

A summary of these categories is detailed in the table below:

Stages in the modelling process	Activity scope	Note
Establishing a forecast outturn position	All types	Based on an actual final cut M6 position.
Normalising 2015-16 changes to activity	All types	Incorporates non-recurrent and recurrent changes full year effect changes that have occurred at various points in 2015/16.
Establishing underlying growth	Outpatient new	Based on an assessment of external referral growth rates at a specialty level
	Outpatient follow-up	Applies the new:review ratios in the 15/16 baseline to the new work derived above
	A&E	Applies Clinical Group expert opinion and assessment of recent trend in volume.
	Emergency	Based on the A&E to admission conversion rate at a specialty level.
	Direct Access	Applies a historical growth rate.
Establishing an Referral to Treatment Time (RTT) adjustment	Elective/Daycase	Assumes that the forecast backlog as at 31/3/16 rolls over into the 16/17 activity target, at a specialty level.
	Outpatient new	Assumes that the number of patients assumed to be waiting over 6 weeks on surgical pathway and 12 weeks on a medical pathway, at 31/3/16, roll over into the 16/17 activity target, at a specialty level.
Establishing a "Financial Recovery Plan" or FRP adjustment	Elective/Daycase/Outpatient	Derived once all the adjustments described above have been factored into the position.

Without going into the detail on each model parameter, our modelling activities also focussed on incorporating assumptions against the following items:

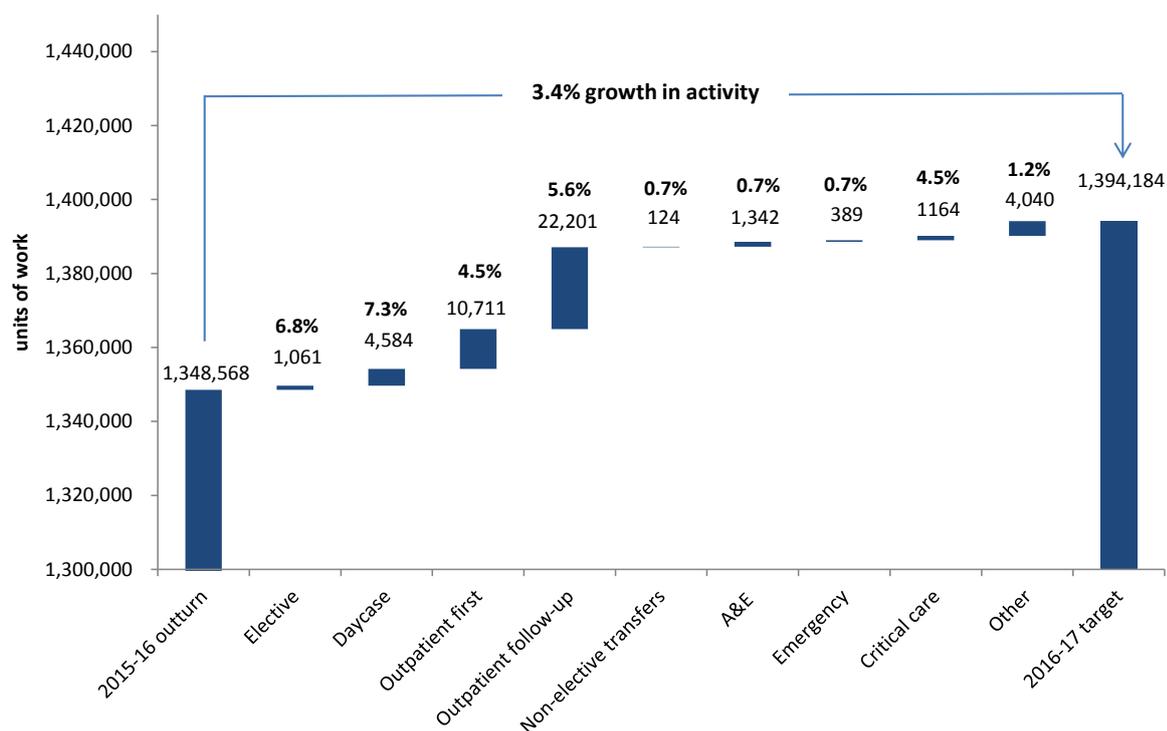
Description	Product
A&E growth rate	A&E attendances expected in 2016-17.
Diagnostic imaging related to A&E	Diagnostic imaging activity at modality level required as a result of expected A&E attendances in 2016-17.
Direct Access Growth (Radiology)	Direct Access imaging activity expected in 2016-17.
Direct Access Growth (Service Specific)	Direct Access Service requirements expected in 2016-17.
Referral growth rate (new outpatients)	Additional new outpatient attendances expected in 2016-17 (OP/OPP/LOPP applied at ratio in baseline).
Non Recurrent RTT assumptions (New Outpatients)	Additional new outpatient attendance requirements to clear any backlog of patients where the wait >6 weeks for a surgical outpatient attendance and >12 weeks for a medical outpatient attendance.
New to Follow-up ratio	Additional follow-ups expected as result of growth in new outpatients and RTT requirements.
Diagnostic imaging related to outpatients	Diagnostic imaging activity at modality level required as a result of total expected outpatient attendances.
Non Recurrent RTT assumptions (Day Case)	Additional day case requirements to clear RTT backlogs.
Non Recurrent RTT assumptions Electives)	Additional elective inpatient requirements to clear RTT backlogs.
Emergency growth rate	Additional emergency activity expected in 2016/17 (HRG/Consultant/LOS/BP applied at current ratio). Result added to baseline emergency data.
Non-elective growth rate	Additional non-elective activity expected in 2016-17 (HRG/Consultant/LOS/BP applied at current ratio). Result added to baseline non-elective data.

1.3 Movement between 2015-16 and 2016-17

The waterfall chart demonstrates the main movements to activity required to service demand, for various activity types, from a normalised 2015-16 position to an indicative 2016-17 position. These movements are as a result of applying all of the assumptions in the previous two tables and yields a 3.4% increase in the volume of acute care from the baseline to the 2016/17 plan.

The main driver of the 3.4% growth is associated with elective and outpatient activity which will increase as a result of reducing Referral to Treatment Time (RTT) backlogs in 2016-17 and improving overall technical efficiency. A summary of this increase, at an activity type level, is displayed in the chart below.

Activity required to service demand in 2016/17



NB: Demand is defined in terms of **outpatient** attendances; **elective, daycase, non-elective** spells; **A&E** attendances; **critical care** bed days and with “**other**” largely consisting of radiology scans, renal dialysis sessions and chemotherapy and radiotherapy treatments.

2015-16 outturn represents a month 6 normalised forecast position.

1.4 Commissioner agreement of activity levels

We have an agreed volume of elective, daycase, emergency and outpatient work with our main commissioners which would ensure that admitted and non-admitted backlogs are cleared in 2016-17 (with the exception of two pathways within T&O).

1.5 Impact on Capacity

Capacity describes the level of physical inputs (e.g. beds, theatres) required to deliver the expected activity to the required quality and performance standards. In this regard, the Trust has undertaken extensive bed and theatre capacity modelling to understand where efficiencies can be made to service the growth in demand that we are anticipating and has arranged a series of initiatives to translate these opportunities into reality in 2016-17.

The commitment to ensuring alignment between capacity and activity in achieving patient access is reflected in the 2016/17 corporate objectives below.

Corporate Objective (link to STF)	Benefit	Target
Achieve 18 week referral to treatment standard	High quality care in line with national core standards	Q1 agree plan with NHS Improvement
Achieve 4 hour A&E waiting time standard		Q2-4 deliver agreed performance trajectories
Achieve cancer waiting time standards		

2. APPROACH TO QUALITY PLANNING

2.1 Quality Strategy

The Trust has in place a Quality Strategy which was approved in 2013. This will be refreshed for at the start of 2016/17 to identify quality priorities for the next five years.

The Quality Strategy sets out the key principles and priorities to continually drive quality improvements across UHCW enabling us to deliver on our strategic objective of being a National and International Leader in Healthcare. The Quality Strategy encompasses national, regional and local agendas and supports the Trust's Clinical Strategy by ensuring that clinical pathways are underpinned by robust systems and processes for planning, delivery and monitoring of the quality of care in those pathways.

2.2 Quality Account

The Trust continues to publish its Quality Account annually in line with national requirements. This is supplemented by the Trust Quality Department Annual Report which provides further detail on progress. The Quality Account is independently audited and that the CCG and Health and Well Being Boards are given the appropriate opportunities to review and comment through a Task and Finish Group led by Healthwatch Coventry. This group is also given the opportunity to shape priorities for the Quality Account under the domains of safe, clinical effectiveness and patient experience. For 15/16 these priorities were ensuring effective handover; ensuring appropriate End of Life Care; Implementing 'Always Events'. The priority areas agreed at Trust Board on 25th February 2016 for the 16/17 Quality Account are reducing and improving medication errors, improving care bundle compliance and care contact time programme.

2.3 CQC inspection

In March 2015 the Trust underwent a Chief Inspector of Hospitals Comprehensive Inspection by CQC. The Quality Summit was held in August 2015 and the Trust was rated overall as Requires Improvement (however the Hospital of St Cross Site was identified as good). A number of areas for improvement were identified as immediate 'must do' actions and medium term 'should do' actions. The Trust developed a comprehensive action plan to address the identified areas for improvement:

- Medical equipment and medical supplies
- Infection, prevention and control
- Patient flow in ED
- Mental Health Act
- Medicines Management
- DNACPR forms
- Risk management
- Staffing
- Radiology

In total the Trust CQC action plan has 109 actions and progress was monitored by a fortnightly Chief Inspector of Hospitals Programme Board chaired by the CEO. All actions against the Trust CQC action plan have now been completed.

2.4 Risk

The Trust has undertaken a complete review of its risk management processes following the CQC inspection. Revised terms of reference have been agreed for the Risk Committee, and from February 2016 this meeting will be chaired by the CEO. All risks are recorded on the Datix risk management system. Risk Committee reviews risks that require Executive action or that pose significant threat(s) to the operation, resources or reputation of the Trust. Overall, the risk management process provides a 'Board to ward' approach to risk and ensures all risks are appropriately identified, categorised and reported at the correct levels of the organisation. Each risk is underpinned by controls, assurances and mitigation actions.

The top three risks to quality identified in the Board Assurance Framework (BAF), together with mitigations are shown in the table below.

BAF Risk	Mitigation
Agency staffing	A vacancy tracker has been developed and is regularly reviewed by the Chief Officers to oversee the increase in substantive/flexible workforce in place of agency staff. Agency controls are also in place via Chief Officers. All key vacant clinical posts are actioned swiftly. A range of recruitment activities and initiatives are also being developed and monitored.
Alignment of activity and capacity to achieve national patient access standards for 18 weeks, 4 hours A&E, cancer	Weekly activity targets will be set for all operational Groups around 18 weeks and cancer in the Operational Delivery Plans. Weekly monitoring will be undertaken by Chief Officers and monthly performance reviews will be held with all Groups,
Patient outcomes for mortality, infection control and hospital cleanliness	Primary and secondary reviews undertaken. Investigations of high relative risks and CUSUM alerts and development of associated action plans. Actions from root cause analyses completed and presented to Patient Safety Committee

2.5 Avoidable Mortality

The Trust has in place an established Trust-wide Mortality Review Committee chaired by the Deputy Chief Medical Officer, to monitor mortality and to identify and consider emerging trends and themes of reviews. All deaths of patients are reviewed using a screening template (primary review process) to identify any evidence of sub-optimal care, avoidable deaths or areas for learning. Where aspects of care are judged to be suboptimal, a further secondary review is conducted by a multi-disciplinary team. The TDA have reviewed our mortality review process and are assured of the robustness of these governance arrangements. The Trust has submitted the self-assessment for avoidable deaths to NHSE, and this has been discussed at the Mortality Review Committee.

2.6 Approach to Quality improvement

The Chief Medical Officer is the executive lead for Quality. They are supported in this role by the Chief Nursing Officer in their capacity as CQC nominated individual, and the Director of Quality who leads the Quality Department.

Within the Trust, quality is defined as care that is safe, clinically effective, and providing the best possible experience for patients. These three dimensions provide a framework in which we will drive and achieve quality improvement at UHCW.

The Trust uses a number of quality improvement methodologies that are interlinked and interdependent in realising the Trust vision to become a national and international leader in healthcare. These include:

- **The Virginia Mason Production System**

A process of continual improvement that seeks to identify and eliminate waste and inefficiencies in healthcare processes, making it possible for Trust staff to deliver the highest quality and safest patient care with zero defects. VMPS is based on the Toyota Production System. The Trust is partnered with Virginia Mason Hospital in Seattle, which is widely recognised as one of the safest hospitals in the world. The five year programme commenced in October 2016, and various teams and individuals have been trained in lean methodology. As part of this work we have identified three value streams which include improving ophthalmology outpatient service; incident reporting and investigation; and theatre management.

- **Sign up to Safety Programme**

The Trust is signed up to the national 'Sign Up To The Safety' programme aimed at reducing avoidable harm to patients by half. As part of the Trust's Sign up to Safety Campaign, we were successful in obtaining funding from NHSLA for 12 months to implement a Human Factors programme for three of our high volume / high value claims specialties (Theatres, Orthopaedics & Emergency Department). We are in the process of recruiting staff into fixed term facilitator posts, who will be trained in Human Factors methodology by an external provider to implement human factors within the three high risk specialties and cascade this throughout the Trust to encourage a safety culture. Human Factors methodology will be used to support incident investigations and the associated actions to maximise learning outcomes for

staff and patients, and to use the outcomes from investigations to inform the introduction of “clinical always events” into wards and departments.

- **Together Towards World Class Programme**

Together Towards World Class (TTWC) was launched on NHS Change day, 3rd March 2014, by the CEO. The TTWC programme is underpinned by the Trust's values and behavioural framework and is an organisational development blueprint to achieve the UHCW's aspiration to become a national and international leader in healthcare over the next five years. It identifies five key areas of focus: World Class Experience; Services; Conversations; Leadership; and People.

2.7 Quality Governance Committee (QGC)

QGC acts as the principal source of advice and expertise to the Trust Board on quality; patient safety, audit and effectiveness, patient experience, and clinical risk management. The Committee ensures that adequate and appropriate clinical governance structures, processes and controls are in place to:

- Promote safety, quality and excellence in patient care;
- Identify, prioritise and manage risk arising from clinical care on a continuing basis;
- Protect the safety of our staff and all others to whom we owe a duty of care; and
- Ensure the effective and efficient use of resources through evidence-based practice.

QGC ensures that the appropriate strategies, processes, systems, policies, and procedures are in place to deliver the Registration / Fundamental Standards, and oversees and monitors their corporate delivery through business and local delivery plans.

QGC is supported by the following Executive led sub-committees which report into it:

- Workforce Committee
- Training, Education and Research Committee
- Patient Engagement and Experience Committee
- Patient Safety Committee
- Risk Committee

2.8 Operational delivery

Operational delivery is clinically led and managed. Groups of specialties are led by Clinical Directors, who have professional management support from Group Managers and Professional Nursing Leadership from Modern Matrons. Each Clinical Director, in addition to their clinical role, is managerially responsible, with appropriate support, for their specialty group for delivery of clinical quality, activity and financial performance.

In addition, each specialty holds regular multidisciplinary Quality Improvement and Patient Safety (QIPS) meetings to review progress against patient safety incidents, clinical audit, mortality, complaints, patient experience, and clinical guidelines / NICE implementation.

Groups are held to account for their performance through Chief Officer led Performance Review meetings.

2.9 Assurance

The Getting the Basics Right (GTBR) Programme was launched in 2015 to provide assurance that the organisation was meeting Fundamental Standards. Through a series of key performance indicators multidisciplinary teams comprising medical, nursing, estates, pharmacy and quality representatives undertake spot inspections twice per year in all patient facing wards / departments across the Trust. The results are shared immediately with the clinical teams and formally monitored within Chief Officer Performance Reviews.

2.10 Learning

Actions taken to embed learning arising from mortality reviews and patient safety incidents include presentations to specialty QIPS meetings and grand round, awareness raising including mortality newsletter, patient safety newsletter and CMO / CNO safety message of the week. During 16/17 we will seek to further triangulate this with other quality measures should as complaints and patient feedback.

2.11 Well-led Framework

The Trust had an external assessment of its governance arrangements at Board Committee level undertaken during 2015/16 and is currently implementing the recommendations arising. The Trust Board currently has steady membership with no vacancies and a programme of Board Development focussing on Trust Board impact is planned for 2016/17. Fit and Proper Persons tests have been undertaken for all members of the Trust Board and a public declaration of compliance was made at the January Trust Board meeting.

2.12 Sign up to Safety

The Trust is a registered member of the national Sign up to Safety Programme. Our pledges are available on the Trust website. In order to deliver these pledges a number of focus areas have been identified to improve the quality and safety of patient care, and these form the basis of safety improvement plan for 2014/15 – 2016/17.

1. Clinical handover
2. Sepsis/deteriorating patient
3. Getting Emergency Care right
4. Right staff, right place
5. Learning/Feedback/Always events

In addition, the Trust was successful in its bid for funding of £245,329 from the NHS Litigation Authority (LA) to support the Sign up to Safety Programme. The Trust was one of only 67 successful bids out of 243 bids received by the LA. Our bid is related to Human Factors education (particularly relating to never events). Through root cause analysis of incidents the Trust identified Human Factors as contributory factors common to three high volume/high value medico-legal claims specialities (Trauma & Orthopaedics, Emergency Department & Theatres). The NHSLA funding will enable us to pilot 2 projects:

1. The introduction of “Risk Champions” into the 3 high volume/high value claims specialities.
2. The introduction of an audio surgical safety checklist in Theatres.

2.13 Named consultant / nurse

The Trust ensures every patient has a named responsible consultant/clinician with overall responsibility for their care and a named nurse to provide information about their care in accordance with the Academy of Medical Royal Colleges 2014 report Guidance for Taking responsibility: accountable clinicians and informed patients. The Trust has embedded the “the name above the bed” initiative.

2.14 Seven day services

During 2015 UHCW NHS Trust established a Seven day Services Steering group, which developed and agreed a strategy and first steps towards implementation. Baseline assessments were also undertaken which informed our submission to the NHS Improving Quality Seven Day Service Self-Assessment Tool.

For 2016 the Steering Group has prioritised 5 of the 10 Urgent Care Standards, as those that will make most clinical impact on patient outcome and flow. The priorities are aligned to National priorities and are as follows:

- 2 Time to first consultant review
- 5 Diagnostics
- 6 Consultant directed interventions
- 8 Daily review
- 9 Transfer to community, primary and social care

For each of the 5 priority areas, Clinical Leads have been identified. For each of these work streams a working group has been established to take forward work in service redesign and service improvement to improve compliance against the standards. Clinical Leads will report to the Steering Group on a regular basis throughout the year and provide assurance of progress. Work streams are currently undertaking a gap analysis and will then prioritise actions to close the gap. Any financial implications and timescales for delivery will be assessed as part of this process and investment decisions taken through the appropriate business case approval process. Currently the plan does not assume any costs in 2016/17.

The Mortality Review Committee regularly monitors weekday compared to weekend mortality. A difference between weekday and weekend mortality has not been identified and this will continue to be reviewed.

2.15 Quality impact assessment process

Quality Impact Assessment (QIA) is designed to provide assurance that organisational changes (such as cost improvement programmes, business cases and service developments), take into account potential negative impacts on patient services. The Trust has a robust approach to Quality Impact Assessment (QIA) for CIPs.

QIAs are embedded in Trust decision making processes; clinical leadership and engagement are central to developing safe, realistic CIPs. Effective Service and Cost Improvement delivery requires staff engagement at all levels to identify saving schemes, mitigate delivery challenges, and ensure there is clinical buy-in so that schemes are clearly communicated and well understood throughout the Trust.

Each saving scheme is specified and scoped by the Clinical Group or Corporate Team proposing it, thus creating a direct link between the individuals leading the service or delivering care that the CIP will impact upon. All saving schemes must have a documented QIA

The QIA has a two stage risk based approach. The first stage is a set of questions:

- Will there be an impact on the Trust's commitment to provide quality care?
- Do changes impact on Clinical Effectiveness e.g. pathways, evidence-based medicine and targets?
- Is there potential for an impact on Patient Safety?
- Does the scheme have potential for impacting on Patient Experience?
- Does the scheme impact on the workforce in any way?
- Has Consultation raised issues?

If the answer is yes to any of the above, the respondent must complete a risk assessment using the Trust's risk profile. Where a risk score is higher than 9, more information is required to support the QIA:

- More detail about the specific impact the change will have
- The actions being taken to mitigate the risks.

The full stage two QIA includes a more detailed analysis of current processes underpinning the six areas of quality which are further broken down into component parts (e.g. variation in care, patient safety standards), benchmarking data (e.g. bed occupancy, nurse/bed ratio compared to other hospitals) and historical evidence (e.g. trends over time). In turn these component measures are assessed in terms of positive / negative impact, likelihood, consequence and total risk score using similar principles to the stage one QIA.

Each area of concern identified is subject to an ongoing assessment of their impact on quality to:

- Identify key quality measures (KPIs) covering safety, clinical outcomes and patient experience;
- Monitor each measure before and after implementation;
- Take action as necessary to mitigate any negative impact on quality.

Core clinical quality indicators and metrics enable the initial (baseline) impact on quality to be established and monitored at regular intervals e.g. three to six months (or a longer time period if required) to evaluate the post implementation impact of the mitigation strategy / actions. Key quality measures may be existing metrics outlined within the Integrated Performance Report e.g. patient safety thermometer, or new metrics defined specifically to monitor the risk.

Progress against all components of the CIP, including financial delivery and compliance with documentation is monitored by the Performance and Programme Management Office Finance Team. A bespoke database has been created for monitoring and reporting CIP progress which allows easy, real time tracking and early warning triggers for signs of negative impact of CIPs.

All QIA's are approved by the Clinical Director, Modern Matron and Group Manager affected by the change. Once approved by the management team, all QIA's are subject to further approval by the Chief Medical Officer and Chief Nursing Officer, regardless of the financial value of the scheme and the risk assessment given by the Clinical Group or Corporate Team. QGC and Trust Board receive formal updates on the QIA process on a routine basis.

Clinical savings are reviewed by a CIP Steering Group that is chaired by the Chief Finance and Strategy Officer and attended by the Chief Operating Officer. The Steering Group meets on a weekly basis, seeing all Clinical Groups and Corporate Teams in a monthly cycle. There is a standard programme of “quality” discussions, including QIA completion, scheme sign off and slippage on delivery. The actions of these meetings are formally minuted and followed up as part of the meeting structure.

2.16 Triangulation of indicators

A suite of indicators have been developed into the Trust’s Integrated Quality, Performance and Finance Report (IPR); these indicators are in a single, meaningful and accessible format, key covering the National Access Standards and organisational objectives. These are further underpinned by supplementary scorecards covering key performance indicators under the Trust’s delivery domains at specialty and group level.

The Trust IPR is reviewed by the Quality Governance Committee, Finance and Performance Committee and Trust Board; taking into consideration a range of triangulated metrics including quality, performance, workforce, activity and finance, enabling links to be made by focussing on;

- Variances from plan;
- Key trends and findings;
- Future projected performance (forecast outturn), associated risks and mitigations
- Triangulation of key quality information; and
- benchmarking

2.17 Improving Access

The Trust is committed to improving access to services for patients and the corporate objectives in section 1 reference the key access standards. Integration with commissioners and other providers to ensure a co-ordinated approach to meeting the standards and delivering care in the right place, at the right time, by the right clinicians is managed through the System Resilience Group (SRG).

The SRG, including UHCW, has agreed the following 4 key actions through its Strategic Transformation Programme that will form the basis of its work going forward. An action plan has been developed identifies the work to be undertaken within these work streams:

1. No-one comes to hospital who can be managed elsewhere.
2. No-one is admitted to hospital without an acute hospital need.
3. No-one waits more than 24 hours to leave hospital once they are medically fit for discharge.
4. No one receives on-going care and support when they don’t need it and when care and support is required it promotes independence, choice and control

3 APPROACH TO WORKFORCE PLANNING

The Workforce Plan is an integral component of our planning process and is aligned to our education workforce plan that informs Health Education West Midlands for educational commissioning intentions.

The Workforce Plan arises from the Operational Development Plans (ODPs) for each clinical group and through this planning process is triangulated against finance and activity assumptions. Each Operational Development Plan is approved by a Clinical Director and Group Manager. This robust process ensures that quality and safety metrics are paramount in our planning process. The ODPs and workforce plan are still subject to the impact of commissioner negotiations and capacity requirements to deliver activity.

The workforce plan for UHCW for the period 2016/17 takes consideration of speciality activity assumptions alongside expected changes to services and therefore the workforce to support this service. Through the planning process clear links to clinical strategy and local health and care system commissioning strategies are identified and met, including through the Trust's Planning Unit meetings, which ensure that all developments are aligned to the Trust's strategic objectives.

The workforce plan is broken into relevant staff groups and by Group Management Teams in order to make an assessment against activity and finance. The Group management Teams are actively involved in developing their workforce plan, through the ODP process, which includes local transformational schemes, productivity improvements and CIP schemes. The workforce plan is used to inform educational commissioning intentions through both professional lead forums and the Workforce and Engagement Committee. The operational delivery of the workforce agenda is supported by the Trust's Transforming Workforce Supply Committee, which is governed by the Workforce & Engagement Committee, both of which are chaired by the Chief Workforce and Information Officer.

There is a register of corporate and local group management risks associated to workforce. These are managed within the remit of the Trust's Risk Committee, the Workforce & Engagement Committee and at group level. This provides the opportunity for risks to be identified at an early stage and actions put in place either through the local management team or corporately within the Workforce & Engagement Committee and Risk Committee.

All business plans and organisational change proposals include a quality impact assessment to ensure that patients and staff are not adversely affected and full consideration is given to impact upon other services or areas.

The Trust faces a challenge in meeting the new TDA agency controls specifically for known recruitment hotspots of registered nurses and some difficult to fill medical posts. The risk has been included in the Board Assurance Framework. Improvement plans have been developed to reduce agency spend in the areas of nursing, medical and other clinical staff. A vacancy tracker has been developed and is regularly reviewed by the Chief Officers to oversee the increase in substantive/flexible workforce in place of agency staff. Agency controls are also in place via Chief Officers. All key vacant clinical posts are actioned swiftly. A range of recruitment activities and initiatives are also being developed and monitored. Patient safety remains paramount to the Trust's planning processes and therefore full utilisation of the Trust's E-Rostering system and flexible staffing arrangements are a critical component of the Trust's ability to deliver its workforce plan.

There is an effective system for tracking and managing cost improvements that are supported by monthly assurance meetings.

Through the Trust's 7 Day Steering Group and the ODP process, the Trust is designing workforce processes and initiatives to support the delivery of 7 day services including changing of work patterns, role redesign and the effective utilisation of flexible staffing.

UHCW is also fully engaged in wider system transformation and the workforce implications. The Arden STP programme includes a supporting work stream for workforce. It is being led by the workforce lead for Arden & GEM CSU. It is also expected to involve HEWM. Process changes and initiatives to support elements of the Five Year Forward View will be identified and delivered through the ODP process and we will build on our experience of service transformations, service transfers and role redesign.

Our performance against the TDA workforce plan is monitored and reported through the Integrated Performance Report which is presented to the Trust Board, the Finance & Performance Committee and the Workforce & Engagement Committee. This process also includes the regular review of establishment against

staff in post. The Trust also employs robust vacancy review and approval processes. Clinical group performance is monitored through the monthly Operational Delivery Management meetings and also through the Chief Executive Officer led Quarterly Performance Reviews.

The main elements to the workforce plan are:

	Planned in Post 31/03/16	Planned in Post 31/03/17	WTE Difference	% change
Total WTE	7,272	7,549	277	3.8%
Bank	291	256	(35)	(12.0%)
Agency	386	263	(123)	(31.9%)
Substantive WTE	6,595	7,030	435	6.6%
Non-Medical Clinical	4,453	4,739	286	6.4%
Non-Medical Non Clinical	1,221	1,305	84	6.9%
Medical & Dental	921	986	65	7.1%

* Please note that there may be some further variation once the Theatres plan is finalised.

Key points:

Finance Recovery Plan

The FRP is dependent upon agency reduction both in volume and price which are both are reflected within the plan, along with the transition to a substantive model for medical outliers.

Agency

The Ceiling cap has now been replaced with an overall cap of £26,563.00. The FRP assumes a reduction in the cap in terms of both volume and price. . The current plan assumptions are ambitious and are still subject to review and challenge through the internal operational delivery planning process.

Recruitment Ambitions

The current return reflects the difficulties in changing the workforce particularly for registered nurses and other national shortage areas, which is offset by bank and agency use. The challenges across the whole health economy do present difficulties with agency usage given unplanned surges and requirement to flex capacity in support of system resilience.

Recruitment plans are being developed through the ODP process including overseas recruitment, workforce redesign and the effective utilisation of flexible staffing. The Trust's vacancy target remains at 10%.

The 2016/17 corporate objective relating to workforce is shown below.

Corporate Objective	Benefit	Target
Appointment of substantive workforce in place of agency staff	High quality and efficient patient care in line with national policy	Link to agency controls Q1 Agree plan Q2-4 Deliver plan

4 APPROACH TO FINANCIAL PLANNING

4.1 Financial Forecasts and modelling

Overview

At month 11 the Trust is forecasting a deficit of (£9.5m). Following the deficit posted in 2014/15 and the accompanying underlying position, the Trust developed a three year financial recovery plan, of which £15.7m is built into the operational delivery plans for the Trust in 2016/17.

The 2016/17 plan is based on UHCW's **system transformation funding** (STF) of £17.2m leaving a **cost improvement programme** of £21m to give an expected **year end surplus** of £1.1m.

	2016/17 Full Year £m
Statement of Comprehensive Income	
Revenue from Patient Care Activities	533,101
Other Operating Revenue	73,014
Gross Employee Benefits	(353,368)
Other Operating Costs	(226,680)
OPERATING SURPLUS/(DEFICIT)	26,067
Non Operating Costs	(24,814)
RETAINED SURPLUS/(DEFICIT) FOR THE YEAR PER ACCOUNTS	1,253
Donated Assets Adjustment	(153)
Adjusted Financial Performance Retained Surplus/(Deficit)	1,100

Triangulation assurance

The financial forecasts are fully integrated with plans and priorities for quality, workforce, activity and transformation. There is also triangulation at a health system level through the STP.

▪ Operational Delivery Process

The plans are underpinned at a detailed level by operational delivery plans. These align the modelled activity which includes both demographic and RTT impacts, together with necessary capacity and resources required to operate and support this level of capacity. Our internal process requires group sign off (16 clinical and support groups) and feeds into our daily operational delivery plan. The 2016/17 plan is aimed at significantly reducing the current waiting list backlog position. The 2017/18 plan will seek to move beyond this to deliver a sustainable waiting list position.

▪ Capacity

The plan currently expresses the level of demand against which we have completed a risk assessment of deliverability. The key constraint of the plan is associated with theatre sessions and beds. We have an efficiency programme aimed at improving productivity in both of these areas (this links to the Carter analysis); however, it does not yet contain the impact of priority areas for commissioners concerning lower levels of DToCs and admissions avoidance. Financially we have assessed the downside delivery risk within the plan and financial mitigation; however, this would impact on RTT performance.

▪ Status of Commissioner Agreement

We are currently in negotiations with commissioners and have not, as yet, signed off any material contracts. There remains a potential risk to the deliverability of the financial plan if the Trust is unable to secure the assumed levels of contract income through our main commissioners.

4.2 Quality

- **Seven day services**

At present we have assumed status quo regarding seven day services with no additional costs built into the 2016/17 plan. The Trust has a seven day services steering group led by the CMO, and a gap analysis has been performed; however, at this stage the implementation strategy is not final and the elements will be taken through the Trusts planning unit, where financial viability will be a key line of enquiry.

- **National standards**

Activity has been modelled to achieve the RTT. It should be noted in this initial plan we are still in negotiations with commissioners as to how this is to be delivered as current capacity modelling indicates that there is a gap in both theatre and bed capacity.

- **CQC**

The majority of CQC actions have been completed in 2015/16. There are no additional direct revenue consequences of CQC included within the plan, as the actions centred on areas of leadership and redesign of clinical area. The CQC report outlines the need to review the resus area. This is included within the five year capital plan. The plan assumes compliance with safer staffing models. In year spend will be considered against our contingency reserve.

- **CQUIN**

We have assumed a level of spend for CQUIN equal to that in 2015/16. This forms the basis of our negotiated position. Any additional cost will be considered against our contingency reserve.

- **QIPP**

A number of QIPP schemes are included in 2015/16 activity and these will be carried forward into 2016/17. The impact of further service change will be incorporated into 2016/17 plans as they are agreed with commissioners.

- **Service Developments**

The key movement relates to the removal of the Diabetic Eye Screening contract which has transferred to a private provider following a tender exercise. No in year additions are planned, although the full year effect of service transfers and slipped capital is assumed within the underlying position. Other in-built movements relate to movement of services from one of our DGH local providers and the full year effect of 2015/16 business cases and cost pressures.

4.3 Efficiency savings for 2016/17

- **CIP**

Of the £21m CIP we have assumed that £6m is gained through income, with the remainder allocated to group expenditure positions. The focus is therefore for cost out rather than income generation. Significant progress on the identification and delivery of 2016/17 CIPs has been made since the last iteration of the plan in January.

- **FRP**

The Financial Recovery plan represents the redress of the key underlying challenge for the Trust before the application of further efficiencies required by both non recurrent CIP carry forward and national efficiency.

The key themes are linked to those highlighted in Carter:

- Agency cost and price reduction
- Management costs including back office functions
- Productivity
- Income

We have a procurement strategy with HTE who are part funding a Director of Supply Chain within the Trust whose aim is to drive out procurement savings. Items of cost reduction relate to a review of corporate and

back office posts, agency (both price and reduced usage), a substantive outlier solution and the repatriation of a hospital at home model.

A refreshed Financial Recovery Plan is due to go to Finance and Performance Committee at the end of April for approval.

- **The Lord Carter Programme**

The Trust is part of the second tranche of Carter review. The initial Carter findings indicated £50.6m of improvement opportunity from the 2014/15 ACI. Of this the feedback acknowledges that £24.7m relates to the increased cost of the PFI estate, which is largely fixed. The remaining opportunity therefore is circa. £25m. Within this key areas of variation relate to surgical specialties. We are aware that this poses a key area for increased productivity with significant in year pressures not allowing specialties to operate at optimum levels.

We have a programme of work to address: variation in practice, improved use of e-rostering tools and agency reduction, procurement efficiencies.

If we take 2015/16 efficiency target offset by recurrent delivery we believe that the number is broadly in line with our anticipated cost improvement and recovery programme.

- **Virginia Mason**

The Trust is one of the 5 Trusts selected to be part of the Virginia Mason programme. The programme focuses on both the culture of the organisation twinned with the operational level of the patient pathway. A significant work stream is to look at standard practice and reduce variation. The first programme in 2015/16 is ophthalmology outpatients, leading onto SUIs in 2016/17, and finally theatre utilisation.

- **Agency**

It is assumed that agency costs will decrease as part of the recovery plan. This is in part due to the continuing procurement work on reducing Agency rates to within the national cap and the use of only framework agencies, and reducing our dependence on agency as we recruit substantively and make more use of our nursing Bank. The projected agency spend for 2016/17 is £32.1m.

- **Procurement**

Procurement opportunities are a key feature of Carter.

Our procurement strategy is based around the following key principles:

- Transparency and Equality;
- Compliance;
- Process Efficiency and Effectiveness;
- Value for Money;
- Development and Innovation; and
- Sustainability.

With the following key themes:

- Procurement governance and leadership ;
- Contracting;
- Rationalisation, standardisation and product/service specification; and
- Process efficiency.

The implementation of the strategy is governed via a multi-disciplinary procurement steering group with clinical and non-clinical representation, chaired by the CFSO. Data is already being shared through this process.

Phasing of the plan

The phasing of the annual financial plan is shown below:

Statement of Comprehensive Income	2016/17 Full Year	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
	(mc 02)	(mc 03)	(mc 04)	(mc 05)	(mc 06)	(mc 07)	(mc 08)	(mc 09)	(mc 10)	(mc 11)	(mc 12)	(mc 13)	(mc 14)
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Adjusted Financial Performance Retained Surplus/(Deficit)	1,100	150	(585)	323	528	1,268	951	571	1,173	(376)	(802)	(2,689)	587

The 2016/17 corporate objective relating to finance is shown below.

Title	Benefit	Target
Deliver £1.1m surplus control total (linked to STF)	Efficient services in line with Carter & NHS Improvement agency	Q1 agree plan & control total with NHS Improvement Q2-4 Deliver plan & control totals

5 LINK TO THE EMERGING ‘SUSTAINABILITY AND TRANSFORMATION PLAN’

1.1 Regional Approach

A co-ordination group is being established by NHS England (West Midlands) to ensure the best possible result for the whole regional area. Further to an initial workshop, further system wide meetings are being convened to work on a West Midlands wide footprint across the STPs and with key partners and advisors, including UHCW.

1.2 Local System Approach

In line with the national planning guidance, Coventry and Warwickshire is the proposed geographical footprint for the Sustainability and Transformation Plan. Work is now in train to develop the STP for the local area.

The Health Economy Chief Executives have agreed that UHCW's CEO will be the Senior Responsible Officer to lead the development of the STP, supported by UHCW's Chief Finance and Strategy Officer as Programme Director. The governance arrangements will comprise a Programme Board, chaired by UHCW's CEO, and including CEOs from other NHS provider Trusts from the health economy together with CEOs/senior representatives from commissioners and local authorities. Patient/public input will be included via the involvement of the Coventry HealthWatch and Warwickshire HealthWatch.

The Board will be supported by a Programme Team that will include operational, finance and management representatives from each of the organisations on the Programme Board, including public health and social care representatives from local authorities.

The STP will address the three key challenges identified in the national guidance, namely health and wellbeing, care and quality, and finance and efficiency. The STP will also underpin the Arden 'strategic transformation principles which are:

- Care closer to home
- Specialist care in the right place, at the right time
- Enable patients to live the lives they choose
- Clinicians from across health and social care working together
- Use of innovative practice and technology to deliver care
- Care delivered within a financially sustainable system
- Mental disorders are treated on par with physical disorders.

Currently four priority areas have been identified which are frailty (including dementia, stroke and end of life care), children (maternity and paediatrics), mental health and musculoskeletal conditions and clinical, commissioning and service leads and project management support for each of these are being identified and agreed.

1.3 UHCW Approach

Whilst the content of the STP is to be developed, UHCW has clear plans for 2016/17 and beyond that are aligned with both national and local priorities, including the STP. The plans are a result of a robust planning process that includes an annual review and refresh of strategic plans. A "strategy on a page" is produced for all clinical specialties and corporate functions to ensure progress towards UHCW's mission to Care, Achieve and Innovate and vision to provide world class healthcare. The strategy on a page framework incorporates quality and financial performance elements, as well as alignment to wider health economy plans thus ensuring fit with the STP. The strategies are prioritised and incorporated into the operational delivery plans for the forthcoming year so that there is an ongoing process of translating strategy into delivery. Priorities for 2016/17 support developing the architecture for high quality, financially efficient and sustainable system integration, as well as service specific transformation.

a) Developing the architecture

- **Together Towards World Class programme** seeks to deliver UHCW's aspiration to become a national and international leader in healthcare over the next five years. Underpinning transformational work programmes include Elective Care Improvement, e.g. improving theatre and outpatient utilisation, and Emergency Care Improvement, e.g. improving standards and processes to prevent admissions and facilitate discharge. Specific priorities for 2016/17 include:
 - **Virginia Mason Institute** – phase 1 of UHCW's work with VMI will focus on ophthalmology outpatients, theatres and serious untoward incidents
 - **Innovation Hub** – an area will be created within UH that will provide space for all staff and partners to work creatively and develop innovative solutions. This is included in the Coventry & Warwickshire STP.
- **Information/IT** –the procurement of an Electronic Patient Record system for use within the Trust and beyond is central to UHCW's 5 year Information Strategy. This is underpinned by adaptive technologies to support new ways of working. UHCW is also involved in the creation of digital road maps across Coventry and Warwickshire.
- **Estates Strategy** – UHCW's clinical strategy seeks to deliver services via a hub and spoke model whereby capacity at UH site is utilised for emergency and complex conditions, whilst high volume, less specialist elective work is managed at St Cross and ambulatory conditions are managed in community settings, closer to home. The service plans below illustrate some of the service changes in line with this model. This links to the Coventry & Rugby CCG Local Estates Strategy and the STP.

b) Transforming and Sustaining Services

- **Stroke services** – subject to consultation, all acute stroke care for Coventry and Warwickshire will be provided from UH site. This development that is one of the STP priorities.
- **Cancer services** – Head and Neck cancer services will be strengthened by the repatriation of patient population from South Warwickshire; HPB through partnerships with University Hospitals Birmingham NHS Foundation Trust and access to a broader catchment footprint. Non-surgical oncology services are also expanding further.
- **Acute Clinical Networks** – work will continue with local providers to agree common pathways to reduce variation in outcomes. Where appropriate, services will be provided directly by UHCW e.g. dermatology and vascular services for George Eliot. We have also agreed to work with George Eliot to determine a sustainable acute footprint across Coventry and North East Warwickshire and this will be included within the STP submission in June 2016.
- **Intestinal Failure** – UHCW is seeking to work in partnership with Leicester and Nottingham Hospitals to deliver the service that NHSE has recently tendered.
- **Diabetes service redesign** – a consultant led integrated primary, community and secondary care service is being developed in partnership with Coventry and Rugby CCG. The intention is to agree a Prime Contract between UHCW and CCG. It is expected that, if successful, the model can be applied to other long term conditions. Diabetes is within the Arden STP
- **Coventry City Centre** – a number of ambulatory services are planned to be redesigned and relocated. Services planned for change include plain film and ultrasound diagnostics, dermatology and renal dialysis.
- **Right Care Programme** – Coventry and Rugby CCG is participating in Wave 1 of the programme. A clinical lead from UHCW, together with the CCG, participated in a NHS England regional workshop on 29 February at which a number of opportunities were considered, including musculoskeletal that is one of the STP priorities.

UHCW's Corporate Objectives for 2016/17 relating to transformation are shown in the table below:

Corporate Objective	Benefit	Target
System Transformation Plan (linked to STF)	High quality patient care that is innovative & integrated across the health system	Q1-Q3 work with commissioners and produce system plan in line with national policy Q4 STP agreed with regulators