



Forward Plan Strategy Document for 2012-13

South Devon Healthcare NHS Foundation Trust

Section 1: Forward Plan

A. Trust's Vision

The Trust's Summary Strategic Directions confirms the themes and issues the Trust must continue to address over the next three years to achieve our ambition: *for South Devon Healthcare to be the best provider of healthcare services delivering excellence in all that we do.*

We have listened to our patients, staff, governors and members during the development of this strategy. Our aim is to use this framework to continue to shape and develop our services to ensure they always meet or exceed the needs of each patient we care for, of the community we serve and of our commissioners and regulators, providing:

- Safest care – reducing healthcare acquired infections, avoiding unnecessary deaths or injuries, meeting all regulatory standards and improving our care systems through shared learning;
- No delays – with patients seen as quickly as possible, being fully involved in their care and only staying in hospital for as long as is necessary;
- Best patient experience – providing care that patients and staff would recommend to others;
- Working together – working closely with our partners to provide seamless health and social care;
- Delivering better value – making best use of taxpayers' funds, generating sufficient resource to operate sustainably, achieving excellent ratings for use of resources in meeting regulatory standards.

We are confident this framework responds to the local, regional and national priorities for 2012/13 and up to 2014/15.

The Trust is firmly committed to delivering integrated care across its local health system; a system that promotes self-care, supports patients in managing their conditions, delivers care as close to home as possible and results in acute admission only where absolutely necessary. Ensuring a smooth and effective transition between acute care, community healthcare and social care improves the experience of the largest number of patients. The same principles limit cost across the healthcare system.

B. Trust's Strategic Position

South Devon Healthcare was established in 1991 and became an NHS Foundation Trust in 2007. As a medium sized District General Hospital it provides patients in the South Devon area with a full range of secondary care services. The Trust serves a resident population of approaching 300,000 people, but this increases by as many as 100,000 visitors at any one time during the summer holiday season.

The local health system is currently managed by commissioning organisations in both Torbay and Devon. Following the Health and Social Care Act, plans have been agreed to create a single Clinical Commissioning Group (CCG) that matches the Trust's catchment area. The Trust is actively supporting the emergent CCG, engaging with its leadership through our Clinical Cabinet, pursuing a collective ambition for an integrated model of care across the community. The local health community enters this new organisational model in a position of comparative financial strength, with the historically sound performance of Torbay Care Trust being consolidated with an improving financial position across the NHS Devon area. The Trust will work with the South Devon and Torbay CCG to ensure that resource budgets for the Southern Devon area are appropriately defined and secured.

Commissioners are supporting the Trust in developing local clinical services where appropriate. In 2011/12 a 24/7 Primary Percutaneous Coronary Intervention (PCI) service was established and specialist Neurology services will be expanded in 2012/13, repatriating services from both Plymouth and Exeter. No adverse changes to commissioning intentions or service delivery changes have been notified or experienced. The Trust will continue to work through the Clinical Cabinet to pursue further opportunities; an important part of ensuring that care is delivered as close to home as possible for the residents of South Devon.

The Trust has delivered strong and consistent service performance, meeting the requirements for Care Quality Commission registration and delivering exceptional clinical results, with low mortality measures and with excellent results in both local and national patient satisfaction surveys. This track record of performance is central to the Trust's success, contributing to it being the provider of choice for the local population. There is comparatively little competition in the local healthcare market for acute care, principally reflecting the geographically dispersed nature of the South West, the consequently limited uptake of patient choice and a small market for private provision, we will continue to build on this success and our 'leading edge' reputation for health and social care integration. In doing so, we will protect the provision of comprehensive secondary care services in Torbay that might otherwise be threatened by the combination of economics, designation and increasing specialisation. In recent days, the Torbay and Southern Devon Health and Care NHS Trust have resolved not to pursue NHS Foundation Trust status, preferring to seek a partner organisation of sufficient size and standing to ensure that their success in integrating community health and adult social care is maintained and further developed. We believe that South Devon Healthcare NHS Foundation Trust is the natural partner and will actively pursue this opportunity in the coming months.

The Trust has delivered strong financial performance since its inception and will move forward to address the challenges of the next three years from a sound base. In 2011/12 the Trust has delivered:

- A Financial Risk Rating of 4 throughout 2011/12.
- A pre-impairment surplus of £4.7m.
- A strong cash balance of £16.5m.
- A cash releasing efficiency programme of £9.5m.

Delivering financial sustainability going forward will require significant efficiency savings to be delivered. Central to the Trust's approach will be system redesign through the model of integrated care, the continued application of lean systems approach to all activities and the expansion of the Pharmacy Manufacturing Unit (PMU).

C. Clinical and Quality Strategy

The Trust's strategy over the next three years is to work with our partners in health and social care within the local community to improve the patient experience through developing a more integrated health and social care service.

We will further develop clinical systems and processes using the framework set out in the Safer Patient Initiative, which will keep quality and patient safety at the centre of the Trust's agenda.

We will strive to drive out variation in the level of service across the 24 hour day and across the seven day week with the aim that patients will receive optimum care at the time they need it – right care, right time, all day and every day.

In order to deliver this we will continue to drive improvement in patient safety and experience in our care processes – embedding enhanced recovery across all surgical specialities and using the same principles to apply the concept to emergency's medical admissions.

We will continue to develop improved services for patients who are the most vulnerable when in hospital e.g. those with a dementia or learning disability, enhancing the environment alongside clinical care to better create a 'healing environment'.

We will continue to develop all services in ways that ensures our patients have timely and appropriate information about their care and treatment to support patients and professional decision making at the earliest opportunity.

We will improve the care we give to patients at the end of their life, delivering improved advanced care planning and treatment escalation as appropriate.

We will improve the timeliness of our communication with our professional partners and in order to put patients at the centre of our work. We will endeavour to increase the proportions of our communications that are primarily addressed to the patient.

D. Clinical and Quality priorities and milestones

The Trust's quality goals in each of the coming three years are set out below:

During 2012-13, the Trust will:

- Recruit to posts in acute medicine and care of the elderly medicine to allow delivery of a model of care with greater consultant input across seven days, and more intensively around the time of admission.
- Integrate work between the emergency department, admissions unit and intensive care services to ensure patients are cared for in the most appropriate environment at the earliest opportunity
- Develop pathways of care based upon the principles of surgical enhanced recovery within emergency medicine.
- Recruit to and develop the cohort of consultant paediatricians to allow the delivery of a high quality consultant delivered 24/7 acute paediatric service.
- Plan to develop an expanded Intensive Care Unit (ICU) facility.
- Open our interventional radiology suite to further improve the safety and effectiveness of this service.
- Continue to develop the use of minimally invasive surgery and in particular extend the use of the surgical robot into Ear, Nose and Throat (ENT), gynaecological, and colorectal, procedures.
- Increase the range of operations that are carried out as day surgical procedures
- Apply to become a first wave implementer of the flexible sigmoidoscopy programme for the National Bowel Cancer Screening service.
- Implement clinical IT support systems to improve recognition of the physiologically unstable patient, improve our performance on Infection Control, and the quality of our data systems that relate to risk assessment and prophylaxis of venous thromboembolism.
- Work with our partner organisations in health and social care to ensure that we make the optimum use of our bed resources in our health system.
- Revalidate at least 20 per cent of our medical workforce.
- Work with the Clinical Cabinet to drive the delivery of an integrated care system including a number of shared clinical priorities over the next 12 months.

Additionally, during 2013-14, the Trust will:

- Open a new intensive care unit and seek to optimise the clinical adjacencies.
- Implement e-prescribing and order communications to improve our medicines management and the clinical effectiveness of our diagnostic and therapeutic services.
- Revalidate a further 40 per cent of our workforce.
- Seek to ensure that increase the availability of services over seven days of the week.

Additionally, during 2014-15, the Trust will:

- Ensure that all the services that pertain to the acute services of the hospital are sufficiently available over seven days of the week to deliver a consistently higher patient experience.
- Have a fully revalidated workforce.

These, like all programmes of significant change, will be managed using the programme management principles of 'Managing Successful Projects'; an approach set out by the Office for Government Commerce. Detailed action plans and appropriate metrics are agreed at and reviewed by the Board of Directors on a regular basis. Risks to delivery are logged, with mitigating action plans agreed and monitored in a similar fashion. The most significant risks to delivery are as follows:

- The Trust may experience difficulty in attracting suitable candidates for consultant posts. In response the Trust will continue to promote its reputation for innovation and integration, advertise widely and engage college support in seeking suitable candidates. We will work to develop innovative staffing solutions, involving alternative practitioners to release consultant time where possible.
- The agreement of contracts of employment will be essential to underpin increased 24/7 working in a robust and affordable fashion. The Trust will ensure that all new contracts of employment are issued in appropriate form and will continue to engage with all staff groups, negotiating through appropriate staff side bodies, to agree changes with existing staff.
- The Trust's ability to implement planned capital developments in support of this clinical strategy will be dependent upon underlying financial performance continuing to support planned borrowing. Actions to ensure delivery are included in the financial narrative.

E. Financial Strategy

The table below sets out the headline financial plan for the Trust over the period of this Annual Plan submission:

	2011-12	2012-13	2013-14	2014-15
	Actual (£m)	Plan (£m)	Plan (£m)	Plan (£m)
Total Income	219.4	220.4	218.1	216.3
Total Operating Expenses	-202.9	-207.3	-202.5	-198.3
EBITDA	15.5	13.1	15.6	18.0
I&E* Surplus (normalised)	4.7	2.3	2.2	2.3
Cash	16.5	16.8	13.7	14.2
Capital Expenditure	17.9	31.2	32.5	15.5
CIP	9.5	9.3	10.4	10.2

*Income and expenditure

The expected income for 2012/13 is £220,400k; within which £178,000k is attributable to our local commissioners. This expected income level represents approximately £3,000k or 1.8 per cent of additional income above the 2011/12 forecast out-turn, but does include £1,000k growth for pass-through drugs and devices.

The Trust has developed a contract with Commissioners under which a 2 per cent tolerance exists around this baseline contract value and during which no change in contract income will occur, providing a clear incentive for the Trust to engage with Quality, Innovation, Productivity and Prevention (QIPP) demand management activities.

In providing a limitation to upside risk from a Commissioner perspective, the Trust has secured agreement to limit the variability of Commissioning for Quality and Innovation (CQUIN) income and to manage the performance related contract penalties (e.g. Referral to Treatment Times (RTT) delivery at specialty level). The Trust's assessment is that between £1.5m and £2.0m of financial risk is avoided through this agreement.

The Commissioners and the Trust have agreed a set of principles that will be used to inform the approach to QIPP. These principles include the achievement of statutory targets, longer term agreements, reduced volatility, success at a system level and reasonable views of margin, Continuous Improvement Programme (CIP) and QIPP targets across the system. This is illustrated in the current year where a shared commitment to deliver an agreed value of QIPP is underpinned in the contract for 2012/13 alongside reduced contractual risk for the Trust.

Progressing into 2013/14 and 2014/15 the Trust and its Commissioners are seeking to build on this with an approach to QIPP which recognises the flat cash environment the NHS has entered. The agreed assumption is that activity growth is offset by QIPP schemes, resulting in flat income going forward.

Reflecting this approach, cost increases in the Trust's financial plans represent inflationary pressures in both pay and non-pay, coupled with growth in financing costs associated with capital developments. Pay cost increases are forecast to be one per cent per year and non-pay cost increases are forecast to be three per cent (except for Drugs which is six per cent including National Institute for Health and Clinical Excellence (NICE) inflation) in the respective years of this plan.

This translates to a CIP target broadly equivalent to the scale of these cost pressures being assumed throughout this annual plan period. The delivery of the financial strategy is predominantly dependent upon delivery of the CIP target.

The principles of lean system design will be at the centre of the Trust's delivery programme throughout the period of this plan. We will employ the NHS Institute for Innovation and Improvements 'Productive Series' methodology across all aspects of the Trust's business, both clinical and non-clinical. Not only will this ensure improved care delivery, defining best quality systems and ensuring their spread throughout the organisation, it will also eradicate waste and improve efficiency.

The Trust is planning a significant capital programme over the coming three years, addressing significant backlog maintenance issues, investing in improved facilities designed to improve care and efficiency, replacing and expanding medical equipment and improving the IT infrastructure in support of the Trust's clinical and efficiency strategy. The Trust intends to raise loan finance totalling £31m across the period covered by this plan in support of this agenda.

The Trust also plans to further develop the activities of its Pharmacy Manufacturing Unit, investing £16m in a new production facility, scheduled for completion in July 2014. This represents a key element of the Trust's financial strategy in that future revenue growth from this source will be the key driver of cash flows for loan repayment and further capital investment in the medium to long term.

F. Leadership and Organisational Development

NHS values, clinical leadership and working together are fundamental when decisions are taken that have an impact on our staff and the safety and quality of patient outcomes. The major changes in health and in the quality of care will require strong leadership.

We are now being faced by a new set of challenges in the NHS in the evolving health system. High quality leadership will be of the essence if we are to maintain this success in this new and challenging environment whilst maintaining an integrated approach to the delivery of healthcare to our patients and population. This means promoting a mindset that brings about changes in behaviour to support the improvements required and a determination to deliver results.

Creating a culture of excellence, continuous quality improvement and increased productivity requires an approach to leadership based on motivating, engaging and inspiring people.

The Trust has developed an Organisational Development Strategy, the objectives of which are:-

- To ensure the right level of leadership on the Trust Board in terms of the quality and diversity of skills.
- To prepare, support and enable the workforce for the required behavioural change that will be necessary to support the achievement of the Trust strategic priorities.
- To ensure staff understand their roles and responsibilities and are supported through infrastructure change.
- To have a clear Trust purpose and values, which are communicated throughout the Trust and supported by a robust appraisal process.
- To develop a talent management framework to support current and future capability requirements.
- To define a cultural change programme which actively encourages staff to be involved and engaged.
- To review current internal processes and systems to drive efficiencies.
- To define and implement an approach to leadership to encompass all disciplines across the Trust.

The Trust Board is well established, has an agreed development programme and considers its own effectiveness at least on an annual basis.

There are no 'step changes' in current activities that would require changes in the composition of the Board. However, looking forward, the potential to expand the organisation to provide community and adult social care would represent a significant change to the business and, if progressed might require some changes to Board membership. The Board will consider whether to make any early changes in pursuit of this opportunity, either in appointing to the vacant Chief Operating Officer post or in replacing one Non-Executive Director standing down during 2012/13. Equally, the Board will consider the capacity and expertise in the wider senior management team, ensuring that the skills and capabilities required for an acquisition and subsequent organisational integration are in place.

G. Other Strategic and Operational plans

Innovation and Education

Attracting and developing appropriately qualified staff for the future is critical to all NHS organisations. The Trust is therefore committed:

- To developing improved links with providers of medical education and the developing Academic Health Science Networks, enhancing the Trust's reputation as a provider of education.
- To working with both Plymouth and Exeter Medical Schools.

This programme will be pursued through the existing medical management infrastructure and requires no additional resourcing.

The Trust intends to build its reputation and presence as a provider of high quality Research and Development and Commercial Trial activities. Delivering an increased portfolio will raise the Trust's profile and support the recruitment and retention of high calibre clinical staff. Increased research and development activities would deliver financial contribution during the year, with additional income more than offsetting corresponding cost.

Estates

In line with the published 'Safeguarding our Estate' document, the Trust will continue to improve its estate, ensuring that the key risks are prioritised and addressed through the capital programme. During 2011/12, the Trust developed a capacity within our Estates Team to plan and deliver what is a significant change in the rate of investment, with further changes planned in 2012/13 with the appointment of a new Director of Estates and Facilities. This is a joint appointment with Torbay and Southern Devon Health and Care NHS Trust, reflecting the Trust's desire to influence use of the estate across the wider Health Community in delivering the service objectives of all organisations.

The capital programme is described in the financial sections of this annual plan submission. Progress is monitored through Workstream five (the Estates Programme Board), the Finance Committee and Trust Board on a monthly basis.

Pharmacy Manufacturing Unit

The Trust will maximising the potential of the Pharmacy Manufacturing Unit (PMU) in supporting the Trust's core business, proceeding with the planned investment in additional capacity, further developing the management structure and delivering stretching performance targets.

The business case has been approved. Contracts for the building are due to be signed by the end of May 2012, with the unit scheduled to be operational by July 2014.

Progress is monitored the PMU Board, the Finance Committee and Trust Board on a monthly basis.

Membership

One of the Council of Governors' sub-groups, the Mutual Development Group (MDG), focuses on ensuring that there is an ongoing dialogue with our members and that we continue to develop the membership to make it as representative as possible of the whole community. The Group has adopted several objectives for 2012/13 which can be found on page 50 of the Annual Report and Annual Accounts 2011/12. The objectives form part of the MDG Terms of Reference which are reviewed annually and then agreed by the Council of Governors.

H. Regard to the views of Trust Governors

In preparing the Trust's forward plan the Board of Directors engages with Governors on several occasions throughout the year both formally and informally.

The formal process involves an annual survey being distributed with our Annual Review document in October, to all public members, which in 2011/12 generated a response rate of 33 per cent. The survey is developed by the Mutual Development Group which is a sub-group to the Council of Governors and is chaired by one of our Governors. Surveys are categorised according to area which enables all Governors to review responses from their respective constituencies. One Governor from each of the three public-constituencies is nominated to provide a combined response to the Board-to-Council meeting in March each year. The feedback from Governors to the Board of Directors is received informally and then presented more formally at the next Council of Governors meeting in April.

Informally, Governors continue to engage with its membership several times throughout the year such as Medicine for Members events and via its quarterly newsletter.

Engagement with members and Governors was carried out ahead of our plans being drawn up for the year ahead (2012/13), so that the views from our local community can be taken into account.

In addition, for 2012/13 the Board of Directors has adopted a set of key corporate objectives, linked to the Annual Plan, against which the Board will collectively review its performance towards the end of the financial year. The objectives for 2012/13 have been shared with Governors both informally and then more formally at its Council of Governors meeting in April. Feedback from Governors will be reviewed at the Board of Directors meeting in May.

Our Annual Plan for 2012/13 is therefore based on the continuing strategies for improving quality - safest care, reducing delays, improving the patient experience such as communication at all levels, both internally and externally, whilst ensuring the Trust delivers better value in light of future financial challenges.