Operational Plan 2016/17

This Operational Plan sets out the Trust's plans and ambitions for the delivery of services during 2016/17. It focuses on a need for improvement, transformation and sustainability; getting the basics right whilst striving to improve quality alongside service and Trust wide efficiency.

Section 1: Introduction

The Operational Plan narrative has eight sections. It is supported by separate finance, activity and workforce returns when submitted on 11 April 2016.

Section 1: (this section) provides an introduction and a 'picture' of the Trust for 2016/17

Section 2: describes the Trust's refreshed planning process

Section 3: details the approach to activity modelling, demand and capacity challenges and introduces the corresponding improvements

Section 4: provides details of the Trust's approach to quality planning

Section 5: describes the workforce planning process

Section 6: provides details of the financial analysis, modelling and planning

Section 7: describes the Operational Plans integration with the Sustainability and Transformation Plan and other Trust and system-wide change programmes

Section 8: outlines the risks to the planning, management and delivery of Operational Plan

1.1 Trust Performance

NHS services within Shropshire continue to face challenges in the delivery of high quality, safe and sustainable acute services. Within a climate of rising demand and public expectations, the Trust's workforce and financial difficulties are well documented. Whilst many Trusts are also grappling with these same issues, the Trust has a very real opportunity to begin to break the cycle as plans, projects and decisions come together during 2016/17.

In 2014 a detailed diagnostic was shared with the NHS Trust Development Authority (TDA) articulating both the operational and financial challenges face by the Trust. During 2015/16 the Trust has made significant progress in establishing systems and processes to support the delivery of both the Referral To Treatment (RTT) and Cancer targets alongside consistent delivery of diagnostic targets. Delivery of the A&E performance target has however, continued to be a significant challenge.

1.2 Opportunities for Change

Achievable and sustainable solutions to the Trust's challenges in workforce, performance and finance therefore require transformational change; within the organisation and across the whole health and social care system. This change will be delivered through three integrated formal programmes:

- Transforming Care – the Trust's partnership with the Virginia Mason Institute
- Sustainability and Transformation – the health systems overarching strategic plan
- Future Fit – the systems umbrella change programme for acute, community and primary care services of which the Trust's Sustainable Services Programme forms one part

These three workstreams will have a greater impact if the Trust and its partners can also deliver a new way of working; where integration and care delivery around the needs of patients are prioritised alongside the need for workforce and financial sustainability. This cultural change is underway within the Trust, but will take time and commitment to progress.

A key driver of that cultural change is the **Transforming Care Programme**. As one of the five Trusts in England selected to work in partnership with the Virginia Mason Institute in 2015, the Trust has embarked on its journey of continual improvement. With patients at the centre of all value-streams and with a 'zero-tolerance' approach to avoidable waste and defects, the Trust is well placed to see improvements during 2016/17 and beyond.

The health and social care systems **Sustainability and Transformation** structures are now established with work progressing well within the Partnership Board and Operational Group. The system plan is on target for completion in June 2016. This work is integrated with the System Deficit Reduction Plan and the Business Cases for one of the Trust's elements of Future Fit, the Sustainable Services Programme.

The Sustainable Services Programme is one part of **Future Fit**. The draft Strategic Outline Case for Acute Services was approved by the Trust Board at the end of February 2016 as planned and will be submitted formally to the TDA after the public Trust Board meeting on 31 March 2016. The Strategic Outline Case focuses on the most pressing of workforce challenges within the Trust within A&E, Critical Care and Acute Medicine. Commissioners plan to consult with the public on the potential service changes at the end of 2016.

On-going delivery of these three work programmes will enable the Trust to progress to a viable and sustainable position over the coming years and in time, will directly impact on the day-to-day service delivery within the organisation.

The challenge within 2016/17 can be described as two-fold. First, a need to 'get the basics right'- delivering high quality care to national performance targets within the financial and workforce resources available. Second, planning and progressing plans and strategies for long term sustainability within the Trust and as a key partner and stakeholder in the local health and social care system.

Section 2: Planning for 2016/17

A new approach to business planning for 2016/17 was established in 2016. Each of the Trust's four Care Groups has been supported to critically examine their core business in terms of quality, performance, workforce and finance and identify answers to the question, 'what is the problem you are trying to solve?' This has resulted in detailed discussions and work within each Care Group that has included:

- Demand and capacity planning to meet national standards and targets
- Workforce planning to respond to current and future challenges
- Quality and service improvement
- Cost improvement, efficiencies and financial balance

With weekly planning, and support and challenge sessions, each Care Group has developed their individual plan for 2016/17. Each plan identifies the capacity and demand against a performance trajectory month by month in terms of activity and workforce required. This trajectory is supported by range of improvement projects that describe the actions and deliverables.

A summarised view of the immediate principal challenges that need to be resolved is presented below:

Key Issue	MSK	Gastro	Urology	Vascular	TACC	Onc&Haem	Breast	Ophth	Max-Facs	ENT	Upper GI	Colorectal	Medicine/ ED	Gynae	Maternity	Paeds	Neonates	Pathology	Radiology	Pharmacy	Therapy
92% 18wk RTT	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓							
Medical workforce fragility	✓	✓	✓	✓			✓	✓	✓	✓			✓		✓		✓	✓			
CIP	✓				✓								✓	✓	✓		✓	✓	✓	✓	✓
4 hr ED standard	✓		✓						✓	✓		✓	✓								
Diagnostic waiting times		✓												✓							
Capacity efficiencies		✓			✓								✓		✓			✓		✓	✓
Accreditation		✓																			
Bowel Screening		✓																			
Nursing workforce					✓			✓					✓	✓		✓	✓				
Midwifery workforce															✓						
Other clinical workforce																		✓	✓	✓	✓
Patient flow					✓		✓		✓	✓			✓					✓	✓	✓	
Cancer waiting times						✓															
Best practice							✓														
Accomodation								✓						✓							
Review compliance															✓						
Quality standards															✓	✓	✓	✓	✓	✓	✓
Models of care																	✓				

The key challenges presented by the respective specialties within each Care Group are planned to be addressed through specific projects. Each project has/will have a supportive project plan and accompanying performance measures that shape expectations of improvement over the financial year ahead.

Progress with regards to project plans and expected performance improvements will be reviewed on a monthly basis by a hierarchical risk reporting structure for discussion at Care Group Boards and the Sustainability Committee.

Section 3: Activity Modelling

The Trust's approach to activity modelling is in line with guidance from NHS Improvement. Activity and financial information has been shared with commissioners and discussions have continued since the draft Operational Plan submission in February 2016.

The Trust maintains a demand and capacity model at specialty level and this has also been shared and discussed with commissioners.

A detailed review of demand for both outpatient and inpatient activity has been undertaken. Demand figures have been based on:

- Base data – referrals received from January 2015 to December 2015
- Waiting list movements
- Full year effect 2015/16 QIPP and BCF funds
- Capacity assessments incorporating baseline capacity and capacity delivered using WLI

Demand assumptions to cover both demographic and non-demographic growth (the latter to cover known capacity constraints such as endoscopy) have been agreed with local commissioners and been incorporated into contract settlements.

3.1 Delivery of key operational standards

The Trust's activity plans are sufficient to deliver, or achieve an improved performance for the key operational standards.

RTT

Trajectories and improvement plans have been developed to deliver the Trust's 92% RTT Incomplete performance target.

	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Total
Performance	**92.2 %**	**92.1 %**	**92.6 %**	**92.7 %**	**92.1 %**	**92.3 %**	**92.1 %**	**92.2 %**	**92.0 %**	**92.1 %**	**92.1 %**	**92.1 %**	**92.2%**
Target	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%

Delivery of the RTT in some specialities will continue to be a particular challenge due to national workforce challenges. This includes Neurology and Oral Surgery. Discussions with Commissioners will continue to understand and address delivery in these areas

Cancer

The Trust' successful delivery of the cancer waiting time targets in 2015/16 is planned to continue throughout 2016/17.

	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Average
Performance	**87.07%**	**85.32%**	**87.40%**	**87.01%**	**85.32%**	**87.39%**	**88.19%**	**85.09%**	**86.46%**	**87.18%**	**86.67%**	**85.85%**	**86.6%**
Target	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%

Diagnostic Waiting Times

The Trust's continued delivery of the diagnostic targets during 20015/16 is also planned to continue in 2016/17. However the impact of NICE guidance and cancer awareness campaigns on diagnostic capacity is not yet known.

	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Average
Performance	**99.4%**	**99.4%**	**99.4%**	**99.4%**	**99.4%**	**99.4%**	**99.4%**	**99.4%**	**99.3%**	**99.3%**	**99.3%**	**99.3%**	**99.4%**
Target	99%	99%	99%	99%	99%	99%	99%	99%	99%	99%	99%	99%	99%

Accident and Emergency

In November 2015 the Emergency Care Improvement Programme (ECIP) Team undertook a whole system diagnostic review. The report contained eight high impact recommendations which, following a feedback session with Accountable Officers and Chief Operating Officers across the system, were refined down to five:

	Recommendation	Update
1	Leadership and the development of a system-wide vision	This is being progressed through the Sustainability and Transformation Programme
2	Ward processes and the SAFER patient flow bundle	Ward processes and SAFER patient flow bundle are being piloted with a Trust-wide roll-out programme. This is also reflected in Care Group Plans
3	Emergency Department	During 2015/16 the Trust has increased the number of cubicles in the Emergency Department at PRH and an additional consultant has been recruited
4	Ambulatory Emergency Care	The continued expansion and development of Ambulatory Emergency Care is a key component within the Unscheduled Care Group Plan
5	Interface and discharge (Acute and Community Trust)	Interface and discharge remain a challenge
6	Frailty Pathway across the whole system, including primary care	This has also been agreed as a sixth priority

Many of the opportunities identified in the report had already been identified and are included within the whole system Recovery Plan signed off by NHS England and the TDA. The ECIP report has provided assurance that the system plan is focusing in the right areas.

The Trust's trajectory for A&E performance details an improvement against this target during 2016/17. Improvements are based on changes to urgent care streaming and progressing implementation of the SAFER care bundle. The finalised plans for implementation will be signed off by the middle of April.

Shropshire CCGs commissioning Intention to reduce community hospital bed capacity has the potential to impact on the Trust's A&E performance. The estimated impact of this change could lead to a 3% reduction in performance.

	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	Average
Performance	**83.89%**	**85.79%**	**90.27%**	**91.29%**	**93.04%**	**92.54%**	**88.99%**	**90.47%**	**89.99%**	**89.05%**	**89.14%**	**91.21%**	**89.64%**
Target	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%

The Unscheduled Care Group Operational Plan details actions required internally to improve towards this target during 2016/17. In addition to monitoring progress within the Operational Plan Delivery Dashboard, progress against key milestones within the plans will be monitored and discussed at:

- Fortnightly (Trust) 4 Hour Improvement Meetings, chaired by the Chief Operating Officer
- Fortnightly Core System Resilience Group meetings (SRG)
- Monthly Urgent Care Working Group meetings
- Monthly System Resilience Group

3.2 Winter resilience and unplanned changes in demand

Discussions are continuing with Shropshire CCG with regards to the release of winter funding to support established capacity within the Trust in 2015/16. A decision not to provide funding could lead to the Trust reducing capacity resulting in an attributable deterioration in performance.

As part of planning for 2016/17 the Trust has identified the expected demand and capacity required for winter. Alongside understanding the impact of winter 2015/16, outputs from this work are forming part of discussions with commissioners.

The Scheduled Care Group Plan incorporates a number of ward moves at PRH during 2016 with the expectation that would then enable surgery to protect its bed base and activity over the winter months.

The Trust and commissioners will continue to discuss the management of unplanned changes in demand within the monthly Urgent Working Group and the System Resilience Group.

Section 4: Quality Services

'Putting patients first' is at the forefront of the Trust's approach to improving quality and safety. This is reflected in the Quality Improvement Strategy (QIS); a key driver to ensure that harm is reduced, and that the best clinical outcomes and patient safety and experience are provided.

Through detailed monthly reviews, the Trust's performance is monitored closely by the Trust Board and the Quality and Safety Committee. This includes monitoring incidents and the implementation of learning outcomes. Work already underway to strengthening each Care Group's governance arrangements will continue. Performance in Quarter 3 has resulted in the Trust achieving the key performance measures. This is planned to continue in 2016/17.

Quality, Safety, and Experience Indicators

2014/15 and Q3 2015/16

	Measure	Year end 2014/15 Trust Value	National Peer Value 2014/15	Trust Status (RAG) 2014/15	Q3 YTD 2015 /16	Trust Status (RAG) 2015/16
Safety	Risk Adjusted Mortality	**82**	87	G	86/92	G
	In hospital Summary Hospital - Level Mortality Indicator	**59**	67	G	64/71	G
	Never Events	**0**	-	G	2	R
	Number of Serious Incidents	**98**	-	-	47	-
	MRSA Bacteraemia Infections	**2**	-	R	1	R
	MRSA Screening – Elective	**95.2%**	95%	G	96.8%	G
	MRSA Screening – Non-Elective	**95.6%**	95%	G	96.5%	G
	C. difficile Infections	**29**	-	G	25	R
	Grade 4 Avoidable Pressure Ulcers (PU)	**0**	-	G	0	G
	Grade 3 Avoidable Pressure Ulcers (PU)	**7**	-	G	4	G
	SI / RIDDOR Reportable Falls	**35**	-	A	12	G
	Safety Thermometer – Harm Free %	**92.9%**	-	-	92.9%	-
	Safety Thermometer – New Harms %	**97.3%**	-	-	96.4%	-
	WHO Safe Surgery Checklist	**99.9%**	-	G	100%	G
	VTE Assessment	**94.2%**	95%	A	95.12%	G
	Maternity Dashboard	**Green**	-	G	G	G
Experience	Number of Complaints	**377**	-	-	237	-
	Same Sex Accommodation	**0**	0	G	0	G
	Friends and Family Response Rate	**9.9%**	-	R	24.3%	G
	Friends and Family Test Score	**75.8%**	-	G	95.01	G

Led by the Director of Nursing and Quality, the Trust aims to continuously improve the way healthcare is delivered. This includes consulting widely with patients, relatives, staff and commissioners on what is important to them and what they believe should be the organisations priorities. This is evidenced through the approach used to identify the Trust's priorities in the Quality Account for 2015/16; looking forward to 2016/17 whereby stakeholder events include partners from across the local health system.

Quality improvement methodology includes reporting and learning from all patient safety incidents using the principles of learning rather than to apportion blame to develop an open culture in incident reporting. This remains a priority for 2016/17 and will encompass the Trust's requirements for being open and duty of candour.

Mortality figures are one of the quality metrics used to assess Trusts' performance. The Trust now consistently has average or better than average mortality outcomes. The Trust remains committed to learning from the death of individual patients in order to identify avoidable factors and develop improvement in care to minimise the future risk of these happening again. Job planning is treated as mandatory, along with appraisals, holding doctors to account for performance. The Trust will participate in the annual publication of avoidable mortality rates.

Quality Improvements for 2016/17 will include:

- Improving patient experience and increasing patient involvement, building upon results and recommendations identified through the CQC assessments and surveys
- On-going delivery of the priorities within the Trust's Sign up to Safety pledge such as AKI, Sepsis, reducing medication errors and reducing overall harm
- Further strengthening governance processes and embedding a culture of sharing to support learning from mistakes and adoption of best practice
- Achieving key quality indicators and maintaining performance such as the elimination of grade 4 pressure ulcers
- Implementing the Exemplar Ward Programme which brings together a multidisciplinary approach to quality performance and triangulation of indicators. A key element of the programme is supporting nurses as leaders and developing professional resilience

The highest risk to quality and safety, as well as the financial position of the Trust is the workforce challenges within a number of clinical teams and areas. A range of options for nursing, including further overseas recruitment, extended roles and flexible working are being progressed as a priority to support these workforce challenges.

The biggest challenge for the medical workforce remains the shortage of doctors in certain specialties including the Emergency Departments, Acute Medicine, and Radiology. Whilst there has been improvement in the recruitment process and successful recruitment to most other specialties these three specialties continue to require the support of locum doctors. Recruitment efforts are on-going.

Realignment of services, as described within the Future Fit programme, will improve outcomes for patients. Early test areas where services have been reconfigured onto a single site (Women and Children's, Acute Stroke and General Surgery) have all resulted in improvement in performance against the Trust's balanced scorecard. The Trust's Sustainable Services Programme, as part of Future Fit, will continue to progress in 2016/17 with the production of an Outline Business Case for a single Emergency Centre (ED and Critical care Unit) together with the development of Centres of Excellence and opportunities single site provisions may bring to some specialties.

4.1 Quality Impact Assessment process

To assess the impact of Operational Plan projects, cost improvement schemes and service reconfigurations on the quality of care the Trust will continue to assess all proposals and changes using the Quality Impact Assessment. This process will continue to be led by the Director of Nursing and Quality and the Medical Director. This process ensures that risks to quality and safety are identified and mitigated appropriately utilising clinicians to ensure that clinical quality and safety is maintained and appropriately assessed. The Trust's Integrated Performance Report which is reviewed by the Board will continue to ensure that quality standards are considered alongside key access standards and financial plans.

4.2 Seven day services

Over the last twelve months the Trust has worked to enhance its service offer wherever possible. Achievements include the provision of medicine management support six days a week to support patient pathways. Similarly, the Endoscopy Service now provides late night clinics and Saturday appointments. Whilst this is not yet seven days a week, patients can benefit from a greater choice in available appointments.

A successful seven day service pilot in Therapies has led to a change in working patterns with Therapist's providing support, particularly for discharge seven days a week. Radiology services are and Pathology are provided seven days a week.

In terms of consultant presence the Trust provides seven day cover in a number of areas including Acute Medicine. It continues to be a challenge to deliver this level of cover with the on-going recruitment and retention issues impacting on the services ability to develop a rota.

Working towards five of the ten clinical standards is a strategic priority for the Trust. An internal working group has been established to ensure a multidisciplinary focus is maintained. Care Groups Operational Plans include progress towards seven day service delivery.

Plans for the integration/redesign of urgent care pathways in 2016/17 have been identified as part of the work to deliver the A&E target within the Emergency Care Improvement Programme. The longer term delivery forms part of the Trust's Sustainable Services Programme and system-wide Future Fit programme.

4.3 Triangulation of indicators

A number of key metrics are reported monthly to the Trust Board and the Quality and Safety Committee which span the three domains of quality. This provides a method of triangulating meaningful quality and safety information and also contributes to further quality assurance via the Governance Assurance Framework. Quality indicators are triangulated through a dashboard approach at ward, Care Group and corporate level.

The Trust will continue to use the balance scorecard of Quality, Performance, Workforce and Finance adopted in 2015 to review existing and future services and plans in 2016/17.

Section 5: Workforce Planning

The Trust's workforce is its greatest asset. However, the workforce challenges experienced over recent years are expected to continue during 2016/17. Workforce planning has therefore been pivotal to the development of the Care Groups and Trust Operational Plan.

HR Business Partners (HRBP) are part of the senior operational leadership teams within the Trust's Care Groups. The Workforce Plans for 2016/17 are fully integrated with delivery of performance and quality standards and targets as well as the Care Group's financial plans for efficiencies and cost improvements.

The combined Operational Workforce Plan is discussed and monitored through the Workforce Committee and the Sustainability Committee both of which are sub committees of the Board, before final approval at Trust Board. Workforce risk is a standing agenda item at Workforce Committee.

The Trust's Chief Executive is the chair of the Staffordshire and Shropshire Local Education and Training Council (LETC).

5.1 Local workforce transformation programmes

Within the Sustainable Services Programme, the Trust continues to work on its plans to deliver a configuration of services that address the current and future workforce challenges. As part of this and the progression of a long-term clinical vision for the health system the Trust's clinical and corporate leaders are also key to discussions within the other Future Fit streams of work; Community Fit and the Primary Care Strategy.

In response to the Trust's most pressing workforce needs in A&E and Critical Care, transformation discussions have focused on the Urgent and Emergency Care pathways, Acute Medicine and Critical Care. This has therefore resulted in the recruiting to trainee Advanced Clinical Practitioner posts. These posts will supplement the Trust's Middle Grade rotas across the specialities and provide a level of consistency and reduction in locum cover.

Further scoping of developments within Extended or Advanced Practice across the disciplines is underway, particularly focusing on Rehab Medicine and Frail Elderly Care. The Trust continues to redefine its support roles to ensure that the clinical time of registered staff is maximised. As part of developing a sustainable local support workforce the breadth of apprenticeship frameworks available to fill vacant posts are utilised.

The two initial value streams within the Transforming Care Programme (in partnership with Virginia Mason Institute) are underway with an expectation that there will be elements that impact on workforce across the system. This too will help support the continued and enhanced delivery of quality, safe services.

5.2 Care Group challenges and workforce risks

Through the 2016/17 planning process, each Care Group has responded to their current and future workforce challenges. It is acknowledged that some workforce initiatives will take a number of years to implement. Where necessary, this is reflected in the 2016/17 plan. There are however some 'cross cutting themes' within workforce that impact on a number of areas. Three key risks for the Trust in 2016/17 in terms of workforce are:

- Recruitment and retention
- 7 day services within the current workforce challenges
- Achieving the agency cap

The table below summarises the activities planned to mitigate these risks in 2016/17 with further detail below.

Risk	Mitigation
Recruitment and retention	• Expansion of the Trust's 'Belong to….' Recruitment campaign for all staff groups • Offering innovative employment offers to increase attraction e.g. sabbaticals • Increased presence at local/regional/national events • Commitment to over recruit when opportunity exists • Proactive marketing of the SaTH offer at Higher Education institutions • Supported revalidation for all registered nurses both substantive and bank • Targeted bespoke programmes working with Local Education and Training council (LETC) providers e.g. OU nursing programmes, Theatre staffing. • Use of Pre employability programmes with e.g. Job Centre plus
7 day services within current workforce challenges	• Care group plans show progress and monitoring in working towards • Multi-disciplinary internal working group to drive delivery • Use of new ways of working /new role developments to support delivery • Home growing the future workforce • Working across the Local Education and Training council of Staffordshire and Shropshire
Achieving the agency cap	• Implementation of a single centralised process to support authorisation and monitoring of agency bookings • Improved planning e.g. 20 weeks of winter • Prospective rota management

Within the current Financial Plan the following assumptions around pay efficiencies have been made:

	Pay Savings Target	CIP Schemes			
	£000s	Red £000s	Amber £000s	Green £000s	WTE
Unavailability Improvement	1,300	1,000	0	300	30
Waiting List Initiative Payments	400	0	200	200	
Support Services CIP	60	0	0	60	
W&C CIP	468	0	0	468	9
Schedule Care Residual CIP	196	196	0	0	
Theatre Productivity	450	0	450	0	
Agency Expenditure Conversion to Substantive	1125	1,125	0	0	
Agency CAP Rate savings	3,250	375	875	2,000	
Scheduled Care – Anaesthetic Savings	789	0	789	0	17
Total	**8,038**	**2,696**	**2,314**	**3,028**	**56**

Whilst there is a total of circa £8m planned reduction in pay expenditure due to efficiencies, it can be seen that given the nature of the schemes there is no material change to the expected WTE establishment. The 30WTE expected to be saved within the Unavailability Improvement Scheme relate to the reduction in WTE Agency and Bank staff and not substantive staff.

Recruitment and retention

The recruitment and retention of staff is a particular challenge in three of the four Care Groups:

- Scheduled Care – Intensivists, Nursing (Critical Care and Theatres)
- Unscheduled Care – A&E Medical Staff, Acute Physicians, Nursing (Wards)
- Support Services – Radiologists (Breast), Pharmacy

Innovative recruitment (including international recruitment), the creation of new roles and opportunities for shared posts with neighbouring Trusts are all solutions that will also be progressed in 2016/17.

Unavailability of staff

Staff unavailability due to annual leave, sickness, training and maternity leave, particularly in Nursing within the Unscheduled Care Group, has had a huge impact on service delivery for some time. Measures are now in place, or are being implemented to reduce the current unavailability rate of 29% to 24% across a trajectory for 2016/17. Standardisation of the best performing ward practice in terms of managing unavailability will be rolled out across all areas. Paybill reductions rather than whole time equivalent reductions will be monitored through a reduced reliance on bank and agency spend. This will be managed through:

- Managing attendance and wellbeing
  - focus on 'hotspot areas'
  - ensuring line managers have undertaken training in absence management
  - prioritising early intervention both with our occupational health provider and the use of staff fast access physiotherapy, self-referral options for counselling services
  - promoting our health and wellbeing days and active lifestyles
  - review the Occupational health policies
- Working with education colleagues in the delivery of statutory and mandatory training in a planned and cohorted way

- Reviewing special leave allocations - confidence to use the policy and have difficult conversations and conflict. Promote values based conversations
- Addressing inconsistencies with allocation of study leave and move to a planned 'capped' approach
- Providing weekly reports on rosters, bank and agency to Finance and Senior Management Teams
- Flexible working arrangements through e-roster
- Providing training and drop in sessions for developing roster skills
- Recommending prospective roster analysis
- Reviewing roster practice
- Streamlining of employment policies to ensure maximised use
- Improving training interventions for management skills by use of podcasts and training sessions

Reducing the use of agency

Delivery of the 6% nursing agency cap is directly linked to the work on unavailability and is a particular challenge within Unscheduled Care. It is also linked to the 'fill rate' for each clinical area. During 2014/5 and 2015/16 the average fill rate did not exceed 95%. This will therefore be the expectation for 2016/17 within both Scheduled and Unscheduled Care.

Ensuring that discussions regarding the use and impact of agency changes on both the nursing and medical workforce will be a priority for the Trust. Like many District General Hospital's the Trust experiences varied numbers of junior doctors joining the Trust via the Deanery. Planning for 2016/17 therefore is up to July 2016.

Implementation of a single centralised process to ensure consistency on authorisation and monitoring will be undertaken during April 2016.

Successful delivery of the financial plan for 2016/17 is dependent on the achievement of the agency cap based on the April agency rate. To illustrate the challenge for the Trust, at 31 March 2016, 81% of medical agency staff were paid above the February agency cap.

Seven day services

As detailed in Section 4, the Trust is committed to the delivery of the progression of seven day services. The culmination of the implementation of the workforce schemes for 2016/17 in support of this will be monitored through the internal working group detailed above.

Waiting List Initiatives (WLIs)

As permanent posts are filled and new roles created to reduce the impact of changes to medical staffing, the Trust's use of WLIs is planned to reduce. On-going review and amendment to job plans will also mean that work undertaken previously as WLIs will become part of 'core hours'.

The Trust will be implementing a reduction in the rate paid to consultant medical staff for WLIS during 2016.

An analysis of RTT performance, productivity and the utilisation of WLIs has been undertaken to inform discussions with the Care Groups and support delivery of appropriate capacity during 2016/17.

5.3 Workforce efficiencies

In addition to the efficiency actions/schemes identified above, the following areas will also be progressed in 2016/17 and form part of the Workforce Plan:

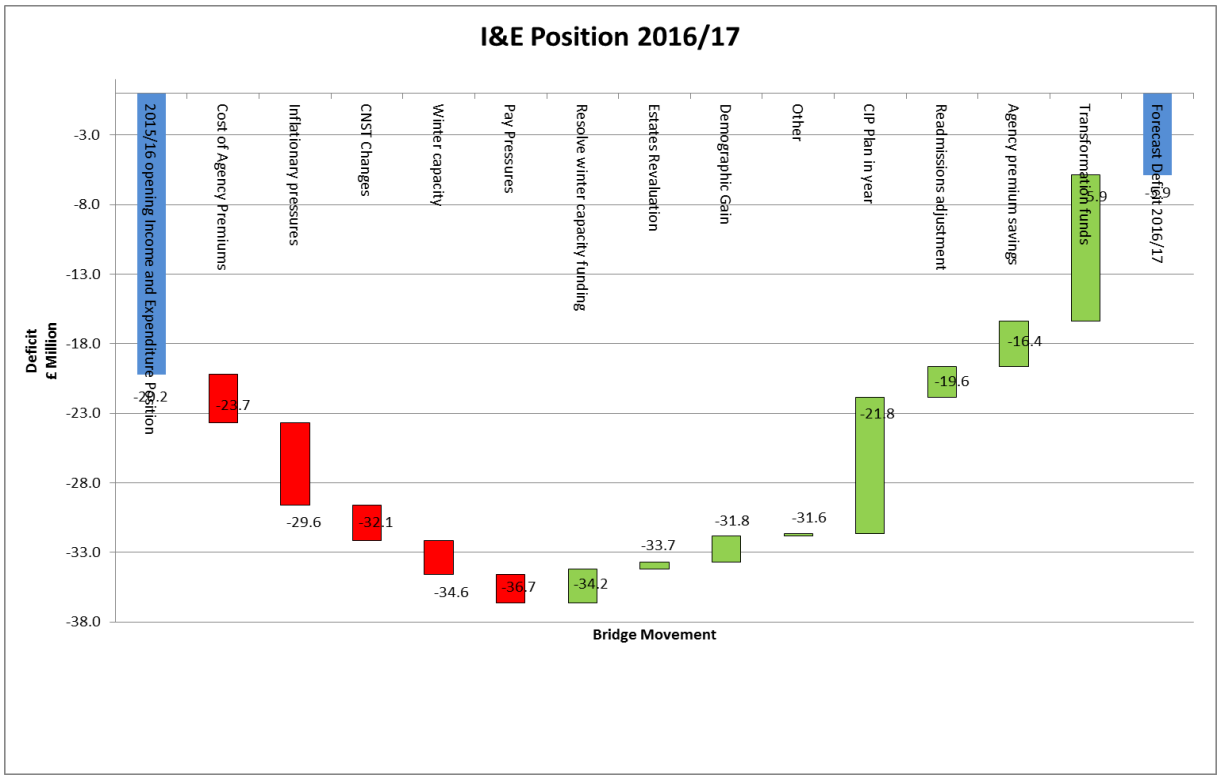
- Increased use of service improvement mechanisms e.g. pathology- faster turnaround times
- Conscious decisions on staffing at shift level e.g. potential to run certain shifts without co-ordinator role

- Consideration of whether management time allocation is split between Ward Manager and Band 6 Coordinator
- Standardisation through work with VMI
- Use of advanced clinical practice to support tier 1 rotas and reduce reliance on agency
- Development of advanced clinical roles (non-medical) where historically medical fill has been poor
- Continued focus on employing apprentices for entry level roles as part of initial saving and growing the Trust's future workforce
- Development of higher level support generic roles

Section 6: Financial Planning

6.1 Financial forecast and modelling

The Trust has set a plan to deliver a deficit in the 2016/17 financial year of £5.9 million. This deficit assumes the receipt of transformational funding of £10.5 million. The bridge diagram below provides a presentation of the factors impinging upon the financial position of the Trust in the 2016/17 financial year.



Inflationary pressures

Inflationary pressures in the 2016/17 are estimated to be £6.3 million based upon:

- Pay/ Increments 1.5%
- Non Pay 4.0%
- Financing costs 4.0%

In addition to this sum the effect of changes to employer contributions increases the cost base of the Trust by £1.5 million

The overall inflation assumptions deliver a blended rate of 3.1% in line with the national assumptions.

CNST Changes

As in the previous financial year the NHSLA has reappraised its risk profile of cases, and in doing so increased premiums substantially. The effect of this change in methodology is to increase the Trust contribution from £10.1 million in 2015/16 to £12.6 million in 2016/17.

Winter Funding

During the 2015/16 financial year the Trust expended £2.47 million in response to winter pressures. It is assumed that a similar such sum will be required in the 2016/17 year. In setting the financial plan for the 2016/17 year it has been assumed that these costs will be covered in full from Commissioner Baseline

allocations. Confirmation of the agreed funding we be concluded at the June meeting of the System Resilience Group.

Local Commissioner Contract 2016/17 Negotiations

The Trust has reached agreement of with NHS Telford and Wrekin and Shropshire CCG for the 2016/17 contract value. Whilst agreement has been reached there remain the following outstanding issues with Shropshire CCG

Readmissions

Shropshire CCG contract excludes Readmissions funding £1.4m. This sum is incorporated within the income budget. In the event that the national ruling does not require CCG to reinvest readmissions funds the control total of £5.9m deficit would need to be increase to £7.3m

QIPP

Within the plans of Shropshire County CCG there is amount of £4.2m for assumed QIPP and for NHS Telford and Wrekin there is an amount of £0.6m.

The Trust is committed to work with the CCGs to understand the deliverability of these.

Efficiency savings for 2016/17

An efficiency saving plan has been developed by the Trust for 2016/17 to support the delivery of the Trust's financial plan. Each scheme will be supported by a pre- assessment QIA, completed in tandem with the clinical lead and operational area which is affected. The potential risks are considered and reviewed by the Chief Nurse, Medical Director and Chief Operating Officer.

The Trust has constructed a Cost Improvement Programme for delivery in the 2016/17 year with the requirement to deliver savings amounting to £13.031 million as presented in the table below.

	Savings Target"in year"	CIP Schemes			Category			
		Red	Amber	Green	Pay	Non Pay	Income	WTE
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
Procurement	2,000	0	450	1,550		2,000		
Unavailability Improvement	1,300	1,000	0	300	1,300			30
Waiting List Initiative Payments	400	0	200	200	400			
Pharmacy Gain share	300	0	0	300		300		
Support Services CIP	200	0	0	200	60	140		
W&C CIP	844	0	0	844	468	376		9
Corporate CIP	292	0	0	292		292		
Schedule Care Residual CIP	555	555	0	0	196	359		
Theatre Productivity	450	0	450	0	450			
Secure Additional Contract Income	1526	0	0	1,526			1,526	
Agency Expenditure Conversion to Substantive	1125	1,125	0	0	1,125			
Agency CAP Rate savings	3,250	375	875	2,000	3,250			
Scheduled Care – Anaesthetic Savings	789	0	789	0	789			17
Total	**13,031**	**3,055**	**2,764**	**7,212**	**8,038**	**3,467**	**1,526**	**56**

The Cost Improvement Programme will be overseen through the Trust Sustainability Committee and progress of the Programme will be performance managed through the monthly Confirm and Challenge Care Group meetings.

The recent Carter Review has pointed to an ability to deliver significant levels of cost savings from:

- Proactive Procurement practices capable of generating improved unit prices for products and services used by the Trust and also facilitation of greater levels of standardisation in the use of products. The Trust Procurement department has identified savings opportunities for the 2016/17 year amounting to £2.0 million.
- Workforce Management – The Trust has in place a well-developed Electronic Rostering system to underpin the management of its Nursing workforce. A reduction in the average level of staff unavailability from the existing 28 per cent to a revised level of 24 per cent reduces the Trust cost base by £1.3 million.
- Waiting List Initiatives – During the 2015/16 financial year the Trust spent £1.8 million establishing temporary capacity in order to achieve RTT performance targets. Improved management of operational capacity over the winter period has meant that the level of Elective activity cancelled during this period has been much lower than in previous years. As such the level of backlog activity that needs to be addressed through the establishment of non-recurrent capacity is expected to be substantially reduced in 2016/17. This change coupled with introduction of reduced payment rates is expected to reduce the WLI cost by £400,000 in the 2016/17 financial year.
- Specific cost base changes at departmental levels are expected to reduce costs in year by circa £3.0 million.

Agency Costs/ Savings

During the 2015/16 year the Trust is expecting to have spent circa £16.0 million employing clinical and Non Clinical staff through employment agencies. Premium costs contained within the Agency payments amount to £5.5 million. Implementation of the Agency cap payment rates are expected to reduce spend in the year by £3.250 million. Delivering to the Trust overall cap requires actions to be taken to reduce the overall number of staff employed as agency by circa 35 WTE, doing so generates further cost savings of £1.125m.

	Average monthly WTE	Annual Agency Payments £000's	Annual Agency Premium £000's		Applying the April 55 % premium £000's	Savings from reduced premium £000's		National Agency Cap staff redn/ non agency employment	National Agency £000s
Consultants	7.9	1,882	810		1,660	(221)		(1.5)	1,339
Medical staff	32.0	5,094	2,533		3,970	(1,124)		(6.2)	3,202
Nursing	116.0	7,928	3,869		6,293	(1,635)		(22.4)	5,076
Other Clinical	8.9	539	270		416	(123)		(1.7)	335
Non Clinical	16.2	896	411		752	(144)		(3.1)	607
	181.1	16,339	7,893		13,091	(3,248)		(35.0)	10,559
Assumed CIP savings						(2,500)			

The full saving potential of £4.375m has been included within the Trust's 2016/17 cost improvement programme. The delivery of the agency savings carries considerable risk particularly in respect of Consultant and Junior Medical staff. Accordingly in the risk assessment of the scheme £1.5m has been classified as carrying a high risk and £0.875m has been classified as carrying a medium risk.

Cost Improvement Programme – Estate Revaluation

The Trust is expected to finalise an Estate Revaluation exercise, it is expected that this will reduce costs in the 2016/17 by £500,000.

6.2 Provider efficiency programme (Carter Review)

The recent Carter review provided indices to reflect the relative cost position of NHS Trusts and Foundation Trusts. The indices, referred to as the Adjusted Treatment Cost (ATC), ranged from 0.87 to 1.16. The Trust had an index rating of 0.95, indicating that the Trust's cost base is below average norms. That said, the Carter Review report still pointed to a potential to realise savings amounting to £26.7m.

In discussion with the Carter national Project Team, it was accepted that errors and anomalies within the Carter methodology once adjusted then reduced the scale of available savings to £17.6million. This is described as follows:

- Premium costs relating to Agency £4.0 million
- Workforce management (availability) £3.5 million
- Duplication of costs associated with split site working £9.0 million
- Rural dis-economies of scale (maternity services) £1.5 million

In 2016/17 the Trust is taking forward the following actions:

a) Premium costs relating to agency - the Trust is committed to reducing nursing agency usage in order to achieve the 6% ceiling for nursing agency. The Trust is developing plans in line with the national price caps for agency staff rules.

The Trust is reviewing agency usage and costs relating to medical staff; however, existing challenges within medical staffing in high risk areas such as A&E and critical care will impact on the Trust's ability to fully realise savings in this area.

b) Workforce management - the Trust has in place a broadly distributed e-rostering system, and this combined with management actions in respect of sickness management is expected to result in savings in 2016/17

c) Duplication of costs - the savings figure identified followed a comprehensive external review of the Trust's cost base by Price Waterhouse Cooper (PWC) and reflects the dual running costs allocated to the delivery of duplicate services being provided on both the Shrewsbury and the Telford hospital sites. These duplication costs are expected to be addressed through the plans to consolidate clinical activities as described within the Sustainable Services Programme (SSP) described in Section 7

d) Rural dis-economies of scale (maternity services) – this work is also being progressed within the Sustainable Services Programme.

In addition to the above the Trust has in place a proactive procurement function that serves as a provider to all organisations within the local health economy. The function sources, on a continuous basis, best prices through the following activities:

- Utilisation of a range of benchmarking tools to support purchase pricing. This includes the national NJR benchmarking tool, BRAVO and Scorpio
- Membership of a regional West Midlands collaboration to increase purchasing power
- Review of product prices with NHS Wales

Details of the Trusts top 100 non pay spend items has been reviewed and shared with the TDA.

6.3 Estates and energy

The Trust annually undertakes a review of the ERIC benchmarking data and its position relative to other Trusts to support the identification of energy schemes, which can either release cash savings or support the Trust sustainability agenda.

The Trust has recently commissioned Estates Condition Surveys, which has provided a detailed understanding of the Trust's estate in detail, thus ensuring that capital is invested in the most effective manner. During 2015/16 the Trust also commissioned an external review of the Trust's Estates and has reviewed the asset lives which has resulted in the Trust being able to extend the asset lives of its current assets. This work is now confirmed and actioned within the closing balance sheet values.

6.4 Capital Planning

Backlog maintenance is being taken forward as part of the Trust's Sustainability Programme.

In formulating the Trust's Capital Programme, the Trust adopts a risk based approach in utilising its capital resource to target a resolution to the highest risks that have been identified through its Operational Risk Group. The Trust assesses a range of financing options when purchasing equipment e.g. capital purchase/leases/managed service contracts in order to optimise the Trust's limited capital resource.

Section 7: Operational Plan Integration

As highlighted in Section 1, the Trust's Operational Plan is linked directly to the Sustainability and Transformation Plan as well as other programmes and change initiatives within the Trust and local health system.

The Trust's Chief Executive is the recently appointed Chair of the STP Partnership Board. Programme management and structures are in place for the delivery of the STP and work is progressing well.

The Trust is an active member of the STP process and has senior representation at both the Partnership Board and Operational Group. In addition, the Trust is leading two of the five key pieces of work that fall within the STP namely, the Deficit Reduction Plan and the Sustainable Services Programme (a part of the Future Fit programme).

The STP will bring together:

- Future Fit
- Community Fit
- Deficit Reduction Plan
- Primary Care Strategies
- Rural Urgent Care Services

7.1 Sustainable Services Programme (part of Future Fit)

The Sustainable Services Programme (SSP) Strategic Outline Case (SOC) was approved by the Trust Board on 31 March 2016 and submitted to Commissioners and the TDA. The SOC describes potential solutions to the delivery of the Future Fit Clinical Model of one Emergency Centre (to include a single Emergency Department and a single Critical Care Unit) and two Urban Urgent care Centres.

Building on extensive clinical, staff and patient and public involvement and engagement within the Future Fit programme, the solutions within the SOC were developed by the Trusts senior clinical and non-clinical teams – a process of wider engagement is underway to discuss the details work and outputs now required in the development of the Outline Business Case. This work includes planning patient pathways, detailed workforce planning and further development of the physical build and refurbishments required. Patient and public involvement and the involvement of partners and stakeholders will be vital in this next stage of the programme.

Community Fit and Rural Urgent Care

The Trust is committed to the Future Fit programme and its delivery of the Community Fit and Rural Urgent Care workstreams. Clinical and corporate leads are active members of the associated steering groups and working groups.

The Sustainable Services SOC is consistent with the modelling assumptions within the Future Fit programme (updated from 2012/13 to 2014/15 outturn) and a 'shift' of activity from acute to community provision.

In addition, senior clinicians strongly believe the success of the reconfigured service, especially with regards to Long Term Condition and the care and treatment of the frail elderly, will only work if clinicians work across the traditional service boundaries around the need of the patient.

7.2 Deficit Reduction Plan

The deficit reduction plan describes the changes required to the health and social care system locally to meet the future needs of the populations served. The plan describes the extent of the financial challenge and the areas and themes which system leaders will need to work together to address in order to return the system to financial balance and a sustainable service model.

The local health economy system has recently received an independent report. This independent report has established consistent assumptions within the five year plan of commissioners and providers within the economy. The report highlights the deficit of £93million

A key component of addressing the deficit is a requirement to identify QIPP savings amounting to £40million. The Trust Finance Director is the lead officer for constructing the financial recovery plan. Tentative discussions have commenced aimed at establishing a working methodology that will be clinically led, comprising clinicians drawn from both hospital and primary care service delivery units.

Section 8: Key Risks in the Delivery of the Operational Plan

Successful delivery of the Operational Plan is subject to:

- The finalising of plans particular in respect of the
  - SAFER care bundle
  - Management of unavailability
  - Theatre productivity
  - Delivery of the agency cap
  - Financial risks of readmissions and winter

- Robust management – the programme of work requires sufficient levels of management capacity and expertise to support the identified change programmes

- System challenges – whilst the Trust has identified extensive changes to improve operational performance and generate cost savings, the delivery of both of these opportunities could be compromised by a continuation of unprecedented demand pressures being placed upon the Trust