SHEFFIELD TEACHING HOSPITALS NHS FOUNDATION TRUST

BOARD OF DIRECTORS

20 MAY 2015

Subject	**Summary Operational Plan 2015/16**
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Status[1]	N

PURPOSE OF THE REPORT

To provide the Board of Directors with the completed Summary Operational Plan for 2015/16 submitted to Monitor on 14 May 2015.

KEY POINTS

The Summary Operational Plan is taken from the Operational Plan, which with the agreement of the Board, was finalised by the Finance, Performance and Workforce Committee at their meeting on 11 May 2015. The Summary Operational Plan was submitted to Monitor on 14 May 2015.

The Summary Operational Plan will be published by Monitor following their review of the Trust's Plans for 2015/16. It will be presented to the Council of Governors meeting on 2 June 2015.

The Trust is to receive feedback from Monitor in June 2015.

IMPLICATIONS[2]

AIM OF THE STHFT CORPORATE STRATEGY 2012-2017		**TICK AS APPROPRIATE**
1	Deliver the Best Clinical Outcomes	✓
2	Provide Patient Centred Services	✓
3	Employ Caring and Cared for Staff	✓
4	Spend Public Money Wisely	✓
5	Deliver Excellent Research, Education & Innovation	✓

RECOMMENDATIONS

The Board is asked to:

a) Note the 2015/16 Summary Operational Plan submission to Monitor.

APPROVAL PROCESS

Meeting	**Date**	**Approved Y/N**
Finance, Performance & Workforce	11 May	Y
Board of Directors	20 May	

Sheffield Teaching Hospitals NHS
NHS Foundation Trust

Sheffield Teaching Hospitals NHS Foundation Trust

Operational Plan

2015/16

1. Establishing Strategic Context

The Trust's strategy 'Making a Difference' covers a 5 year period from 2012/13 to 2017/18 and remains relevant for the period of the 2015/16 Operational Plan. The Vision of STH is:

'To be recognised as the best provider of health care, clinical research and education in the UK and a strong contributor to the aspiration of Sheffield to be a vibrant and healthy city region'.

The Mission of STH is based upon the NHS constitution and to ensure we act in a way that maximises our potential to deliver the Vision and Mission, we adopt the following PROUD values and behaviours:

Patient-first	Ensure that the people we service are at the heart of all we do
Respectful	Be kind, respectful, fair and value diversity
Ownership	Celebrate our successes, learn continuously and ensure we improve
Unity	Work in partnership with others
Deliver	Be efficient, effective and accountable for our actions

The Trust's key strategic aims are to:

- Deliver the best clinical outcomes
- Provide patient centred services
- Employ caring and cared for staff
- Spend public money wisely
- Deliver excellent research, education and innovation

The Trust's Quality Strategy identifies the actions STH will take to achieve new levels of clinical quality, safety and value.

The Trust's strategy has enabled the organisation to continue to deliver high quality care for patients sustainably and to be resilient financially. However, the environment within which the Trust and the whole health and social care system operates has changed materially. This presents both risks and opportunities for the Trust as a major teaching organisation.

Progress with Strategic Initiatives

Contained within the Trust's 5 year strategic plan are a range of specific strategic service line initiatives that would be progressed over the plan period.

Strategic Initiatives	Key milestones achieved or underway
Emergency care / Non-electives & Major Trauma	• Responding to the Major Trauma Peer Review recommendations • Development of a new helipad • Ongoing contribution to the Right First Time Initiative
Dental services	• Merger of acute and community dental services
Musculoskeletal services	• Agreed contractual model and service commencement from 1 April 2015
Cardiothoracic services	• Progress established workstreams within Cardiac, Thoracic and Cardiology
Specialised services	• Responding to commissioner and provider derogation requirements • NHS England Strategy published • Activity / Contract negotiations with NHS England
Primary and Community Services	• Internal merger with Geriatric and Stoke Medicine service lines • Effective responding to competitive tendering • Ongoing contribution to the Right First Time Initiative • Resilience / Winter planning • Professional Services internal move into Community care group

During 2014/15 good progress has been made in all areas resulting in there being no significant variation in performance on strategic goals or in the progress of strategic initiatives.

2014/15 Trust Performance

During 2014/15 the Trust has delivered consistently high levels of performance, patient and staff satisfaction levels despite mounting operational pressures. Referrals to the Trust were 4.9% higher than plan, new outpatient attendances were 5.4% above plan, elective activity was 2.4% above plan, non-elective activity was 2.3% above plan and A&E attendances were 0.9% above plan.

This contributed to the Trust achieving an Income & Expenditure (I&E) surplus compared to the planned break-even. The Trust broadly delivered its 2014/15 efficiency target, which is a substantial achievement given the extent of the demand for patient care. However, the cumulative effect of major efficiency savings requirements over many years is creating significant financial challenges in front-line clinical services.

A range of ongoing capital investments made with those relating to Information Technology, medical equipment, ward refurbishments and estate infrastructure were progressed. A number of schemes are being carried-forward into 2015/16 to enable the planned development to be undertaken.

The Trust has had a challenging year in terms of delivery of healthcare targets with the 18 week RTT Incomplete Pathways and Non-admitted, cancer waiting times and C Difficile standards all being achieved. The year ended with continued pressure on achieving the A&E 4 hour standard, 62 day Cancer waiting times and 18 Weeks admitted standards. These will provide a focus for the Trust in 2015/16.

The External Environment

Working Together

The Trust is also engaged in the Working Together Programme (WTP) a partnership between seven acute Trusts in South Yorkshire, Mid Yorkshire and North Derbyshire. Its aim is to deliver sustainable service models to deliver better care for patients. The programme works in collaboration with nine CCGs as well as NHS England. There are four areas of focus for the partnership, which aim to deliver change across the local health economy to meet the various known and potential future challenges. The key areas include:

- **Sustainable service configuration**
  - Following on from the centralisation of Head and Neck Cancer at STH, further future specialty reviews will be undertaken, in collaboration with the existing clinical networks.
  - Review of service models to achieve compliance with Specialised Service Specifications moving from derogation to compliance or exit for relevant organisations.

- **Sustainable care quality**
  - To explore and introduce new service models by pooling expertise and skills to deliver sustainable and high quality care 24 hours / seven days per week including the accessibility to local health economy diagnostic services.
  - To explore the transfer of case-load from hospital to alternative care models in context of the Better Care Fund.

- **Sharing and adopting good practice**
  - Seek to standardise efficiency and procurement on products by a large and influential group of Trusts linking with the work being progressed by the Shelford Group.
  - Understanding the causes of need to recruit locums, to minimise and seek more cost effective methods of procuring locums.
  - Exploring the opportunities associated with the consolidation of transactional back office functions which are common to all organisations.

- **Informatics**
  - To develop clinical data sharing systems to improve the quality of patient care as patient journeys cross many providers, including a Cancer Clinical Information solution.
  - Working to maximise the benefits of potential joint procurement of software such as with clinical portals, PACS and electronic document management systems.

Right First Time Executive

Right First Time (RFT) as a programme and partnership has been effective at bringing commissioners and major health and social care providers together within Sheffield over the last 4 years. STH along with other providers and commissioners have revised the approach, which has resulted in the existing workstreams moving to business as usual and the creation of the locality Integrated Commissioning Programme. STH, Sheffield Children's and Sheffield Health and Social Care Trust have formed a joint Sheffield Provider Executive and will include the emerging Sheffield GP Provider Board.

Local Commissioning Assumptions

The Trust and its main commissioners, NHS Sheffield CCG and NHS England, have approached the agreement of the 2015/16 contract on the basis that contracts need to be affordable for commissioners, whilst also providing the necessary resources to enable the Trust to meet its obligations to provide high quality care within the timescales prescribed by NHS England. The Trust tabled a number of proposals for additional investment to meet commissioner service specification standards, address activity increases and to improve the quality of care received by patients. A limited number of proposals have been supported by commissioners, with affordability being cited as the main reason for rejection of a proposal. Only commissioner supported schemes will be taken forward by the Trust in year.

Commissioners have agreed contracts on the basis that they are affordable. However, both commissioners have made assumptions about Quality, Innovation, Productivity and Prevention (QIPP) to reach contractual agreement, specifically £4.65m for NHS Sheffield CCG and £3.7m for NHS England. The Trust has been clear that whilst we will work with commissioners to deliver the QIPP, the inclusion in contracts is at commissioner risk.

Impact on the Trust's Strategy

The Board of Directors has considered carefully if, and how, the Trust's strategy needs to evolve as part of the development of the 2015/16 Operational plan. Making a Difference remains relevant but the Board has committed to refresh the strategy on the basis of:

- The material changes within healthcare providers evidenced by the marked deterioration in NHS Foundation Trust operational and financial performance over the last 18 months.
- The rising challenges in delivering the Trust's financial, operational and quality plans in 2014/15.
- The existing 5 year corporate strategy being three years into its delivery.
- A publication of the Five Year Forward View, Forward View Into Action and the Dalton Review.
- Monitor's guidance on the 2015/16 annual planning review and strategy development.
- The general election.

A strategy development programme has been presented to the Board for consideration. The programme includes a detailed timetable to ensure that the relevant guidance is reflected appropriately and an engagement process to ensure all stakeholder views are included. The programme will be progressed in 2015 and will ensure that the Trust's strategy is updated where required, to ensure STH remains a sustainable and resilient Foundation Trust for the future.

2. Progress against Delivering the Trust's Strategy

The strategic initiatives included in the Trust's strategic plan have been updated to reflect further areas of work being progressed in 2015/16.

Strategic Initiatives	Key Milestones	Timeframe	Resourcing Requirements	Dependencies	Risks and Mitigations
Electronic Patient Record	• Completion of training and implementation of new solution	• 2015/16	• Significant capital and revenue resources	• Training of staff; pre go-live procedures / system testing	• Risk – non-delivery of solution as planned • Mitigation – substantial planning, testing and governance systems in place
Emergency care / Non-electives & Major Trauma	• Responding to the Major Trauma Peer Review recommendations / Development of Major Trauma services	• 2015/16	• Additional investment subject to Business Case; Commissioner funding	• Business case approval • Agreed action plan with NHS England	• Risk – unable to achieve recommendations • Mitigation- ongoing dialogue with NHS England
	• Emergency Care Review	• 2015/16	• Additional system resilience resources	• Clinical engagement / Agreed measures to improve performance	• Risk – non delivery of standard • Mitigation – CEO led work programme
Theatre Improvements and Expansion	• Completed assessment of requirements and business cases completed	• 2015/16	• 5 year capital plan	• Development of business cases for investment with affordable solution	• Risk – changes in demand for services • Mitigation - Detailed analysis of theatre demand /capacity carried out
Specialised Services	• Responding to commissioner and provider derogation requirements	• 2015/16	• Commissioner funding; Existing resources; 5 year capital plan	• Agreement with NHS England; NHS England Strategy	• Risk – affordability • Mitigation - ongoing dialogue with NHS England
	• Activity / Contract negotiations with NHS England	• Ongoing	• Existing resources	• Clarity on specialised service specifications	• Risk - unable to meet specifications • Mitigation – downside planning

Strategic Initiatives	Key Milestones	Timeframe	Resourcing Requirements	Dependencies	Risks and Mitigations
Clinical Workstream Efficiencies & Pathway Redesign	• Delivery of Length of stay and pathway productivity improvements across service pathways	• 2015/16	• Existing resources	• Robust productivity and efficiency schemes in place with clear trajectories • Service reconfiguration plans developed	• Risk – unable to deliver the required efficiencies • Mitigation - Additional support to deliver schemes / Steering group
Musculoskeletal Services	• Embedding of new services and development of pathways	• 2015/16	• Directorate / Management Capacity • National Centre for Sports & Exercise Facilities	• Contractual specification; Agreed level of efficiency requirements	• Risk – implementation timescale • Mitigation – collaborative planning
Cardiothoracic Services	• Ongoing progress in established Cardiac, Thoracic and Cardiology workstreams • New Catheter Laboratory	• 2015/16 • 2015/16	• Existing resources • 5 year capital plan	• Growth in referrals; non-elective pressures • Procurement timeline and specification	• Risk – Non delivery of workstreams • Mitigation – project governance • Risk – Unable to agree specification • Mitigation – clinical and operational staff engagement
Primary and Community Services	• Responding to local competitive tendering	• 2015/16	• Existing resources	• Tender specifications	• Risk – unsuccessful bids • Mitigation – ability to release costs

Summary of Productivity, Efficiency & CIP Programmes

Productivity and Efficiency

The Trust has run a formal efficiency programme for many years and it is estimated that around £250m of savings have been achieved over the nine years to 2014/15. The Trust has therefore demonstrated very effective processes for delivering efficiency savings. The explicit aim has always been to drive efficiency savings in such a way that deliver improvement, or at least no deterioration, in quality. There is a clear ethos that quality, finance and performance targets all have to be achieved and, all are everyone's business.

However, the position is becoming extremely challenging given the cumulative impact of national efficiency targets over several years and the continued focus on quality of services. It is, therefore, necessary to be realistic in financial planning about the extent of sustainable efficiency savings that are deliverable each year. The Trust's view is that the maximum which can be achieved is 2% of cash savings along with a 50% margin on all activity growth. The latter assumes that full tariffs are paid for all activity and the cash value is clearly dependent on the extent of activity growth.

Cost Improvement Plan Profile

The Efficiency Programme has 4 elements with the key workstreams shown below:

- **Clinical**
  Length of stay reductions, improvement to surgical pathways/theatre efficiency, improved outpatient department efficiency, medicines management savings, improvements to clinical support services and IT developments.

- **Workforce**
  Workforce cost reductions and initiatives, improved staff management/HR processes, reduced sickness absence, E-rostering and reduced bank and agency staffing costs.

- **Corporate**
  Procurement savings, improved usage of medical and surgical consumables, estate rationalisation, energy usage, reduced CNST premiums, "back office function" efficiencies and financing and VAT savings.

- **Commercial**
  Other clinical service expansions, commercial income opportunities, coding improvements, exploiting opportunities around hospital and community service pathways and private patient income growth.

Each workstream contains elements of traditional 'incremental' and 'transformational' efficiency programmes, but the focus of the Clinical workstream is primarily on new ways of working. Key transformational schemes include:

- Reductions on Length of stay/optimising the use of beds.
- Improving surgical pathways/enhancing theatre productivity.
- Improving outpatient productivity.
- Major IT transformational programme.

A crucial element of the Trust's delivery of efficiency savings in recent years has been the margin on income from growth in activity. This still requires enhanced efficiency in clinical processes to deliver a margin and the alternative of around £30m of cost reductions each year appears unachievable. Activity growth for 2015/16 supports the Trust's current strategy but future activity levels will be crucial to future efficiency plans and, therefore, the Trust's financial standing.

Quality Impact of Productivity and Efficiency Plans

Delivering efficiency savings is not seen in isolation from the rest of the Trust's business. We have a major and on-going focus on the quality of services supported by a considerable infrastructure and robust governance arrangements, of which NHS Sheffield CCG is aware. This is underpinned by a clear and unambiguous statement from the Chief Executive that the views of the Medical Director and Chief Nurse have primacy such that any concerns over quality implications have to be addressed before an efficiency scheme progresses.

Capital Programme

The Trust has a clear capital planning process in place, which shapes the capital plan and provides clarity over the programme intentions for the next five years. In the 2013/14 capital planning round it was agreed to establish a £35m IT investment fund over a five year period. The key initiative is the Trust's Transformation Through Technology (T3) Programme and that is the major priority for 2015/16. The Trust has considered this alongside a detailed assessment of all other future needs for significant capital development schemes to support the strategic agenda and clinical service provision as part of the 2015/16 Business Planning process. A key building block for the Trust's capital plans are dedicated budgets that allocate resources for the priorities. These include:

Information Technology - The Trust has committed to a significant investment in 2015/16 to develop and implement the technical infrastructure, systems and capability of the Trust to ensure the safe transition to the new clinical systems.

Major Medical Equipment - The Trust is expanding the diagnostic imaging (MR and CT) capacity and also has an ongoing replacement programme for linear accelerators and catheter laboratories.

Estates Infrastructure - A significant development programme of ongoing refurbishment of the existing infrastructure and new schemes.

Ward Refurbishments - A plan is in place that will see each ward refurbished to a high standard to enable efficient clinical care to be provided in a high quality environment.

Service Developments - As part of the business planning process each service line identifies investments to support the delivery of their strategic and operational plans.

A number of specific schemes have been added to the programme as a result of the business planning process. These include;

- A programme of theatre refurbishments and expansion to ensure a high quality operating environment in both a day surgery and main theatre setting.
- Development of a dedicated Cataract Centre.
- The refurbishment and upgrade of the Radiology department at the Royal Hallamshire Hospital, which includes improved patient privacy and dignity.
- An additional Catheter Laboratory to ensure the required level of capacity is available to support cardiology services.
- A redevelopment and expansion of the Haematology ward.
- An expansion of the Special Care Baby Unit to meet the demands for service provision.

3. Plans for Short Term Resilience

Quality Priorities

The Trust's quality priorities connect to the needs of the local population and to the NHS Mandate. Consideration has been given to the following areas:

National & Local Commissioning Priorities

Since 1 April 2013, the Trust has contracts with two major commissioners (NHS England and NHS Sheffield CCG); a consortium of CCGs in Yorkshire, Humberside and the East Midlands; and, for a range of public health services, Local Authorities principally Sheffield City Council.

NHS England

NHS England published their commissioning intentions for prescribed specialised services in September 2014. The commissioning intentions describe the strategic approach NHS England will take for commissioning specialised services in 2015/16:

- To undertake a programme of strategic service reviews to inform future plans.
- To consider long term partnership opportunities with tertiary centres. Service quality and efficiency together with evidence of maturity of relationships in win/win contracting behaviours will inform the selection of providers and there is an intention to consider prime contractor arrangements where these offer strong benefits.
- Service developments from providers will not be progressed unless they are a NHS England priority.
- Introduction of additional service specifications including adult critical care, and ongoing monitoring of service specification KPIs and quality dashboards through core quality standards.
- A review and audit of clinical thresholds. NHS England will only make payment where treatment complies with policies.
- Redesign of acute services to achieve convergence to prices reflecting most efficient quartile costs and subject to national guidance
- Improvements in reporting and price transparency for excluded drugs and devices to ensure NHS England pays the best available price.
- Introduction of reference prices for devices reflecting maximum reimbursement, together with updated risk and reward sharing arrangements and consistency in funding supportive medicines.
- National approaches to stereotactic radiosurgery, genetic laboratories, genomic medicine centres and procuring PET-CT services.

We are working closely with NHS England to better understand what the commissioning approach will mean for the Trust in 2015/16 and beyond, although given the debate around the National Tariff arrangements and the attempt to introduce marginal rates for specialised services, there remains a great deal of uncertainty. Where NHS England has introduced new service specifications we will assess services to determine if they are compliant and work with commissioners to agree actions plans in the event we are not compliant. All previously assessed services were compliant by March 2015.

The Trust continues to be represented on, and to work actively to build relationships with the Clinical Reference Groups enabling the Trust to maintain its position at the forefront of designing clinically led services. This is of particular importance in 2015/16 as the anticipated revision of NHS England's identification rules will be undertaken alongside the strategic service review, and will inform future commissioning intentions and responsibilities**.**

NHS Sheffield CCG

NHS Sheffield CCG is the coordinating commissioner for a consortium of CCGs in Yorkshire, Humberside and the East Midlands. A five year Integrated Commissioning Plan was published in 2012 with four priority aims:

- To improve patient experience and access to care.
- To improve the quality and equality of healthcare in Sheffield.
- To work with the Sheffield City Council to continue to reduce health inequalities.
- To ensure there is a sustainable, affordable healthcare system in Sheffield.

The objectives of the CCG for 2014-2019 are:

- All those who are identified to have emerging risk of admission through risk stratification are offered a care plan, agreed between them and their clinicians.
- To reduce emergency admissions by up to 20%.
- To minimise repeated trips to the GP and hospital for specialist diagnosis and monitoring of health problems, replacing them with community and home based services that make best use of technology, and keep people at the centre of their care.
- To reduce the gap in life expectancy for people with mental health problems and learning disabilities.
- To put in place support and services that will help all children to have the best possible start in life.
- To deliver in 2015/16 year 2 of a 5 year QIPP scheme valued at £6m.

The plan and stated ambitions describe how services to patients are expected to change over the next 5 years by identifying patients proactively and managing risk of admission; providing more care closer to home in a primary/community care setting; promoting greater self-care, including clinical and patient led remote monitoring; establishing Integrated Care Teams for patients with long term conditions to deliver supported self- management and community based care to reduce emergency admissions.

The CCG have specific projects and QIPP schemes identified for 2015/16. There is a continued focus on transforming out-patient services to reduce referrals and follow ups for elective care, and plans to reduce emergency activity by a further 7.5%. The Trust continues to be an active partner in the community-wide Right First Time Executive, which has embedded measures to reduce and improve the flow of emergency admissions. The Trust is working with commissioners to improve urgent care.

In November 2014 the CCG and the Trust reached agreement in principle for the Trust to provide Musculo Skeletal Services (MSK), including Orthopaedics and Rheumatology, using a Prime Contractor Model with effect from April 2015. In 2015/16 we expect a decision on whether Community Intermediate Care Service (CICS) will be re-commissioned on a new contract basis, e.g. Prime Contractor, or will be tendered along with other community based services provided by the Combined Community and Acute Care Group.

Sheffield CCG has stated that all Sheffield NHS Providers' quality plans will need to comply with national and local requirements for quality. National requirements will be driven via NHS England and Clinical Commissioning Groups (CCGs) and involve delivering improvements and policy changes required by the Department of Health (DH) following a variety of reviews. In addition, national standards and targets will be delivered as detailed in the planning framework 2015/16 and NICE guidance. Local improvement plans will include quality incentive schemes agreed with the CCG, local service improvement initiatives and actions as a result of patient and relative feedback and learning from serious incidents/safeguarding case reviews. The Trust has plans in place to deliver the CCG requirements detailed above.

Sheffield City Council

Sheffield City Council has not published commissioning intentions for the public health services it commissions from STH but has made clear its intentions to seek further cost reductions and efficiency savings for these services including Dental, Public Health and Integrated Sexual Health Services. Negotiations are ongoing with Sheffield City Council.

Sheffield City Council and the CCG have now entered into formal pooled budget arrangement to enable the development of integrated health and social care services. The two organisations have agreed, through discussion at the Health and Wellbeing Board, to integrate services in community settings that support people to stay well at home and provide a rapid response to health and social crises that enable them to stay home whenever possible. The plan is that this will lead to a significant reduction in non-elective hospital admissions and in admissions to long term care.

The integrated commissioning and pooled resources provide a focus for Sheffield City Council and the CCG in the following areas of care:

1. **Keeping People Well in their Community** – primary care, social care and non-clinical interventions to support people identified as at risk of needing hospital care to stay well.
2. **Active Support and Recovery** – clinical and social care services that provide short term interventions as an alternative to hospital care and help people get home and regain independence following a spell in hospital (including intermediate care and community nursing).
3. **Independent Living Solutions** – recommissioning of community equipment services as a genuinely integrated and user focussed service.
4. **Long Term High Support** – integration of assessment and contracting for long term care, including NHS Continuing Healthcare and Funded Nursing Care and SCC funding of residential and home based social care.
5. **Non-elective (non-surgical) hospital admissions** –plans seek to reduce all unnecessary admissions to hospital and reduce expenditure.

The Trust is supportive of the aims and actively contributing to the delivery of the identified work programme.

Quality Goals, as defined by the Quality Strategy and Quality Report

The Trust Quality Strategy underpins the Trust's strategic aims of:

- Delivering the best clinical outcomes
- Providing patient centred services
- Spending public money wisely

For the duration of the Quality Strategy (2012-17) the following five goals were agreed:

- Maintain our top 20% position in the Patient Satisfaction National Survey.
- Achieve standardised Hospital Mortality indicators within the top 25% of the National peer group with an emphasis on preventing avoidable harm.
- Reduce emergency admissions within 28 days of discharge from hospital and ensure our performance is in the top 25% of the National peer group.
- Reduce hospital average length of stay and ensure our performance is in the upper 25% of the National peer group.
- Achieve top 20% National staff satisfaction.

The Trust Annual Quality Report Objectives align to the overall Quality Strategy. They are developed in collaboration with our partners (Sheffield Healthwatch, Overview and Scrutiny Committee, Commissioners and Staff) and therefore include a combination of strategic issues and more operational concerns.

Priorities for the 2015/16 Quality Report

1. To improve how complaints are managed and learned from within Sheffield Teaching Hospitals.
2. To improve staff engagement by using the tools and principles of Listening into Action (LiA).
3. To improve the safety and quality of care provided by the Trust in ALL settings with the aim of reducing preventable harm and improving quality.

Each of these priorities has a detailed plan to support achievement and is included in the STH Quality Report 2014/15. It should be noted however that these objectives reflect only a small proportion of the Trust's development work to improve quality. Across the organisation there are multiple work streams addressing issues such as harm free care, pressure ulcers, in-patient falls, deteriorating patients and mortality review.

Existing Quality Concerns

A & E waiting times

During 2014/15, the Trust has experienced significant challenges in ensuring that the increased numbers of patients were seen, treated, admitted or discharged from the Accident and Emergency department within 4 hours. Increased attendances, acuity and admissions continue to be observed along with high numbers of patients experiencing a delayed discharge. In 2015/16 the Trust has established an internal Emergency Care Review, led by the Chief Executive, in order to address these issues.

Never Events

The Trust's performance on Never Events has improved significantly over the last three years. However, we reported three events in 2014/15 and therefore this still remains an area for concern. Each of the incidents have been thoroughly investigated and improvement actions implemented to prevent reoccurrence. All Never Events are reported to the Healthcare Governance Committee of the Board of Directors. The completion of the independent review of Never Events resulting from retained foreign objects post surgery has enabled a clear focus in the ongoing improvements led by the Safer Surgery and Procedures Group.

18 Week Waiting Times

In 2014/15 the Trust observed material pressures in achieving all waiting times targets for 18 week pathways. The Trust achieved the national targets for 18 week RTT Incomplete Pathways for every month of the year apart from August. The target for non-admitted pathways has been met since November and will continue to be met in 2015/16. Achieving the admitted pathways standard has proven to be a greater challenge. The Board are regularly appraised of the drivers for under-delivery and the remedial actions being initiated to drive improved performance in individual Directorates and across the organisation. The Task and Finish Group chaired by a Non-Executive Director continues to oversee progression against the action plan and provide Board assurance of progress towards delivery from the beginning of quarter 2.

Key Quality Risks Inherent In The Plan

The Trust's corporate risk register details a number of risks which, should they be realised, may impact on the delivery of high quality services and the objectives outlined within this plan. The Risk Validation Group ensures that new risks are reviewed for consistency and appropriateness; existing risks are reviewed on a planned basis. The Top Risk Report is presented to the Board of Directors and is used to identify the key top risks that could impact on quality.

- Healthcare Associated Infection
- Care of patients in an inappropriate setting
- Delivery of high quality care for older people in hospital focusing upon known areas of high risk to older people e.g. stroke care
- Care of patients with mental health needs in an acute setting
- Nursing & Midwifery staffing
- Impact of failure to meet Emergency Services 4 hour waiting target
- Medicines Management
- Delivery to carry out planned preventative maintenance

5. Operational Requirements

STH is required to assess operational requirements over the next year, based on robust activity and capacity modelling, and building on lessons from this year's winter and system resilience planning.

Activity analysis

The Trust's activity plan for 2015/16 has been set to clear the remaining waiting list backlogs and to ensure that the 18 week RTT standard, cancer waiting times, and other access targets can be met in a sustainable way before the end of the year. The plan was developed at specialty level and is summarised below:

Activity	2013/14	2014/15	2014/15	2014/15	2015/16	2015/16
	Actual	Plan	Actual	Growth	Plan	Growth
New outpatients	282706	292988	308788	26082	315994	+7206
Follow up outpatients	736540	744958	744759	8219	770368	+25609
Elective spells	134398	137741	141017	6619	145203	+4186
Non-elective spells	81474	81649	83501	2027	85536	+2035

The planned growth in outpatient and elective activity compared to 2014/15 outturn demonstrates the degree of waiting list clearance which is planned as well as a planned increase to reflect the year on year growth in referrals some specialties face. The much higher growth compared to the 2014/15 plan demonstrates the substantial growth in referrals, which was experienced during 2014/15 and created considerable pressure on the 18 Week Referral to Treatment and A&E 4 hour standards.

The plan for 2015/16 assumes an average growth in referrals across the specialties of 2.13%. Provided this assumption is correct, the following reductions in waiting list numbers are predicted. This will bring waiting list clearance times down to a level which is consistent with 18 weeks.

Waiting list numbers	2013/14	2014/15	2014/15	2015/16	2015/16
	Year End	Year End	Change	Plan	Change
Outpatients	27843	26492	-1351	18342	-8150
Inpatients	10788	10375	-413	7402	-2973

2% of the outpatient plan and 4% of the elective inpatient plan is non recurrent activity and is required to deliver this planned reduction in the waiting list numbers during 2015/16.

Diagnostic waiting times are expected to improve further and to remain within the national maximum waiting time of 6 weeks.

The Trust has agreed the underlying assumptions within the activity plan. There is a small variance, which relates to differing evaluations of referral growth and the level of overdue review backlog clearance required for some specialties. In addition NHS Sheffield CCG has built into their plan a reduction of 1977 non elective admissions across 6 specialties to reflect their assumptions about the Right First Time programme's impact on admissions.

2015/16 Activity Plan	Trust	Commissioners	Difference
New outpatients	315994	313560	2434
Follow up outpatients	770368	759510	10858
Elective spells	145203	143202	2001
Non-elective spells	85536	82810	2726

The plan incorporates agreements already in place to change the way some services are delivered. Planned activity has been reduced to reflect the expected decrease in hospital based minor Oral Surgery, increased for the expected transfer of specialised Head and Neck cancer surgery from Chesterfield and adjusted for the change in recording of some dental activity from day cases procedures to outpatient procedures.

Capacity analysis

- **Estates**

In February 2015 the Trust successfully completed the programmed redevelopment of Theatres 3 and 4 at the Royal Hallamshire Hospital, with the theatres returned to full operational use. The Trust is committed to an ongoing programme of theatre redevelopment for both main and day case theatres, incorporating upgrades to the plant.

The Trust continues to successfully deliver a continual programme of ward refurbishments that provide patients with a high quality environment whilst at the same time support service developments. During 2015 the Trust will start the refurbishment of facilities at the Western Park Hospital and the improvements within Haematology services.

The Trust is committed to ensuring that physical clinical space and facilities are aligned to assumptions regarding activity and that planning delivers appropriate future service resilience. During 2015/16 a number of key schemes will be progressed, including the refurbishment of radiology facilities at RHH

In 2015/16 the Trust will commence and deliver several high profile developments including the construction of a new Helipad facility to ensure compliance with Major Trauma Centre Status. Supported through the consultation of patients, staff and visitors, the redevelopment of the Main Entrance at the Northern General Hospital will also be delivered; providing a high quality, welcoming environment and the provision of retail facilities**.**

The Trust remains on track to reduce the estate footprint and the associated reduction in running costs, backlog liabilities and carbon emissions along with increasing sustainability and an enabler for service change. The demolition of poor quality buildings on the NGH campus has been aligned with the redevelopment of more open-plan office environments that not only underpin the estate rationalisation aims but support greater working efficiencies.

The Trust has achieved the 2015 NHS carbon reduction target ahead of schedule and has also met the target requirements of the NHS Carbon Reduction Strategy for England (NHS SDU 2009) for 2030 and is well on the way to achieving the 2050 target. It is therefore essential that the Trust remains on track to enable healthcare services to be delivered with less estate and less travel.

- **Beds**

Activity levels continue to grow despite the plans of commissioners to reduce overall demand. The Trust has an ongoing process of engagement with commissioners to support the need to move some patient care into a different setting. However, our planning assumption is that any reductions will not compensate for the anticipated increase in demand. The Trust has therefore anticipated the need to provide sufficient additional capacity to cope with this increase in activity within the acute sector as part of our overall operational capacity in the immediate term.

Given the historic service delivery model STH has a larger than expected bed pool and the length of stay for some of our specialities is greater than expected. Whilst the analysis of our elective length of stay is fairly comparable with other providers our current performance for emergency work is above average. Moving our emergency length of stay performance to the Dr Foster average could reduce our bed pool by circa 48 beds. This reduction in bed numbers is a major plank of our efficiency scheme in the coming year and the work to deliver this plus additional bed reductions in the next year or two is already underway in conjunction with the clinical teams.

In conjunction with our local health partners and under the Right First Time initiative, we expect to reduce significantly our inpatient capacity for older people by supporting this patient population in a different way than currently. Initial work has demonstrated that we can reduce lengths of stay significantly through streamlining the processes by which our various teams work together and use a more common assessment approach. This work will be expanded this year and we expect to see

real benefits in the next couple of years, all of which will support the need to reduce our inpatient bed base. In turn this also fits with the need to have sufficient structural capacity for future expansion of acute/tertiary type work which we may be expected to deliver as part of the proposed service changes to the wider NHS.

- **Workforce**

The Trust reviews staffing levels on an ongoing basis in line with the demand for services, changes in levels of acuity models and in national requirements. This has led in the past to investment in additional medical, nursing and support staff. Productivity and efficiency plans and the introduction of new technology will continue to impact on the levels of staffing being required and may result in a reduction in numbers.

STH continues to experience a reduction in the number of trainee doctor posts and anticipates a further reduction. The Trust has introduced the roles of Advanced Nurse Practitioners and Physician Assistants who will work alongside junior doctors to ensure that safe rotas continue. This piece of work will dovetail with the implementation of 7 day working as this area of work continues to take shape. As service plans develop to take account of revised patient pathways the impact on the workforce is being considered – for example the movement of care from the hospital into community settings will require staff to work more autonomously and may require a different skill set.

As commissioners change their approach to commissioning (for example MSK) the Trust will consider the impact on the way staff are working. As part of the Right First Time programme staff have seen improvements in the way they work with colleagues in other professions and organisations. This approach will continue as we focus on other areas of service improvement. As the Trust makes use of the microsystems approach staff are increasingly involved in making changes to their working practices and are very much integral to those changes.

Due to outputs from the nursing acuity modelling, the additional staff required as part of winter planning and the focus on care outside of the hospital there has been a sustained recruitment campaign to reduce nursing vacancies. Whilst the Trust is continuing to attract registered nursing staff into posts, it is finding that the number of staff that it can recruit is reducing, whilst the number of registered nursing staff who are required is increasing due to the combination of new and replacement posts. The Trust is able to recruit Clinical Support Workers and has ensured that it maintains full recruitment of this staff group. More innovative approaches are being adopted to increase recruitment levels, particularly within community. The trust is currently working with other members of the Shelford Group to introduce strengths based recruitment profiles for Band 2 Clinical support workers and Band 5 Staff Nurses. At this stage the Trust has not had to undertake overseas recruitment but this will be kept under close review to ensure that the Trust is not disadvantaged by other Trusts doing so.

Additionally services are reviewing their workforce profiles - a recent pilot has enabled the Trust to review the workforce profiles of some directorates – this model is being made available to the rest of the Trust. A key transformational change will be the use of technology and the introduction of the Electronic Patient Record. The Trust does not under-estimate the cultural change associated with this transformation and is putting in place a training programme to ensure that staff are appropriately skilled. A cultural change programme is also being introduced to ensure all Care Groups have access to Change leads to ensure the Trust obtains greatest benefit from the introduction of these clinical systems.

STH has an appraisal system that embeds and reinforces the Trust's values and behaviours as well as high performance. This approach continues to be rolled out across the Trust and will contribute to more effective succession planning and talent management approaches being in place. Quality audits have been introduced to ensure there are robust and effective appraisals taking place. The staff survey feedback indicates that the Trust is making progress to ensure that all staff have access to well-structured appraisals. The next phase will see the introduction of e appraisal, team appraisal and 360 degree appraisals. Increasingly, the Trust is using assessment centres to recruit nurses and support workers which are linked to the Trust's values. Along with the Shelford Group Trusts we

have introduced strengths based recruitment for Ward Sisters/Charge Nurses; it is intended that we will also introduce the same for Band 5 nurses and clinical support workers. The Trust will also be introducing values based recruitment for all applicants in order to ensure that the future workforce is aligned to the Trust's values.

The Trust already recognises the importance of staff engagement through its Let's Talk initiative and the Microsystems Coaching Academy. The next stage of improving how engaged staff feel will be the introduction of 'Listening into Action' and the introduction of a development programme for leaders in relation to staff engagement. In addition work is being undertaken with regard to clinical leadership and talent management across the Trust, which includes training more coaches across the Trust, a Senior Sister Development programme, and development programme for Clinical Directors and Leads. The major risk for the workforce over the coming 5 years is to ensure that we continue to recruit and retain sufficient numbers with the right skills as patient pathways develop and new technologies are introduced.

The relationship between HR and management teams will be strengthened through the development of the business partner model to ensure that the HR team understand the workforce issues affecting services and that the management teams maximise the HR resource.

- **Information Technology**

In 2013 the Trust published the Technology Strategy and Roadmap, providing a five year roadmap for the development of Information Technology required to deliver more efficient, effective clinical decisions as well as improving the overall quality of patient safety and care. The Trust's Technology Strategy is subject to owned by the Technology Board; a subcommittee of the Trust's Executive Group and is subject to robust governance and assurance framework.

Transformation Through Technology (T3)

Transformation Through Technology is one of the largest transformational change programmes in the history of this hospital Trust; with an investment of over £35 million in five years. During 2015/16 the programme will not only deliver a technological upgrade, it will completely changing the way the Trust works enabling more efficient, effective clinical decisions as well as improving the overall quality of patient safety and care. The Trust is committed to improving the quality of information to improve the health of our patients. The delivery of the various components within the programme is timed to be throughout the year with a major go-live occurring at the end of September 2015

Electronic Patient Record (EPR)

This will be a comprehensive record of the care provided to our patients and includes demographic information, referral details, results, treatment received and clinical notes. The transition from our Patient Administration System to the new Electronic Patient Record (EPR) will change the way all staff record patient information. The real time recording of information will improve our management of patient care. Other key benefits include:

- Will enable future sharing of electronic patient information with other health service organisations
- Electronic clinic management will reduce cancellations , missed appointments and waiting times
- Electronic prescribing and associated savings through drug efficiencies
- Maximising capacity through advanced bed management

Clinical Portal (CP)

The Clinical Portal will enable clinicians and other staff to get a holistic view of each patient's records and any other associated results and information. The Clinical Portal will act as an umbrella across the majority of our current systems like ICE, PACs and System One and will enable staff to log into these systems with a single log in. The portal project will enable the presentation of different layers of patient data into one view with greater access across all of the Trust's locations. One of the major benefits for this project will be the single sign on, saving time and increasing security.

Electronic Document Management System (EDMS)

A move from paper based records system to allow clinical records to be accessed inline when needed. This work has commenced and will result in the full digitisation of the multi-million patient identities and records spread over the Trust's numerous medical records libraries. The new digital records will be presented within the Clinical Portal, enabling staff to see the joined-up digital medical record at any time, in any Trust location with multiple users accessing the same record at the same time, as required.

A multitude of benefits, to patients and staff, will be released through the implementation of the EDMS. By providing clinicians with all the information they need, at all times, across the Trust, there will no longer be a need to cancel or delay a patient's visit because their case notes are not available. All of the information that we know about the patient will be available on screen, giving each patient that we treat the confidence that we are working on their care in a joined up way; moving away from the current multiple specialty based patient record libraries operating within the Trust.

To deliver the implementation of change successfully the Trust has invested in a dedicated implementation and change programme, with dedicated Operational Change Leads working with each Care Group and supported through HR and mandated training requirements. Each Care Group has a Clinical Programme Lead, responsible for communicating, interpreting and translating the clinical technology requirement.

- **Theatres and Outpatient capacity**

To ensure that the Trust has resilience and flexibility with the operational infrastructure to accommodate increases in demand, plans are being developed within operating theatres and in outpatients.

Within operating theatres, a review is being undertaken to ensure that the demand for 2015/16 can be accommodated within the existing infrastructure. Where this is not possible, the use of additional offsite theatre capacity will be required. A programme of refurbishment, redesign and expansion in both the layout and the quality of the surgical environment refurbishment will also start in 2015/16 and span the next five years with an initial focus on the Royal Hallamshire Hospital. A number of business cases are being progressed to facilitate the refurbishment programme and accommodate future activity expansions. The Trust has further options to increase day case theatre capacity at the Northern General Hospital and has recently established a minor operating theatre capacity within the Plastic Surgery service to move minor surgical activity from main theatres.

Within an outpatient setting a programme of work remains in progress to review both the processes and the setting in which services are provided in order to deliver greater efficiency and capacity. The focus of this work is to improve and integrate outpatient services using service improvement work to drive improved processes and technology to enhance the patient experience.

6. Financial Forecasts

The Trust had a £8.4m surplus from continuing operations in 2014/15 (around 0.8% of turnover) which means that the Trust has now achieved a surplus in every one of the 14 years since it was created and the 11 years since it became a Foundation Trust. However, 2014/15 was a challenging financial year and the magnitude of the surplus was largely due to the late allocation of £7.6m of funding from DH/NHS England.

The Trust's 2015/16 financial plan shows an £11m deficit. This reflects the increasingly harsh financial environment; the difficulties in securing acceptable tariffs and contractual arrangements; on-going service and cost pressures; and the difficulty in achieving continued high levels of efficiency savings. However, it is still dependent on a number of critical assumptions with uncertainties at local and national levels. The position for future years is even more uncertain.

Financial Pressure

The key issues and assumptions behind the 2015/16 Financial Plan are as follows:

- The Trust is on the Default Tariff Rollover (DTR) option for tariffs and it is assumed that there will be no further in-year changes to this.
- When compared to an expectation of a 3.5% national efficiency requirement, a 1.9% uplift for inflation and pressures, funding for a 35% increase in CNST Premiums and the ability to earn up to 2.5% CQUIN funding as in previous years, the DTR package results in a funding shortfall of £6-8m depending on the historic success of delivering CQUIN schemes.
- This loss has been mitigated by agreeing Local Quality Incentive Schemes with CCGs to the value of up to £4.2m. However, the contract negotiations will result in other baseline funding reductions of around £3.5m.
- The Trust faced further Medical SIFT income losses from tariff transition of £2m but, following intervention from DH, these are likely to be capped at £0.5m for 2015/16. However, the Trust also faces SIFT income losses due to reductions in student numbers.
- The 1.9% assumption of inflation and pressures funding appears to be adequate for inflation costs and some pressures but has proved inadequate to fund necessary investments in developing the Trust's Electronic Patient Record (including non-recurrent project costs which will be funded from the Capital Programme) and in adding to expected CCG funding for System Resilience for urgent care and the 2015/16 winter.
- Efficiency plans totalling £27.4m
- At this stage, no anticipation of additional funding for the most complex patients treated in Teaching Centres, despite the case that tariffs do not adequately reimburse the costs of such patients having been accepted on several occasions at the highest levels within the NHS.
- Income from Donations and Impairment costs are assumed to be equal and offsetting in the Financial Plan given the level of uncertainty on both issues.

Activity

The 2015/16 Trust activity plan shows significant growth in contracted activity for all main points of delivery. Growth over 2014/15 Plan levels is as follows:

- Outpatient attendances £4.1m (3.7%)
- Total elective spells £8.8m (6.0%)
- Non elective spells £5.7m (3.4%)
- A&E attendances of £ 0.7m (4.5%)

Part of this growth occurred during 2014/15 due to contract over performance. It reflects expected referral growth (due to demographics and other reasons) and the need to reduce queues for planned care to deliver improved performance against 18 week referral to treatment pathway targets. The modelling and activity levels have been agreed with Commissioners. However, Commissioners are still seeking QIPP reductions, largely around non-elective activity. Whilst the Trust supports these initiatives, given the delivery risk it will continue to plan for a higher level but react quickly if activity levels reduce.

The main risks to delivery of the planned activity levels are as follows:

- Insufficient capacity for on-site delivery, particularly theatre capacity and staffing, necessitating sub-contracting of planned workload offsite
- Insufficient intermediate, community and social care capacity in the wider health and social care community
- Emergency activity continues to rise, displacing planned care.

Other Key Movements

Given the financial challenges, there will continue to be a major focus on controlling costs at all levels of the Trust.

Provision has been made in the 2015/16 for national pay awards, employers' pension contribution increases, non-pay inflation, capital charges increases driven by the five yearly estate revaluation and funding for local Clinical Excellence Awards and possible NICE costs.

There are many staffing pressures which require innovative solutions to avoid major temporary staffing costs. In particular, the reductions in Junior Doctors are causing major difficulties, particularly out of hours, which are resulting in significant cost pressures.

Strategic Initiatives

Given the difficult financial position, the Trust has very limited opportunities for investment in 2015/16. However, there are a number of unavoidable revenue investments as follows:

- The Trust is implementing a new Electronic Patient Record in 2015/16 and, whilst there are medium to long-term benefits, there are immediate recurrent costs of £4m.
- There have also been a number of minor investments approved in the 2015/16 Financial Plan in respect of staff engagement initiatives, improving the undergraduate medical teaching infrastructure, infection control, staff health and wellbeing, Palliative Care, safeguarding, information and management infrastructure. The Trust has also maintained funding provided in previous years to support initiatives in service and performance improvement.

Commissioners have invested significantly in additional activity; critical care and other capacity; and the full-year-effect of 2014/15 expansions in community services. However, this and general resource constraints have resulted in no further service developments being funded.

Capital Plans

The Trust's 2015/16 capital expenditure plans are affordable from internally generated resources and historic I&E surpluses. The investment of these I&E surpluses and the slippage from the 2014/15 Capital Programme will inevitably result in a deterioration to the Trust's working capital/cash balances position but this has been anticipated and is entirely manageable. It is expected that £7m of investments in developing the Trust's Electronic Patient Record will fall as revenue costs in 2015/16 (net of central Lorenzo funding). These project costs are not affordable from the Trust's 2015/16 I&E plan and so will be funded from the Capital Programme resources.

The Trust's capital investment plans will become more difficult to finance in subsequent years if, as seems probable, I&E surpluses are not achievable and other forms of capital funding are not available. Whilst the Trust currently has no plans for additional borrowing, there are potential schemes under consideration which could require external funding if business cases are approved.

Liquidity

The Trust will have a robust working capital position with a healthy level of cash balances at 31st March 2015. Whilst past I&E surpluses for future reinvestment, capital slippage from 2014/15 and other "hosted" funds are a significant element of this, the underlying position is still strong. The working capital position has been gradually improved since the Trust became a Foundation Trust in order to ensure that the Trust has the resilience to provide some protection to services facing financial turbulence.

Whilst £7m of the Trust's planned 2015/16 deficit will be funded from the Capital Programme, the balance of £4m will be funded from working capital balances (generated from the 2014/15 I&E surplus).

The Trust has outstanding borrowings, including those relating to PFI and a finance lease, of £49.1m at 31st March 2015 which are significant but manageable.

The main immediate risk to the liquidity position of the Trust is an inability to deliver the 2015/16 Financial Plan position. In future years there are major risks from the on-going financial pressures and a potential inability to finance the necessary level of capital investment.

Risk Ratings

The Trust is planning to achieve a Continuity of Service Risk Ratings of 3 in 2015/16. The deterioration from previous years reflects the 2015/16 planned I&E deficit and the investment of capital resources generated in previous years (from I&E surpluses and slippage).

The principal financial risks which the Trust faces in 2015/16 are as follows:

- Delivering the necessary efficiency savings. The mitigation of this risk comes via the Trust's efficiency programme and good operational management.
- Any further changes to tariffs which could be more disadvantageous than the current DTR package. Mitigation of this risk is via on-going dialogue with Monitor, NHS England and DH.
- A whole range of contracting issues from finalisation of the agreements, in-year issues, contract penalties, failure to deliver Local Incentive Schemes, etc. Mitigation of this risk is through proactive contract management and constructive working relationships with commissioners.
- Failure to deliver activity targets resulting in lost income, margin, efficiency, etc. Mitigation of this risk is via good modelling of activity requirements, capacity planning, expansion of services in key areas and in-year monitoring.
- Growth in emergency admissions where funding is inadequate to cover costs due to the Marginal Emergency Tariff and non-payment for Emergency Readmissions. There is little mitigation to this risk other than to work with commissioners to understand and address the pressures.
- New service, quality and regulatory requirements which create additional un-funded costs. Mitigation of this risk is through strong business planning and operational management.
- Inability to control costs/manage budgets in front-line services. Mitigation of this risk is via development, support and performance management of Directorates.
- The implementation of the Electronic Patient Record brings a variety of cost, operational and contracting risks. Mitigation of this risk is through the scheme programme/project management, monitoring of progress and recognition of possible consequences in contracts.

Sensitivity Analysis

As part of the development of the 2015/16 Financial Plan, the risks have been considered and mitigating actions determined as per the above. The Trust has identified some financial contingencies and will look for opportunities to add to these in-year

Any further unanticipated deterioration in the 2015/16 financial position could be managed by use of cash balances but this would remove the current working capital resilience and would leave the Trust exposed in subsequent years. Capital expenditure could be reduced but again there would be consequences for future years.