Strategic Plan Summary for 2014-19

Luton and Dunstable University Hospital
NHS Foundation Trust

30/6/14

1. Executive Summary

L&D recognises that this is a time of great change in healthcare. As an organisation we understand that the present model of Acute hospital provision is not sustainable. Advances in medicine mean that people are living longer, have greater expectations and needs and the cost of medicine has outstripped anything that the founders of the NHS could have imagined. Today, in our Pharmacy we carry 2,371 different drugs, last year we operated on 22,573 patients, we performed 10,201 MRIs, 18,772 CTs and our Doctors work with more than 14,400 basic ICD 10 codes. Research informs us that unless we find a very different way of providing healthcare, the NHS could face a financial shortfall of £30bn by 2021.

This plan sets out how L&D is preparing to respond to the challenges facing the NHS. Whilst we cannot predict the future, we believe it will be a time of great opportunity; to develop excellence, deliver high quality affordable care, adopt innovation and train our next generation of clinicians. If, by working with our partners we make sure that every patient receives integrated care in their place of residence unless they cannot be cared for safely outside hospital. We believe this integrated healthcare commitment from our Local Health Economy is of fundamental importance to ensuring that we can provide the treatment and care that our patients deserve from high a performing Acute hospital.

2. Luton & Dunstable University Hospital NHS FT

2.1 Introduction

Luton & Dunstable University Hospital NHS Foundation Trust is presently a medium sized general hospital with 660 inpatient beds. The Trust employs nearly 4000 staff and provides a comprehensive range of general medical and surgical emergency and acute services.

The Trust predominately serves two main CCGs: Luton (48%) and Bedfordshire (25%) however an increasing number of services are also provided for Herts Valley and East and North Hertfordshire CCGs as well as a proportion of specialist services commissioned directly by the Commissioning Board (15%). The Trust has established good relationships with the CCG organisations and has acted as the health economy memory as individuals have taken on the senior roles within the new organisations. All the Trust's commissioners have expressed their support of the Trust and its strategic direction.

In recent years the Trust has also developed good relationships with other key stakeholders such as local authorities and other statutory and non statutory bodies. The Trust maintains an ongoing dialogue with other providers on strategic and operational issues.

The Trust has a catchment population of approximately 320,000 people for local services.

L&D has continued to consistently deliver against national quality and performance targets, achieving a Monitor governance rating of green for the last nine quarters. During 2013/14 the hospital gained national recognition for the management of Emergency Care. Significant progress continues to be made in delivering quality priorities focussing on clinical outcome, patient safety and patient experience. Of particular note is the transformation in clinical outcomes for patients suffering from fractured neck of femur.

2.2 Current Performance Highlights include:

- Consistent delivery all national quality and performance targets.
- Financial surplus for 15th successive year.
- Real progress in implementing 2013/14 Quality Priorities and in particular significantly reduced our HSMR for fractured neck of femur.
- Development of a new Strategic Plan working with commissioners and other stakeholders.
- Completing the outline business case for the site re-development, Option 1, and further work is being undertaken to review a second option.
- Ongoing strong relationships with CCGs and other stakeholders.

2.3 Situational and Market Analysis:

In the preparation of this plan the Trust has engaged with:

- The Luton Local Health Economy through regular strategic planning meetings established since April 2013 and the process set out in the National Planning Guidance in relation to 5 Year Strategic Plans.
- The Bedfordshire Local Health Economy through the process set out in the National Planning Guidance in relation to 5 Year Strategic Plans.
- Neighbouring provider trusts through the Healthier Together and the Bedfordshire & Milton Keynes Healthcare Review
- Local Health & Wellbeing Boards
- Our own governing body, membership and staff
- Bedfordshire & Hertfordshire Executive Workforce Partnership Group
- External expert support
- University College London Partners – through our ongoing work and membership

2.4 National Context

Each year, pressures on the NHS increases. As the population grows and ages, we have more frail elderly and a greater incidence of chronic disease requiring different patterns of care. Innovations in medicine continue to transform what it is possible for the NHS to provide beyond the expectations of previous generations. And the public rightly expects ever higher standards of safety, quality & access.

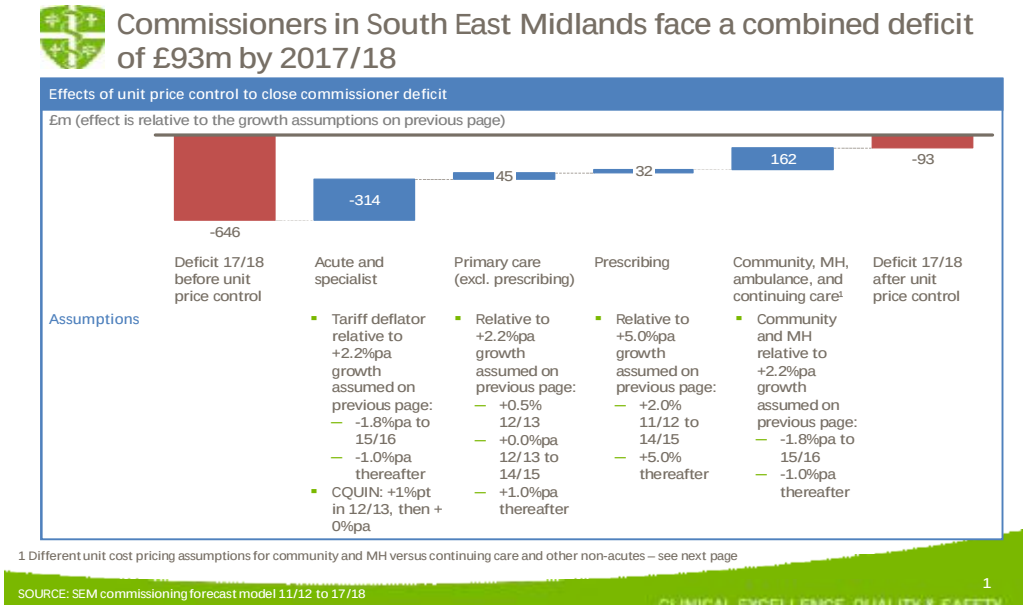
Monitor, the NHS Development Authority and NHS England have worked together to develop assumptions on the rates of cost, demand and budget growth which together have become known as the NHS Affordability Challenge.

Ever increasing demand poses an even greater challenge when viewed alongside the current financial environment within the NHS. Provider tariff deflation requires the increase in demand to be met without a correlating increase in funding. Whilst this presents opportunities to remodel the way in which healthcare is delivered in the 21st Century, delivering more care for patients with complex, long term conditions outside of the hospital environment, presents a significant risk to acute providers operating within the existing system where economies of scale do not exist. In order to address this there is increasing pressure on individual providers to deliver greater efficiency gains through service redesign and also to make a step change in the efficiency of the system as a whole by transforming care outside of the hospital setting.

Whilst hospitals and other provider organisations are working to overcome challenges and to realise the benefit of opportunities, clinicians and other staff are having to also transform how they work. Policy direction led by reports such as Keogh, Francis, Berwick, Future Hospital Commission etc mean that staff of all grades are increasingly working 24/7 and that patients are expecting that the same consultant should care for them throughout a period of illness.

2.5 Local Context

Our local health economy is under extreme financial pressure as commissioners are struggling to fund the future needs of the population. Collectively, the commissioners in the South East Midlands (SEM) – Luton CCG, Bedford CCG, Milton Keynes CCG, Northampton CCG and Kettering CCG, face a forecasted deficit of £93m in 2017/18. The financial issues locally and the creation of the Better Care Fund mean that the CCGs will need to ensure that integrated care dramatically reduces reliance on hospital admissions it also means that models of care outside the hospital must be affordable. This may mean commissioners will look to different contract models for example 'lead providers', with more demand risk transferred to the acute sector. It is also difficult to predict the impact of national work on more sophisticated tariff structures at this time.



2.6 CCG Five Year Plans

Local commissioners have developed their five year plans based around the outcome ambitions below. The Trust has worked with both Luton and Bedfordshire CCGs to ensure that our strategic plan assists in delivering these aims. The objectives of the specialist commissioners will be to ensure excellence by consolidating care in les units and this is consistent with the Trust's plans for the Major Emergency Centre.

Objective	Measure	Luton CCG target	Bedfordshire CCG target
Securing additional years of life	Potential years of life lost by conditions amenable to healthcare	Improve by 19% reducing to 2194 years per 100,000 people.	Move from second quintile to top quintile reducing to 1579 years per 100,000 people.
Improve health related quality of life for people with long-term conditions	Average health status in patient survey	Increase from 74.1 to 80	Increases from 75.2 to 78
Reduce the amount of time spent avoidably in hospital	Admissions as a proportion of the CCG population	Hold indicator at current position of 2668	Reduce indicator to 1442
Increase the number of people having a positive experience of hospital	The proportion of people reporting poor patient experience of inpatient care	Decrease the number of 'poor' responses from 155 to 146 per 1000.	Decrease the number of 'poor' responses from 170 to 151.5 per 1000.
Increase the number of people having a positive experience of care outside hospital	The proportion of people reporting poor patient experience of care outside hospital	Decrease the number of 'poor' responses from 8.1 to 7.1 per 100	Decrease the number of 'poor' responses from 7.1 to 4.4 per 100

2.7 Provider Organisations

The strategic configuration of acute provider services in the South East Midlands has been under scrutiny for some time. In 2011 the Healthier Together Programme was established. L&D participated in the programme and its clinical work streams. The remit of the programme was to meet the health challenges of the 21st century and improve health services in the South East Midlands (SEM) by delivering improved patient outcomes in a safe, sustainable and affordable way. Led by GPs and hospital clinicians, the programme was a collaboration of twelve NHS partners across Bedfordshire, Luton, Milton Keynes and Northamptonshire.

More recently, Bedfordshire and Milton Keynes CCGs, the TDA and Monitor have commissioned a review to generate options for delivering sustainable, high quality (hospital and out of hospital)

services for the people of Bedfordshire and Milton Keynes. The CCGs intend to take the proposals forward for public consultation later this year. L&D remains in an ongoing dialogue with Bedfordshire CCG with regards to service opportunities that the review may highlight for the Trust.

During 2012/2013 L&D also participated in discussions with other local providers, exploring service collaborations. Ongoing discussions are also taking place with UCH to explore the possibility of future collaborations on a range of services including cancer and neurology.

More recently, the Trust worked with Circle and successfully bid for the Bedfordshire CCG MSK tender. The Trust is now engaged in the process of developing the clinical model and agreeing contractual arrangements to allow the service change to commence in 2014/15. The service is based around the development of a community hub which the Trust will support through provision of clinical staff and diagnostics.

2.8 Neighbouring Acute Hospitals

Our strategic plan has been developed from a detailed understating of our long term performance in relation to the performance of other local hospitals.

L&D has consistently achieved the highest governance risk rating in 2012/13 and 2013/14 on the Monitor Compliance Framework and Risk Assessment Framework. The Trust's financial risk has been rated as good during the same period achieving the highest rating possible from February 2014. It was also rated low in terms of CoSRR (Continuity of Service Risk Rating).

The Trust has an excellent CQC risk rating, as well as governance ratings better than all competitors.

No formal interventions were initiated by either Monitor or CQC over the past few years regarding quality and financial sustainability.

In contrast to the L&D, local Trusts share a similar set of problems: they are either Foundation Trusts struggling to maintain their status, or Trusts who face significant challenges in attaining FT status, due to difficulties in consistently achieving national and local governance, financial and performance targets.

2.9 Healthcare Needs Assessment - Local Populations

Our main catchment population stretches from Luton into South Bedfordshire. However; we are seeing increasing activity from Hertfordshire and Buckinghamshire.

2.9.1 Luton

Our most local population has considerable health and social care needs and is of relatively low socio-economic status, with low levels of private car ownership, stressing the importance of having high quality healthcare delivered locally, closer to home.

The local elderly and very young populations are forecast to grow significantly in the coming years. This will present health care commissioners and providers with increased demand in the future as

well as a need to focus on models of care that address this population's needs, such as integrated care which the L&D is actively promoting.

Luton's Population and Health Profile at a glance[1]

- Population 204,000
- BME equals 55% of the population and 66% of school children
- High levels of deprivation – 12,000 children live in poverty. Life expectancy lower than England average.
- Life expectancy gap for most deprived areas is 8.9 years for men, 6.4 years for women
- 23.2% of Year 6 children are obese, worse than the England average. Breast feeding and smoking in pregnancy worse than England. Teenage pregnancy and alcohol specific hospital stays among the under 18s are better than the England average.
- Infant mortality is above the England average
- Low rates of adult physical activity and high levels of adult obesity
- CVD mortality worse than England
- Dementia in over 65s to increase by 10% between 2012 and 2016

2.9.2 Central Bedfordshire

Central Bedfordshire is predominantly a rural area, the largest towns being Dunstable/Houghton Regis with a population of around 53,000 and Leighton-Linslade with a population of 37,000. Car ownership is much higher than the national average with all but 13% of households having access to a car or van.

Central Bedfordshire

- Population 255,200
- A growing and ageing population, with the number of people aged 65 seeing the most increase between 2010-2013 (87%)
- Life expectancy for both men and women is higher than England average, but with a gap in life expectancy for men of 7.4 years, and of 5.5 years for women, between the most and least deprived areas
- The principle causes of differences in life expectancy between the most and least deprived are due to COPD, CHD and lung cancer – conditions closely linked to smoking
- Over past 10 years, all death rates (including premature deaths) from cancer, heart disease and stroke have fallen
- The rate of road injuries and deaths is worse than the England average

2.9.3 Hertfordshire

The St Albans/Harpenden area differs markedly from Luton, being one of the most affluent areas in the country. Median house prices in 2013 were 14th highest in the country and the area has one of the lowest levels of social deprivation in England.

- Unemployment levels are low and average earnings are higher than average
- Life expectancy for both men and women is higher than average
- The rates of disability/permanent sickness are the 25th lowest in the country
- Car ownership is exceptionally high (4th highest in country)
- Access to Accident and Emergency services is poor, particularly from St Albans

2.9.4 Milton Keynes

Milton Keynes continues to experience rapid population growth with births having increased from 2900 in 20112 to 3900 in 2012. It has a younger than average population although the number of people aged 65 and over is increasing rapidly.

- Significantly higher than average levels of homelessness and violent crime
- Life expectancy is close to the national average

[1] Based on JSNA 2011 and JSNA Core Dataset

- There are 7 areas in the most deprived 10% in the country, however, deprivation as a whole is lower than average
- 26% of the population is from black and minority ethnic groups compared to 20% nationally
- 10% of the population are Black Africans
- Car ownership is higher than average for England and close to the norm for the South East

3. L&D Current Performance

3.1 Focusing on Quality and Safety

Improving clinical outcomes, patient safety and patient experience while delivering value for money is key to the Trust's overarching quality strategy. To meet the challenges that we face, annually the Trust develops a number of ambitious trust-wide Quality Priorities. These are based on local as well as national priorities including the need to ensure ongoing CQC compliance and to implement the recommendations from our own internal review of reports such as Francis, Berwick and Keogh. Quality Priorities are performance managed across Clinical Divisions to ensure improvements. The Trust is cognisant that transformation is challenging and the overall plan and key risks for achieving these Quality Priorities is therefore monitored by the Board of Director's Quality Committee. The Quality Priorities for 2014-2019 are:

- **Deliver Excellent Clinical Outcomes**
  - Year on year reduction in HSMR in all diagnostic categories
- **Improve Patient Safety**
  - Year on year reduction in clinical error resulting in harm
  - Year on year reduction in Healthcare Acquired Infection
- **Improve Patient Experience**
  - Year on year improvement in patient experience demonstrated through hospital and national patient survey, leading to upper quartile performance

3.2 Improving Patient Experience

Understanding and improving how patients experience their care is a key priority for the Trust. Our approach is patient centred and patient focussed. We use patient feedback from views collected in real time from our Patient Experience Call Centre and our learning from complaints to inform our service improvement work. Our Patient Experience Group also draws on national surveys and local information from patient networks as well as feedback from Governors and Non-Executive Directors. Divisions are actively encouraged to develop local improvement programmes to respond to our patient feedback. Such changes have been demonstrated through our 'HUSH' campaign to reduce noise at night and through our work on improving nutrition.

To ensure we deliver excellent, safe, quality care through our journey of transformation, we have set up an 'Advancing Quality' steering group whose primary aim is to monitor progress against our quality improvement agenda providing both support and challenge.

3.3 Maintaining Performance against National Targets

We assess our own operational performance against external national targets published by the Care Quality Commission (CQC), the Monitor Risk Assessment Framework and other locally agreed contracts, with the support of external peer review and other external expertise.

L&D has continued to consistently deliver against national quality and performance targets, achieving a Monitor governance rating of green since quarter 1 2012/13.

The emergency care 4 hour target has been consistently met despite experiencing both a high volume of Emergency Department attendances and an increase in admissions. National standards for patients not waiting more than 18 weeks for treatment from the point of referral and the cancer target performance have been delivered in all quarters since April 2012.

The Trust did not meet the C Difficile target during 2013/14 with 19 cases against a threshold of 15. A full review of C Difficile cases was undertaken and it concluded that there was only one case where transmission may have been an issue.

3.4 Managing Finance

In the Operational Plan for 2014/15 the Board have determined that the FT shall at all times maintain a minimum financial risk rating of 4 (based on Monitor's Risk Assessment Framework).

The Board of Directors have approved a plan containing a £1m surplus in 2014/5.

INCOME	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m
Total income from activities	**220.6**	**230.7**	**243.1**	**251.5**
Total Expenditure on activities	**-209.4**	**-220.2**	**-232.3**	**-237.9**
EBITDA	**11.2**	**10.5**	**10.8**	**13.6**
Other (ITDA)	**-8.7**	**-9.6**	**-10.4**	**-12.6**
Retained annual surplus	**2.5**	**0.9**	**0.4**	**1.0**

The table below provides a summary of the Trust's cash-flow from 2012/13 and a projection for 2014/15. The FT anticipates maintaining a liquidity risk rating of 4.

Cash Movement (£m)	2012/13	2013/14	2014/15
Opening Cash	**47.6**	**37.7**	**24.9**
Closing Cash	**37.7**	**24.9**	**15.8**

The Trust's financial plan for 2014/15 produces the following performance against Monitor's financial risk rating methodology as shown in the table below:

Financial Risk Rating (Based on 2013/14 Financial Risk Rating)

Metric	2013/14 Plan	2013/14 Actual	2014/15 Plan
Capital Service Cover	4	4	4
Liquidity	4	4	4
Continuity of Service Risk Rating	**4**	**4**	**4**

*** Figures shown are the Monitor Score with 4 being the top score and 1 being the lowest score**

3.5 Promoting Teaching and Research

The Trust is a leader in undergraduate and postgraduate medical training and, in partnership with UCL, as a University Hospital has over 80 medical students in training. With Health Education East of England the Trust delivers high quality training to over 280 trainee doctors at all levels and in all specialities. The creation of the Division of Medical Education and Research demonstrates the centrality of medical training to the mission of the hospital.

There is also a wide range of training in professions allied to medicine, nursing, midwifery and the development of scientific careers. Our consultants are actively involved in academic research, and the outcomes of research performed at the L&D are published in the leading peer reviewed journals. In 2013/14 alone our clinicians have published 37 scientific articles, some of them in the most prestigious medical journals, such as Lancet and the British Medical Journal.

3.6 Valuing the Importance of Information Technology

L&D has made a significant investment in information systems, and the necessary process change to embed a mature electronic patient record. This is a core capability we will use to further improve the quality and efficiency of our care.

- Diagnostic records across all areas are entirely electronic for both the ordering and reporting of results regardless of whether the setting is primary, community, outpatient or inpatient
- All adult inpatients are managed using the National Early Warning Score (NEWS) algorithm

- Electronic e-prescribing is currently being rolled out across the Trust to reduce the risk of avoidable harm associated with the prescription and administration of drugs

The Trust has also focused on supporting key processes to enable efficient use of resources.

- An electronic system to support real-time patient flow is embedded within the Trust and is a fundamental element of our consistent Emergency Department performance
- Cancer pathways are managed using a dedicated Cancer Information System that enables the delivery of faster diagnosis and treatment pathways for our patients
- All clinical correspondence, both internal and external, is entirely electronic

In addition the Trust has aimed to become 'paper-light', without any persistent paper record. This transformation has taken many years to design, contract and implement but is now in place. This removes considerable cost from our overall operation, and enables the next stage of our ambition to reengineer the Trust's key processes.

The Trust also has ambitions to make available to patients as much of their record as possible via a secure electronic portal. Putting the patient at the centre of their record requires the whole health economy to work together as data resides in multiple systems. To this end we are leading work across the local health economy to deliver integrated digital care records, building on our internal patient record.

3.7 Developing our Staff

On sustainability of workforce we rate better than our peers and competitors with regards to:

- staff satisfaction
- staff recommending the Trust as a work place
- staff recommending the Trust as a place to receive treatment in.

We see this as core strength in underpinning our ability to attract, recruit and retain top talent.

The 2013 Staff Survey results also demonstrate an improving picture:

- Our response rate increased to 53%
- CQC staff satisfaction rose to 3.90
- Whether our staff would recommend the hospital as a place for treatment also rose to 3.82.

The Trust has an excellent track record in recruitment and retention of staff, in particular the hospital attracts significant interest from senior medical staff who often choose to leave other Trusts to work in the L&D. Our current vacancy rate is monitored on a monthly basis and is below the Trust KPI of 10%. There are some areas where vacancies are higher and there are actions in place to manage this.

We are actively engaged with the Bedfordshire and Hertfordshire Workforce Partnership Group with representatives at both Executive level and in sub groups. As a result we are in an excellent position to influence the shape of the future workforce, particularly in the following areas:

- contributing to the plans for commissioning education and training on behalf of the local health economy
- working with partner organisations to develop a local workforce strategy across the health economy, including the development of new roles.
- identification and addressing of key workforce issues across this area.

We have a programme of development which will equip our leaders with the skills and abilities required to manage the high level changes required over the next 5 years and beyond. We recognise that we also need to have a robust framework of succession planning that identifies our leaders for the future.

3.8 Reducing Costs

Our approach to cost control, and unit cost reduction, is fundamental to the ongoing viability of the organisation. We believe there is considerable opportunity for the Trust to meet the twin challenges

of tariff efficiency and commissioner driven demand management initiatives, in addition to providing the basis to meet the affordability of the hospital redevelopment.

Our overall approach is based on the analysis that suggests the Trust's systems and processes are not functioning to a maximum level of efficiency and that potential improvements represent a key opportunity. The Trust has benchmarked extensively using the McKinsey Hospital Institute analytical tools to reveal areas where we can reduce our cost base.

The individual elements of our 2014/16 Reengineering programme include:

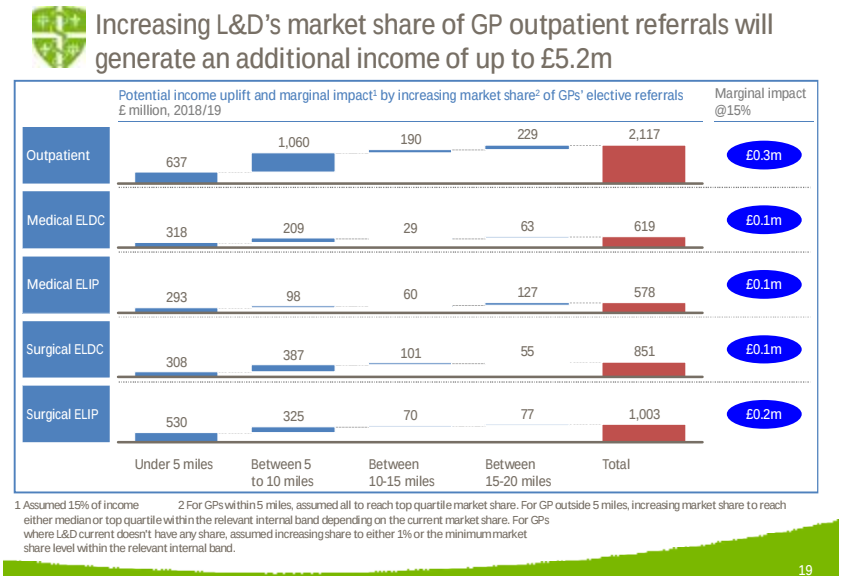
- Outpatient Reengineering
- Theatre Reengineering
- Length of Stay
- Medical Productivity
- Workforce
- Procurement
- Outsourcing

3.9 Improving our Estate and Facilities

The 2013/14 Annual Plan set as an objective the completion of an outline business case for the phased development of the L&D. The outline business case is now complete. The Board has, however, decided that a second option should be explored before proceeding to FBC. The option would involve a (single phase) development on a new site. It is therefore the intention of the Trust to complete a pre-consultation business case (Strategic Outline Case) by mid-summer for this second option. If the Board decides to include this option then an Outline Business Case will be completed in the summer of 2015 detailing both options which will facilitate Board and Governor decisions on the preferred option. The FBC would be submitted approximately 9 months later. If, however, the Board decide not to proceed with the second option, then the FBC for the first option will be submitted to Monitor in 2015.

3.10 Developing our Business

The Trust is presently working to increase our market share from GPs by making the referral process simpler and more efficient. We now have electronic channels of communication that will be extended to those GP surgeries with a lower market share. This is core to our 'Elective Centre' value offer – making services more accessible to our local patients and GPs. Analysis indicates that focused effort on those surgeries where currently GPs prefer to refer patients to hospitals other than the L&D could generate additional income of up to £5.2m.



3.11 Providing Care to Non-NHS Patients

The Cobham Clinic presently provides non-NHS care for a range of surgical and medical specialties. The service provides high quality care for self-paying patients within a dedicated unit on the hospital site. Part of our Reengineering programme strategy is to further develop this area of work with a new theatre timetable being implemented during 2014 facilitating a more consistent provision. Ultimately non-NHS work will represent a significant but relatively small part of the Trust portfolio, although continuing to play an important role in consultant recruitment.

3.12 SWOT Analysis

Strengths	**Opportunities**
• University Hospital – high profile teaching centre • Ability to recruit high quality consultant staff • Clinical Outcomes – evidence of ongoing improvement • Major focus on patient safety • Emergency Care – excellent performance • Workforce Staff Survey - improving • Workforce Sickness Rate - improving • HSMR decreasing • HSMR Fractured Neck of Femur decreasing • Reported infection rates – continued improvement • Financial position – strong track record • CQC Rating – good risk profile • Monitor Rating – excellent rating for finance and governance • Performance against national targets – sustained performance over a long period • Strong clinical leadership • Experienced high performing management team • Member of UCLP • IT – leading edge reputation	• Population Growth and Patient Choice • Implementation of Integrated Care • Hyper Acute Stroke Unit – formal recognition • Vascular – important new service • Increasing GP share • Increasing non-elective work • Increasing maternity and paediatrics linked to marketing • Further development of PCI • Increasing emergency and non-elective work – again Patient Choice • Re-development of hospital site • Bedford/Milton Keynes Review • Future potential re community care • Ability to comply with emerging standards of clinical care (e.g. 7 day working)
Weaknesses	**Threats**
• Patient Experience – need greater focus on measurement • DNA rate – part of Outpatient Transformation Plan • Long Length of Stay – for elderly patients • Poor Estate and environment	• Challenges in the provision of GP and primary care • Increasing unplanned activity • Nurse staffing availability • Financial position across the health economy • Multiple community providers • Other organisations not aligned with 7 day care • Deteriorating local mental health provision

3.13 Working with our Partners and Stakeholders

The success of the Trust's strategic plans will be dependent on the extent to which these plans are aligned with the strategic intent of commissioners. We have tested our plans against CCG five year programmes, and carried out significant dialogue to ensure that this alignment was robust.

Clearly this can only be tested at a strategic level but we have also ensured that where possible, discussions around the development of individual service areas are consistent with CCG understanding.

Area	CCG Ambition	L&D Response within Strategic Plan
Integrated Care	Better Together Programmes and Better Care Fund Initiatives.	FT Leading programme of Integrated Care focussing on Frail Elderly initially. Expanding across geographies, ages and conditions.
Step Change in Elective Care	Outcome based contract enhancing productivity and patient outcomes.	FT to provide more efficient, effective and economic services.
Specialisation in Centre of Excellence	Focus on centre of excellence designed to provide specialist treatment such as Stroke 24/7.	FT embracing plan to deliver Major Emergency Centre for Bedfordshire by acquiring Vascular and further developing PCI and HASU. Focus on delivering a 24/7 Consultant ED cover and 7/7 consultant cover across specialties.
Highest Quality Urgent and Emergency	Whole system approach across providers, including social care, to deliver stabilisation and crisis management outside of the hospital sector.	Delivery of Integrated Care to support early discharge, admission avoidance, by close working with Urgent Care Centres and Community Care Hubs to avoid the use of ED.
Enhanced Primary Care at Scale	Development of GP networks and federations offering a wide range of community care. Excellence in the care of long-term conditions.	Complements the Trust's lead on Integrated Care and its desire to see only those patients in need of acute care within the hospital.
Delivering the Ambitions of the MKFT/BHT Review	To reconfigure MKFT/BHT to ensure clinically, financially, and operationally viable organisations	Providing for the services being scaled down to the North, and expanding the scale of Major Emergency Centre service to achieve sustainability for the Local Health Economy.

3.14 Conclusion

- All neighbouring acute providers, NHS and Foundation Trusts have struggled in recent years to deliver against national quality and performance targets.
- Our two closest neighbours, Bedford Hospital NHS Trust and Milton Keynes Hospital NHS Foundation Trust have, and are now engaged in a Monitor, TDA, CCG which will inform their future direction.
- L&D has consistently achieved the highest governance risk rating in 2012/13 and 2013/14 on the Monitor Compliance Framework and Risk Assessment Framework. The Trust's financial risk has been rated as good during the same period achieving the highest rating possible from February 2014.
- The Trust has a track record in service provision, development, teaching, staff recruitment and stable senior management.
- L&D has taken the initiative to drive the Integrated Care agenda in South Bedfordshire and Luton.
- In recent years a strong strategic vision has been developed by the Trust for the future provision of acute hospital care.

The Trust's analysis of its current position and the market leads toward a coherent vision of the future. The Trust is potentially best placed of its competitor trusts to move toward the status of becoming a Major Emergency Centre, further developing Women's and Children's services and becoming a provider of choice for Elective Care. This strategy will need to be enabled by (i) the delivery of integrated care, providing more capacity for growth and delivering a more effective business model, and (ii) the success of the re-engineering programme, which will allow the Trust to absorb additional work arising from the local catchment, either through marketing or general growth, at low marginal costs.

4. L&D Hospital – Reinventing the District General Hospital

4.1 Strategic Vision

In 2011, the Board of Directors engaged with the Council of Governors, our membership, external stakeholders, our staff and our patients to agree a vision for the future of L&D.

Vision statement

"The L&D is committed to delivering the best patient care, the best clinical knowledge and expertise and the best technology available and with kindness and understanding from all our staff "

That vision has informed the hospital of what the L&D is and will continue to be during the next five years. Constantly striving to improve Clinical Outcome, Patient Safety and Patient Experience which is at the heart of everything we do.

The Trust agreed a new strategic vision during 2013/14, the vision is the outcome of extensive work undertaken during the last three years, including:

- the development of a clinical services strategy
- detailed analysis of the local health economy's requirements
- participation in the Healthier Together project
- a thorough review of emerging national policy, including the Keogh Report into Emergency Care, the Academy of Royal Colleges report 'Seven Day Consultant Present Care' and the Better Care fund initiative
- joint working with local commissioners and other stakeholders
- an ongoing dialogue with our members and governors
- recognition that rising health care demand, rising costs and flat real funding means the Local Health Economy is facing a serious sustainability challenge.

Our vision is based on an understanding that patients will choose to receive acute hospital care from organisations that deliver:

- the best clinical outcomes
- have a reputation for providing safe care
- provide high quality care
- can provide care and diagnostics at the time of need.

Our vision is consistent with:

- The emerging findings from the Bedford / Milton Keynes Review
- The knowledge available to us regarding the strategic intention of other providers
- The financial challenges facing our local CCG's
- The business development opportunities available to us to increase market share and to establish new services
- The strengths and weaknesses of the Trust

Our vision translates into a five year strategic plan, underpinned by five principles:

1. Delivering Integrated Care, leading the work with external partners and stakeholders to ensure success in delivering care in the best place for patients.
2. Being a Major Emergency Centre; delivering 24x7 consultant-led A&E, emergency surgery, and acute medicine, supported by a level 3 critical care unit, enhanced trauma services and a specialist hyper-acute hub for, vascular interventions, cardiac (PPCI) and stroke care.
3. Expanding our Women and Children's Centre, with a maternity unit providing extended consultant cover and presence, in line with Royal Colleges Guidelines and 7-day consultant led care supported by a level 3 NICU and inpatient paediatric services.
4. Growing our Elective Centre; attracting both complex and non-complex elective activity from across the Local Health Economy and offering a high quality and efficient service for inpatient and day patient care.
5. Advancing our commitment to training and teaching by: developing all staff groups; drawing on our clinical case mix and areas of established excellence, such as Human Factors; enhancing our commitment to undergraduate and postgraduate training; and increasing the scope of training to educational commissioners.

4.2 Corporate Objectives (2014-2019)

The Trust's new strategic direction is supported by seven corporate objectives*:

1. **Deliver Excellent Clinical Outcomes**
   - Year on year reduction in HSMR in all diagnostic categories

2. **Improve Patient Safety**
   - Year on year reduction in clinical error resulting in harm
   - Year on year reduction in HAI

3. **Improve Patient Experience**
   - Year on year improvement in patient experience demonstrated through hospital and national patient survey, leading to upper quartile performance

4. **Deliver National Quality & Performance Targets**
   - Deliver sustained performance with all CQC outcome measures
   - Deliver nationally mandated waiting times & other indicators

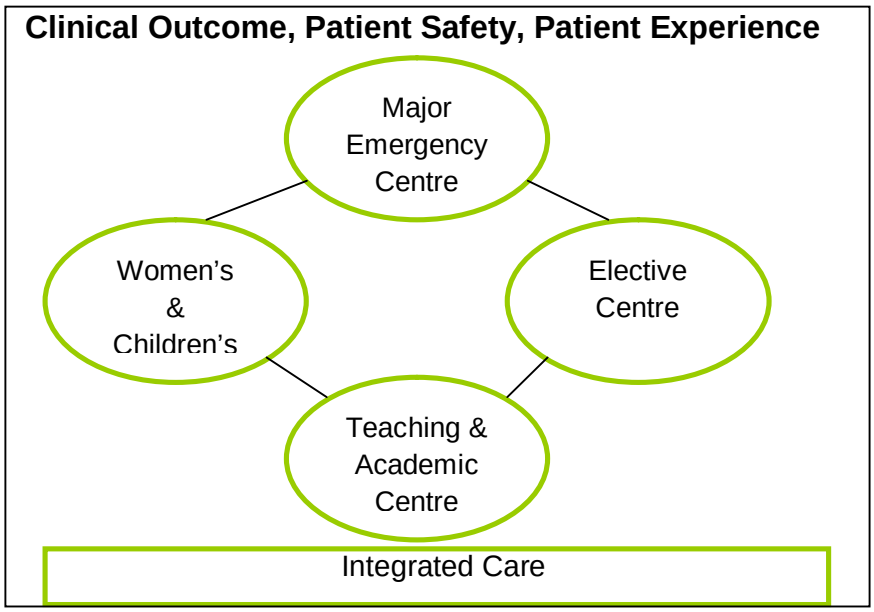
5. **Implement our New Strategic Plan**
   - Deliver new service models:`
     - Major Emergency Centre (collaborating on integrated care and including hospital at home care)
     - Women's & Children's Centre
     - Elective Centre
     - Teaching and Academic Centre
   - Implementation of preferred option for the re-development of the site

6. **Develop all staff to maximise their potential**
   - Deliver excellence in teaching and research as a University hospital
   - Ensure a culture where all staff understand and promote the vision and values of the organisation
   - Recruit and retain a highly motivated and competent workforce

7. **Optimise our Financial Plan**
   - Deliver our financial plans with particular focus on the implementation of re-engineering programmes

* Detailed project plans with timelines for implementation are available for all corporate objectives and short term challenges.

4.3 L&D Re-Inventing the DGH



Our Strategic Plan sets out our intention to transform L&D into:

- A Hyper Acute Emergency hospital – 'The Major Emergency Centre'
- A Women's & Children's hospital – 'The Women's and Children's Centre'
- An Elective Centre – 'The Elective Centre'
- A Teaching and Academic Centre

To achieve this ambition the organisation must radically change how care is delivered, whilst maintaining performance against national quality and service targets and managing risk within the health economy. The Board of Directors has therefore agreed 10 key deliverables, progress against which is monitored by the Board of Directors and relevant sub-committees.

The 10 key deliverables are:

1) Implementing seven day consultant care
2) Developing hyper acute models of care
3) Developing Emergency Care
4) Providing diagnostics at the time of need
5) Implementing Integrated care
6) Delivering of re-engineering programmes
7) Redeveloping the hospital
8) Sustaining performance against quality and performance targets
9) Delivery of annual quality objectives
10) Managing risks

These deliverables are detailed in our 2014-2016 Operational Plan and Quality Account.

The new L&D will have four business and clinical units:

4.3.1 The Major Emergency Centre

At the heart of the new L&D will be 'The Major Emergency Centre' providing the highest standard of emergency medicine, emergency surgery and hyper acute specialist medicine. The Centre will provide the shortest possible length of hospital care by delivering 24/7 (or 7/7 if applicable) consultant care and diagnostics at the time of need. The Centre will work closely with other providers to ensure that patients receive ongoing treatment in their own place of residence or other appropriate facility.

At the core of the Major Emergency Centre will be the Emergency Department. We believe the Trust is in an excellent position to become a 'Major Emergency Department' as described in the Keogh Report 'Transforming Urgent and Emergency Care Services in England'. In recent years, our department has consistently performed amongst the top 10 nationally in the delivery of the four hour target. Our friends and family score is high, we attract high calibre consultant staff and our conversion rate is very good.

During the next two years we will increase staffing and facilities to ensure the department meets the future specifications. The Emergency Department will be supported by a comprehensive range of clinical specialities including:

Emergency and Trauma Surgery

- The Trust has a dedicated Trauma theatre and an emergency theatre (as per NCEPOD guidance) which are staffed 24 hours a day, 7 days a week.
- The emergency and trauma operating sessions are predominantly consultant-led with experienced anaesthetists.
- We are the network hub for Oral and Maxillofacial trauma, with trauma surgery centred at L&D for Milton Keynes, East and North Herts and Bedford Hospital patients delivered by specialist teams.
- Over the past two years the L&D has worked hard to successfully improve outcomes for fractured neck of femur patients and one of the cornerstones of this success has been to achieve our aim of 85% of patients going to surgery within 36 hours of admission.
- Over the next two years we are focussing on reducing our pre-operative length of stay for other key emergency pathways.

- Right-sizing our critical care bed provision to support the anticipated growth in emergency and trauma theatre activities is also believed to be essential to achieving best outcomes.

Hyper Acute Medicine

The forward vision of the Medical Division at L&D is to provide a model of hyper acute care for our in-patients. We endeavour to ensure that only those patients requiring hospital admission for on-going acute care are managed within our bed-base.

- A model of integrated care will link our geriatricians with locality based GPs, social care and mental health professionals. This model will provide multidisciplinary care crossing health care boundaries.
- Early access to specialist advice will facilitate improved patient care and experience through improved coordination.
- Early intervention and focus on chronic disease management within the community setting will prevent unnecessary hospital admissions
- Consultant delivered acute medicine, 14 hours a day, 7 days a week, has been in operation since May 2013. This model facilitates rapid and appropriate decision making and results in:
    i. improved outcomes for our patients
    ii. more efficient use of resources
    iii. easier GP access to the opinion of a fully trained doctor.
- All admitted patients will be assigned a single, appropriately qualified, responsible consultant who will continue care through to discharge
- Unless a patient's care dictates otherwise, this will be delivered from a single bed base with no transfers during their admission.

Stroke

- The Trust currently provides Hyper-Acute stroke services for Luton, Bedfordshire, Hertfordshire and Buckinghamshire.
- Local CCGs are presently assessing the organisation of Hyper Acute Stroke Unit (HASU) services within the region with support from the East of England Cardiovascular Clinical Network, the likely outcome of which is a reduction in the number of commissioned HASU providers across the three counties.
- L&D is in a strong position to retain the HASU service due to the geographical location of the hospital and the local infrastructure which allows for a wide catchment area
- L&D is also the only provider in the region to offer 7 day a week urgent, high-risk TIA outpatient clinics which supports the delivery of our HASU.

Cardiology

- Our Cardiology Department provides a comprehensive elective and non-elective service for our local population, delivered by an experienced and committed multi-disciplinary team.
- The high quality of service provision is demonstrated through the Myocardial Ischaemia National Audit Project (MINAP) and patient experience data.
- A commitment to working with partner organisations to provide improved patient pathways, including care closer to home is evident in the provision of outreach arrhythmia, cardiac surgery assessment clinics and community cardiac rehabilitation sessions and palpitation clinics.
- The recently commissioned Cardiac Centre is a state of the art, future proofed facility, delivering diagnostic coronary angiography, permanent pacemaker implantation and percutaneous coronary intervention (PCI).

Vascular

- The L&D Board of Directors will consider a business case for the development of vascular surgery during the first half of 2014/15 to provide services for Luton, Bedfordshire and Milton Keynes catchment.

- In parallel, the Radiology Department will create a plan for a network arrangement for Vascular Interventional Radiologists. It is anticipated that the service would be established during 2015/16.

Diagnostics at the time of need

- It is our intention that by the end of 2015-2016 that both Imaging and Pathology will provide comprehensive acute diagnostic services to support both inpatient and outpatient pathways 7 days a week.
- New services will be established to deliver both CT coronary angiography and interventional radiology, supporting the development of vascular surgery at the Trust.
- Having immediate access to diagnostics is imperative for the Major Emergency Centre, the Women's and Children's Centre and the Elective Centre.
- Timely diagnostics are fundamentally important for the provision of elective care, ensuring patients choose the hospital.
- Finally, without proper access to diagnostics, integrated care will fail.

The Major Emergency Centre 5 year Strategic Agenda can be found in table 1.

Table 1

The 5 Year Strategic Agenda – The Major Emergency Centre

1) Secure Major Emergency Department status (Keogh Report).
2) Transform the clinical delivery of medical care 'one patient – one consultant – one bed' to facilitate the provision of hyper acute medicine.
3) Achieve further reduction in pre-operative wait for emergency and trauma surgery.
4) Confirmation of HASU status.
5) Provide 24/7 PCI.
6) Establish a Vascular Surgery Service.
7) Work with partners to ensure integrated care is provided in a cost effective manner for elderly people and patients with long term conditions.
8) Provide diagnostics at the time of need, adopting innovation in a timely manner.

4.3.2 Women's and Children's Centre

The Women's & Children's Centre will build on the present performance and reputation of the existing services in L&D. The Centre will focus on providing excellence locally. Working with tertiary providers, the ambition is to enable a developing range of treatment and care to be provided in order to avoid the need for patients to be transferred to other centres and when this is not possible to facilitate earlier returns.

Our present Women's and Children's Division provides a comprehensive range of services to the population of Luton, Bedfordshire, Hertfordshire, Buckinghamshire and further afield. The Division offers a growing gynaecology service, a busy maternity unit, a specialist level 3 Neonatal Unit and a range of paediatric services. The Division also works in partnership with other care providers, including tertiary centres such as Great Ormond Street Hospital, to ensure that people are given the most appropriate care and treatment in a setting close to their homes.

- The Gynaecology Service has been transformed by a new Ambulatory Centre, allowing the hospital to offer women an array of day case procedures in a relaxed, female-centred environment.
- The Gynaecology Service will take the opportunity to extend the catchment of its recurrent prolapsed and urinary incontinence services following the release of a new specification by Specialist Commissioners and their statement of intention to reduce the number of centres.
- Within Maternity Services, the Division has invested in staffing to ensure increased consultant presence and one to one care for women in labour.
- The Trust's level 3 Neonatal Unit has, year on year, increased consultant presence which provides rapid support and senior decision making for our highest risk infants.

- In Paediatrics, similarly, there is a growing team of acute and speciality consultants enabling consistency, early consultant assessment and rapid decision making.
- This increased level of senior cover across the division provides swift, expert support for emergencies, it reduces the length of our patients' hospital admissions and it improves patient safety and outcomes. It also provides more opportunities for supervision and training for our workforce of the future.

The Women's and Children's Centre 5 year Strategic Agenda can be found in table 2.

Table 2

The 5 Year Strategic Agenda – The Women's and Children's Centre

1) Expand the existing infrastructures to support 5740 births per annum with appropriate medical and midwifery presence.
2) Develop intensive and critical care for neonates ensuring that an increasing catchment area can benefit from access to our NICU.
3) Extend the number of gynaecology services available seven days a week
4) Continue to develop uro-gynaecology, breast and cancer specialties.
5) Develop our Rapid Response Paediatric Service and provide specialist paediatric services in community locations.
6) Further develop models of hospital care at home and facilitate the repatriation of complex tertiary patients retuning to hospital.
7) Expand the provision of paediatric surgery, including ENT and orthopaedic specialties to meet the needs of children from an extended catchment area.
8) Improve the provision of teenage services to facilitate children transitioning to adult care.
9) Continue to develop our relationship with Great Ormond Street Hospital including repatriation of specialist work.
10) Continue to increase hours of consultant presence across all specialities.
11) Further grow our profile as an excellent state of the art paediatric tertiary Neonatal service though involvement in national research and innovation.
12) Develop local palliative care pathways.

4.3.3 Elective Centre

Today, L&D provides a comprehensive range of elective surgery and medicine to local populations. We also provide an increasing amount of tertiary or specialist care. Our new 'Elective Centre' will aim to compete with the best Elective Care Centres providing diagnostics at the time of need, one stop clinics, elective care uncompromised by emergency care and excellent patient experience. Importantly, the Elective Centre will also focus on the provision of speciality medicine, following the present surgical model of one patient, one consultant, one bed.

Surgical Services – Present Provision:

- a regional centre for bariatric surgery
- tertiary level services for head & neck surgery; corneal surgery; breast screening and reconstructive surgery; and some uro-gynaecology pathways
- a range of other surgical specialties including urology, upper and lower gastro-intestinal, trauma and orthopaedics
- general paediatric surgery
- 10 main operating theatres (excluding two maternity theatres) with work on-going to replace our 11th theatre

Medical Services – Present Provision:

- a variety of therapeutic endoscopy procedures
- sleep studies
- a day hospital unit that provides a variety of planned treatments

Outpatient and Diagnostic – Present Provision:

- elective outpatient services for a wide variety of surgical and medical specialties

- imaging services including x-ray, CT and MRI scanning
- diagnostic endoscopy procedures

The outpatient transformation programme has successfully delivered significant environmental improvements to our main outpatient areas. Our current aim is to provide one-stop outpatient and diagnostic services wherever possible and the introduction of the one-stop urology service during 2014/15 will be a significant development in this regard.

Our focus is on re-engineering the operating theatre structure to support increased capacity and free up theatre space for our intended developments. We are also implementing a full scheduling model which is significantly improving the booking of our operating lists and further increase the opportunity for growth.

The Elective Centre 5 year Strategic Agenda and Milestones can be found in table 3.

Table 3

The 5 Year Strategic Agenda – The Elective Centre

1) A step change in the productivity of theatres with a six day elective programme as standard and high quality performance management.
2) Provision of a one stop urology service.
3) Adopting innovation to further develop bariatric surgery in order to extend provision to a wider catchment population.
4) Development of a wider range of specialist ophthalmology surgery and extend catchment for core ophthalmology services through patient choice.
5) Continue to provide a wide range of specialty medicine, incorporating the principle of one patient, one consultant, one team to ensure maximum continuity of care.
6) Deliver elective care in partnership with other stakeholders where appropriate e.g. paediatric orthopaedic surgery, cardiothoracic joint clinics and fertility clinics.
7) Provide diagnostics at the time of need and to facilitate whenever possible 'one stop care' and eliminate elective outsourced reporting.

4.3.4 Integrated Care

The delivery of the new strategic plan is dependent on a robust model of integrated care being provided to meet the need of our population. For this reason L&D has taken the unusual step of taking the leadership role to work with all stakeholders to develop a demonstration project, implementing integrated care for the South Bedfordshire catchment area.

This model will provide a health and social care integrated multidisciplinary team with a single point of contact and expert care coordination. The integrated care delivery team will focus on early intervention, a greater emphasis on chronic disease management and a more planned approach to acute care management with early supported discharge. The delivery of this project and its roll out across the Luton catchment area will be key in ensuring that both health economies are able to meet future financial challenges. This work is linked to a key clinical outcome priority for 2014-2016 and further information is available in our Quality Account 2014-2016.

The Integrated Care 5 year Strategic Agenda can be found in table 4.

Table 4

The 5 Year Strategic Agenda – Integrated Care

1) Align Elderly Care Physicians to GP Clusters.
2) Transform the interface between Acute Elderly Care and the Community.
3) Move from an age based design model to needs based care.
4) Further develop the model of Integrated Care to include the management of Long Term Conditions and other patients with complex needs.
5) Develop the role of the Generic Support Worker.
6) Continue to work with partner organisations to develop a new Health and Social Care Governance Structure that supports Integrated Care.

4.3.5 Teaching and Academic Centre

Teaching and evidence underpins the ethos of our organisation. The Teaching and Academic Centre will be at the hub of the new L&D, providing a focus for all teaching activities and facilitating the use of evidence in daily practice.

In teaching and training we will plan to deliver programmes at all levels to enhance the professional and personal competency of health care professionals. In medicine, both for undergraduate, Foundation and speciality training, and for the increasing number of non-training grade medical staff there will be a greater investment of time and resources. In nursing we will support up skilling to enhance skill mix, the development of specialist nurses to bridge between secondary and community care. The full apprenticeship model will be launched in the autumn 2014, to develop HCAs and enable transition to full nursing. For all professional and non-professional staff will establish systematic programmes of patient focussed staff development.

In Research we will build on an existing excellent research base to increase patient and clinician participation in Research, and increase Research income to support the financial resilience of the Trust.

The Teaching and Research 5 year Strategic Agenda can be found in table 5.

Table 5

The 5 Year Strategic Agenda – The Teaching and Academic Centre

1) Extend human factors and simulation to all clinical areas, both as a strategic and remedial process.
2) With Health Education East of England continue to expand postgraduate training, and participate and lead in the changes defined by the Shape of Training review.
3) Implement a programme to respond to the training needs of non-training medical grades, and this has already started with financial support for study leave. This will ensure they develop the skills needed by the Trust.
4) Establish the full apprenticeship model to develop HCAs.
5) Work with UCL to expand the areas of undergraduate training and faculty development.
6) Mandatory and statutory training will be developed to enhance patient experience as well as delivering new regulatory requirements.
7) Work with The North Thames Research Network and other partners to increase the research activity in the Trust (increase Research income by 2018 by 100%).
8) Continue the development of leaders within the organisation and export the successful management model the Trust has implemented, focussed on patient experience and a profound and meaningful dialectic with staff and commissioners.

- **Hospital Re-Development**

As discussed in section 3.9 the Trust is currently in the process of completing a pre-consultation business case for a new hospital development away from the current site. Should the Board decide against this option existing plans for the redevelopment of the current site will be progressed. The Hospital Development 5 year Strategic Agenda can be found in table 6.

Table 6

The 5 Year Strategic Agenda – Hospital Development

1) Board of Directors to consider Pre Consultation Business Case (SOC) and approve development of an Outline Business Case (OBC) to redevelop hospital either on the existing site or an alternative site (Q2 2014/5).
2) Identify appropriate source of funds and confirm affordability (Q2 2014/15).
3) Working with clinicians and key external stakeholders to refine and cost the new models of care and diagnostic pathways and reaffirm affordability (Q3 2014/5).
4) Develop detailed scheme brief for OBC and identify viable options for delivery (Q4

2014/15).
5) Commission Design Team and Technical Advisors (Q4 2014/15).
6) Assuming the OBC commissioned by the Board of Directors incorporates an off-site option, appraise potential sites and carry out formal public consultation (Q4 2014/15 – Q1 2015/6).
7) Secure outline planning permission (Q2 2015/16).
8) Submit OBC to Board of Directors for approval to progress to Full Business Case (FBC) stage (Q2 2015/6).
9) Discuss with Monitor the decision to progress FBC (Q2 2015/16).
10) Procure strategic development partners (tbc).
11) Complete FBC and submit to the Board of Directors, Monitor and Governors for approval and ratification as appropriate (tbc).
12) Secure detailed planning permission (tbc).
13) Start on Site (tbc).
14) Commission new hospital (tbc).
15) Decommission existing site and dispose of site (tbc).

5 Strategic Plans

5.1 The Business Model

Our new strategic vision has enabled us to model a base case option which will deliver a planned annual surplus of £2.7m by 2018/19.

The Base Case

The base case is predicated on L&D using our freedoms as a Foundation Trust to:

1) Extend our catchment area by delivering better performance, more visible clinical outcomes and easier access than our competitors.
2) Develop new services to support and enhance existing provision i.e. vascular surgery.
3) Work in partnership with other stakeholders to deliver integrated care.
4) Re-engineer services and using innovation to ensure that outcome, productivity and efficiency are at a maximum.

Inherent within the base case are:

- Pay and price pressures
- Pension changes
- Tariff deflation
- Cost of achieving new service standards
- Age weighted demographic changes
- Residual demand growth
- GP marketing initiatives
- Integrated Care changes
- Impact of new services
- Cost Improvements
- Non NHS income generation

5.2 The Activity and Financial Models

- **Forward Position April 2015-2019**

The period from April 2015 will continue to require the FT to achieve significant efficiency to remain financially viable. The chart below highlights drivers that adversely impact on the FT trading position. It also summarises the measures that the FT propose to take to deliver financial efficiency in order that a sustainable financial position is secured.

	YEAR 2		YEAR 3		YEAR 4		YEAR 5	
INCOME & EXPENDITURE	2015/16 £m	2015/16 £m	2016/17 £m	2016/17 £m	2017/18 £m	2017/18 £m	2018/19 £m	2018/19 £m
Cost Pressures								
Pay Awards / Drift (1.5%, 2.0% from Year 4)	-2.4		-2.5		-3.3		-3.4	
Inflation (2.5% all, drugs 7%)	-2.9		-3.1		-3.2		-3.3	
Cost Pressures (CNST, Cost of Capital*)	-1.8		-0.3		-0.3		-0.3	
Pensions	-1.6		-3.3		0.0		0.0	
Tariff (1.5%)	-3.5		-3.5		-3.7		-3.7	
Total Cost Pressures		-12.2		-12.7		-10.5		-10.7
Cost of new Service Standards		-2.8		-1.5		0.0		0.0
New Activity								
Population 3%	5.8		6.0		6.1		6.2	
GP Marketing	1.3		1.3		1.3		1.3	
Gross Impact - New Activity	7.1		7.3		7.4		7.5	
Usual Production Cost (@70%)	-4.9		-5.1		-5.2		-5.3	
Efficiency Impact - Theatres, Medical Productivity	2.1		3.6		3.4		3.7	
Contribution from New Activity		4.3		5.8		5.6		6.0
Impact of Integrated Care								
Lost Income	-0.6		-0.6		0		0.0	
Cost Saving	2.8		2.9		0		0.0	
Contribution from Integrated Care		2.2		2.3		0.0		0.0
Impact of New Services - Margin Gain								
PCI	0.0		0.1		0.2		0.3	
HASU	0.1		0.0		0.0		0.0	
Vascular	0.4		0.0		0.0		0.0	
Contribution from New Services		0.5		0.1		0.2		0.3
CIP		8.7		5.5		4.2		3.9
Income Generation		0.5		0.5		0.5		1.0
NET INCOME & EXPENDITURE		1.2		0.0		0.0		0.5
CUMULATIVE INCOME & EXPENDITURE*		2.2		2.2		2.2		2.7

Cost of Capital flat due to assumption that Hospital would move

*Baseline £1m surplus

The impact of the NHS affordability challenge (shown by red bars) quantifies the financial risk to the Foundation Trust of c£50m. The affordability challenge arises from the impact of pay awards, incremental pay drift, inflation, drug pressures, employer pensions cost increases, tariff deflation, the revenue impact of capital investments and funding the achievement of new service standards.

The FT anticipates gaining additional revenue from both population change (increases) from within its existing catchment but also from pro-active GP marketing. The FT plans to undertake this activity at lower than its normal cost base by using the benefits of its Productivity work within Medical Staffing, Theatres & Outpatients.

Further benefits will accrue from Integrated Care changes, the FT's Cost Improvement Programme & Income Generation from non-NHS sources. These allow the FT to post a small surplus each year, and a Financial Risk Rating of 4.

The year on year changes in activity levels are shown below:

Base Case - Activity Plan

Activity Type	UNITS	2014/15 Plan	2015/16 Plan	2016/17 Plan	2017/18 Plan	2018/19 Plan
Admitted Patients						
Elective inpatients	Spells	9,564	10,483	11,402	12,322	13,243
Elective day case patients (Same da	Spells	24,931	26,699	28,467	30,236	32,005
Non Elective - (excl well babies)	Spells	34,072	34,687	35,302	36,955	38,608
Total Admitted Patients	**Spells**	**68,567**	**71,869**	**75,171**	**79,513**	**83,856**
Outpatients						
Outpatients - first attendance	Attendances	87,431	90,875	94,319	97,763	101,207
Outpatients - Follow UP	Attendances	151,833	157,814	163,795	169,776	175,757
Outpatients - Procedures	Procedures	42,245	43,909	45,574	47,238	48,902
Total Outpatients	**Atts**	**281,509**	**292,598**	**303,688**	**314,777**	**325,866**
A&E	**Atts**	**81,766**	**85,014**	**88,261**	**91,509**	**94,756**
Maternity Pathway						
Ante-Natal Pathway	Spells	5,743	5,923	6,104	6,284	6,464
Births	Births	5,100	5,260	5,420	5,580	5,740
Post- Natal Pathway	Spells	5,281	5,447	5,613	5,778	5,944
Total Maternity Pathway		**16,124**	**16,630**	**17,136**	**17,642**	**18,148**

5.3 Conclusion

Our Strategic Plan sets out how we will work with patients, staff, partners, stakeholders, membership and Governors to transform L&D into a radically different organisation. At the heart of the organisation will be a determination to provide the best clinical outcomes, the safest possible care and the highest standard of quality. The core focus of the Trust will be the delivery of emergency, specialist and elective work, ensuring that patients spend the shortest possible amount of time in hospital. Progress on achieving the plan will be monitored by the Board of Directors through robust governance arrangements.