

Summary of our
Strategic Plan (2014–
2019)

Submitted to Monitor, the sector regulator
for health services in England – June 2014

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1. Introduction

In 2013, we developed a revised organisational strategy called “Locally focussed; Regionally significant”. This strategy is based on a clear vision to be –

“The First Choice Healthcare partner to the communities we serve, supporting patients’ needs from the home through to the provision of regional specialist services.”

This strategy indicates that over the next five years we will work together to transform our organisation, building on our considerable clinical capabilities, to place our patients and our customers at the heart of everything we do. The focus on exceptional customer service will be delivered through integrated, seamless, continuous pathways of care enabled by innovation and leading edge technology and is underpinned by a set of clear strategic objectives, which have agreed annual milestones up to 2018/19 attached to them.

- To be: The Top NHS Hospital Trust in the North West for Patient, Customer and staff satisfaction
- To Lead On: Integrated, Shared Pathways of Care with Primary, Social and Community Care
- To deliver: Consistently High Quality Secondary Care services enhanced through the provision of regional specialist services
- To ensure: Our people are aligned with our vision
- To maximise: Innovation and Enabling Technologies
- To build on: Partnering for value
- Supported by: Financial, Commercial and Operational Excellence

In 2014, as part of the annual planning review process, we’ve conducted a thorough process of review of this strategy which has been supported by clinical interaction, board workshops and active engagement of our governing body.

The overarching theme of both these reviews has been a driving desire to continue to provide the highest quality services to our local population, whom suffer some of the poorest health in England and will continue to receive a broad range of acute hospital services-from our Emergency Department to Rehabilitation.

Key to the development of the plan has been engagement with commissioners and other partners. We have been heavily involved and have influenced the Wirral Clinical Commissioning Group (CCG)-led “Vision 2018” review of health and social care provision and we’re a key stakeholder. We subscribe to the principles of Vision 2018 in that we agree that a greater share of health and social care should be delivered out in the community and away from the traditional model of hospital based care.

We've also shared our thinking in relation to our strategic planning with the Countess of Chester NHS Foundation Trust, with whom we're developing a close collaborative relationship across a number of service lines (i.e. clinical specialties) and with Wirral Community NHS Trust with whom we're a strong collaborative partner across particularly non-elective services lines.

This summary provides an overview of the full Five year strategic and sustainability review carried out by Wirral University Teaching Hospital NHS Foundation Trust which was submitted to Monitor in June 2014.

2. Market analysis and context

Health needs of our population

To develop our plan, we considered the health needs of the local population and used the Wirral Joint Strategic Needs assessment to identify the demographic and health trends that will influence our strategy.

Key facts falling out of this assessment were stark; showing that across a range of indicators, Wirral has (in comparison to the English national average):

- higher levels of deprivation
- poorer levels of health amongst our young and older people
- a greater tendency to be seen within hospital
- higher levels of long term conditions
- lower levels of life and disability free life expectancy.

Particularly important in our considerations has been that Wirral has a relatively high older population and a relatively low proportion of people in their twenties and thirties compared to England and Wales as a whole.

The older population (aged 65 years and above) are expected to increase at the fastest rate (than any other age group) over the next decade; between 2011 and 2021 it is estimated that this population group will have increased by 17.4%. The population over 85 is projected to increase from 8,460 in 2011 to 10,985 in 2021, which equates to a 29.9% increase.

These health and social care needs – particularly those for older people - form the backdrop against which we have developed our view to maintain a robust and sustainable acute hospital, offering the broadest range of provision.

Our assets

We have carried out a capacity analysis as part of our strategic planning to understand the adequacy of our estates, bed base and staff to meet these healthcare needs. We currently deliver services from two main hospital sites: Arrowe Park and Clatterbridge with 825 beds across all areas. We also deliver a smaller range of services from Victoria Central Hospital and St Catherine's Hospital and a number of community venues.

The focus of the Arrowe Park site, which includes a 24 hour A&E service, is mainly hyper-acute although substantial volumes of day case and elective activity are delivered on site. Clatterbridge delivers elective and day case activity together with rehabilitation.

We have identified two broad areas of strategic review which relate to the estate within the strategic plan:

- our current efficiency and how this can be improved
- a strategic review of future configuration.

We have identified that there are two dependencies to this analysis of capacity:

- improvements to efficiency and utilisation we can deliver within the organisation to place us in the top ten of benchmarked performance
- working with the wider health community to redesign patient pathways to ensure patients are managed outside a hospital setting whenever possible.

In order to fully model capacity going forward we have had to make a numbers of assumptions about future activity in the absence of a fully detailed commissioner-led service line activity model. We have assumed, as a base case, a scenario which sees small levels of activity growth in defined areas where increases in market share, historical trends and demographics indicate that assuming growth is prudent and sensible. We accept that funding will continue to be constrained and therefore, in broad terms, our income will remain flat over the period of the plan. A downside scenario has been developed which offers a view on real reduction in income over this period, delivered by a more aggressive change to levels of acute activity delivered, seeing activity broadly flat, which will see a reduction in income.

We have taken into account a range of factors when planning our capacity over the next 5 years including benchmarking information on our bed base, length of stay and readmissions compared to similar sized organisations. This shows that we have more beds than similar sized organisations.

On the basis of this information, we have concluded that it is a reasonable but challenging target to seek to reduce length-of-stay to drive a reduction in the number of beds over the lifetime of the plan. This is in line with our ambition to see more patients treated out of hospital and in the community, but also to deliver high levels of operational excellence.

Where additional activity is to be delivered as part of the plan, an assessment of the number of beds required to deliver this activity has been added on top of this baseline, but it is marginal. Whilst it accepts some of the reduction in length of stay can be delivered by internal changes, it is clear that only through changes across the health and social care community can the full spectrum of changes to capacity be delivered.

Our people

We're clear that without a strong culture of continuous improvement delivered through a robust programme of colleague engagement, any strategy is undeliverable. We are working hard to ensure that every member of our team understands that delivery of high quality care is at the centre of our vision and values, and these are what drive our recruitment, retention and reward programme. We have agreed as part of our objectives for 2014-15 to refresh our core values encapsulated in PROUD, which set out the expectations of our staff in providing excellent service to our patients. These are the values and behaviours we expect all our colleagues to exhibit all of the time in our organisation -

- **P**atient-focus
- **R**espect
- **O**wnership
- **U**nity
- **D**edication

Our workforce plan has been built out of the strategic plans submitted by each of the Clinical Divisions and has been used to map out the workforce capacity required for the next 5 year period. We have also taken into account a range of factors including:

- projected activity
- commissioning intentions to deliver care outside hospital
- known Cost Improvement Plan (CIP) plans
- workforce pressures
- our response to the Francis report.

It is anticipated that the size of our workforce will change in future whether due to clinical pathway redesign including integration, or efficiencies, with particular staffing groups exhibiting a more rapid change e.g. non clinical staff.

In spite of the anticipated bed reduction, staffing ratios per bed will be maintained to ensure we can provide the best quality care. We will innovate the shape of our workforce with a robust development plan for Advanced Nurse Practitioners (ANPs); including the introduction of ANPs to support the medical rota out of hours as the numbers of junior doctors is anticipated to reduce by 2-3%. Allied Health Professional reviews are underway to ensure the services we provide are fit and sustainable with a focus on care in the community.

In addition, a number of areas of workforce pressure have been identified for mitigation. These include consultant staffing in a number of areas, e.g. Emergency department, Dermatology, Breast radiologist in addition to the wider pressures faced by improving our delivery model to meet the needs of a 24/7 response (Keogh). We expect to work with community health colleagues to manage the transition of our workforce from delivering care in the hospital to care in the community, against a backdrop of national pressures to recruit in some areas towards 2020.

We will continue to optimise the continuing professional development of our staff. We have also considered our status of being a Teaching Hospital. Whilst it is clear that we have a strong “teaching offer” and are assured of this through regular and positive external review, we have a less strong “research offer” and therefore as part of consideration of our strategy going forward we will establish links with the emerging Academic Health Science Network.

Activity and demand

As indicated, we have been an active participant in the Vision 2018 proposals and are pleased to note that the emphasis of the programme will shift towards those areas of greatest impact on current health and social care utilisation:

- care for the elderly
- those with long term conditions
- urgent care

Partners across the health and social care community in Wirral have met to discuss and review assumptions underpinning the development of their Strategic Plans. Partners acknowledge that whilst there may not be a fully developed set of agreed commissioning intentions, organisations have developed their plans having made informed assumptions about capacity and demand and the impact this will have on organisational activity and finances. Whilst there is a shared acceptance of the broad strategic direction of travel in relation to the need to transform care outside of the traditional settings, plans to deliver this are at a very early stage of development and therefore will continue to develop in the following iterations. Partners do acknowledge that activity and financial assumptions will vary across each organisation at the point in time of the submission of strategic plans and have agreed to commence a process of review of these assumptions over the next few months, alongside the strategic review which has taken place of the structure and processes in place to support the Vision 2018 programme.

Therefore we have made an assessment of likely future commissioning intentions linked to an understanding of epidemiology and demographics which concluded that, in a small

number of areas, increased numbers of older people will mean increased demand, for example, critical care, and changes such as obesity will mean increased demand on services such as gastroenterology. We are assuming we will work with GPs and commissioners to deliver an increased market share of those referrals made in Wirral from 76% to 83%. This will be achieved by actively targeting GP practices and reducing waiting times.

We have also been successful in attracting additional activity from Wales and are continuing to develop relationships with commissioners in Wales with an aspiration that these flows will increase in future years. We have developed an activity profile for the coming years of the strategy and this will be reviewed in line with the CCG refresh of their activity plans, and formulation of longer term commissioning plans

We acknowledge a review of specialised commissioning is currently underway by NHS England and as part of our review we have confirmed an intention to continue to provide those specialist services in which it has a strong history of the delivery of high quality care – although we recognise that increasingly we will have to work in partnership with other organisations in Cheshire and Liverpool to deliver this in a sustainable manner.

Competitor analysis

We have undertaken a competitor analysis based on an assessment of our key areas of strength and weakness relative to our key competitors.

We've analysed our market share down to GP practice level to understand variance in practice based referral patterns and have developed a primary care engagement strategy to target practices where there appears to be opportunities to redirect NHS spend back from private providers. We have reviewed our compliance with quality indicators including CQC compliance and mortality rates to understand comparative performance.

This compares well against key competitors and is improving in this domain. Using our published accounts we have reviewed our financial performance against our key competitors and have comparatively poorer most recent financial performance. This is a recognised risk which will be addressed through the implementation of the Operational and Strategic plan going forwards.

These factors have been played into the service line sustainability analysis and will be addressed through specific programmes of transformation and potential collaboration under commissioner led contracting models. We have used NHS Choices and the Friends and Family Test results to assess our comparable performance to competing organisations. Whilst we compare well, we need to maintain performance in these areas. It is

acknowledged following the staff survey that the work needs to improve on our clinical and wider relationships with colleagues in comparison to competitor organisations. We will re-launch our values and behaviours in 2014-15 and the Board has agreed an annual improvement trajectory for colleague engagement.

Risks

The analysis has allowed us to map out where complementing and conflicting strategies for collaboration and market share growth exist. This analysis has been used to inform a SWOT and PESTLE analysis which take into account a wider view of organisational strengths, weaknesses, opportunities and threats and link into a wider strategic risk map of the current and future risks facing us.

Our key current risks relate to performance against key performance indicators and delivery of our financial plan.

Our key future challenges and key risks relate to

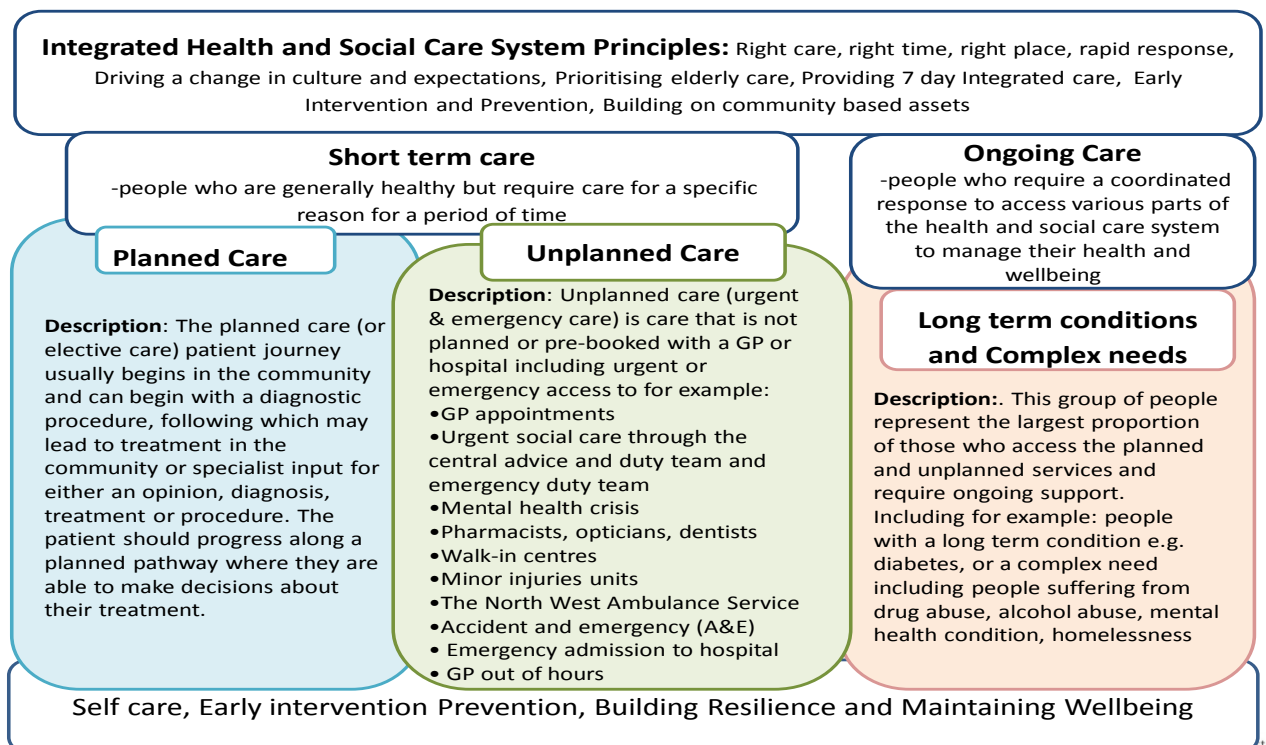
- the development of a shared strategic vision for the future of health and social care across Wirral
- the changes required to enact the required changes,
- funding changes,
- demographics and their impact on cost and quality,
- improving the fabric of our estate,
- recruitment and engagement of colleagues
- delivering the range of strategic initiatives identified in the development of this plan.

Local health community approach

During the development of the strategic plan we have held discussions with commissioners and neighbouring providers to confirm a shared understanding of the health inequalities and need faced by the local population and develop a shared view that the most significant challenge is the number of the population over 65 who live with long term conditions.

We share the aspirations of the development of the 'Better Care Fund' and the need to ensure that more of our population is managed out of hospital. There is agreement that the projected increases in need from this section of the population requires a new approach to the delivery of care meaning the acute hospital only sees those patients who have an acute need for hospital treatment, and that this shift will be accompanied by a transition for the hospital from our current configuration to one that is different to that at present. There will also need to be a shift in workforce and other resources from the hospital setting into

community settings to ensure seamless care delivery. It was confirmed that all of the above includes significant financial challenge, particularly to the hospital trust, which will only be met through a radical programme of transformational change. Recently the CCG has undertaken a review of the Vision 2018 process around areas where there is thought to be most significant opportunity for change-urgent care, long term conditions and care for the elderly. This is depicted in the programme structure for Vision 2018 below. The Trust is a fully engaged partner in this process and will continue to work with partners to contribute to the programme of reform over the coming months.



3. Risk to sustainability and strategic options

We have undertaken a detailed, service-line by service-line, assessment of clinical, operational and financial sustainability which has been driven by Divisional-level clinical interaction and Board discussion. This has been developed from the broad strategic configuration options available to us going forward and the assessment which has been made of the market and strategic context within which we are operating.

We have considered a range of strategic configuration options and concluded that an option which continues to see the delivery of a 24 hour Emergency Department, acute surgery and the range of complimentary specialties provided on site is the preferred option. This includes a commitment to continue to provide specialist services where we can demonstrate superior quality and service outcomes and subject to ongoing discussions with specialist commissioners about the future shape and configuration of these services.

We have produced a detailed service-line by service-line assessment which shows a range of sustainability plans to deliver this vision, including a model of both vertical and horizontal collaboration with neighbouring providers, and ongoing discussions with commissioners about innovative models of future care, possibly co-provided by a network of providers through a prime contractor or other model.

In addition to the service line analysis, we have reviewed a range of strategic initiatives available to us as we develop a response to the wider sustainability challenges we face, which are detailed in the financial projections. These financial projections, based on assumptions in respect of activity, capacity and workforce, have generated an efficiency requirement which will be met through a range of tactical and strategic initiatives over the lifetime of the plan. We have grouped the strategic initiatives into those with higher impact and feasibility and linked them to a high level milestone plan for delivery over the five-year period of the plan.

These strategic initiatives have been mapped into four main categories:

- **Driving the highest level of organisational efficiency and productivity**, through both prioritising quality but also delivering benchmarked high performance against a number of key metrics
- **Reviewing in detail the use and efficiency of our estate** to reduce costs and increase productivity through both internal redesign but also working with health community partners to develop a joined up approach
- **Driving a review of how we deliver services by considering a tiered approach to service delivery** – including a number of partnerships and networked service solutions to service line delivery and challenging the strategic shape of our workforce

- **Close collaboration with our health and social care partners to shift the shape of both care and contracting to a more sustainable and medium term footing.** This will include collaboration with health partners to realign the expectations of the local population to ensure they maintain their own health and wellbeing and when they require support they are confident to source help from the right service at the right time.

Taken together, these initiatives represent the combined activity to deliver sustainability from a financial, clinical and operational perspective over the lifetime of the five year plan.

4. Delivering our strategic plans

The Board recognises that we are entering a period of unprecedented change and transformation.

We have identified a number of dependencies and risks in relation to the implementation of the strategic plan. We've identified how dependencies including Health community collaboration, provider collaboration and internal engagement and communication in respect of our plan will be managed.

We have a number of layers of communication already operating and have recently undertaken a series of all staff communications to ensure colleagues are aware of the strategic and operational challenges we face in relation to our immediate financial position and the strategic challenges we face.

A large number of clinicians have been involved in development of the strategic plans for sustainability and wider initial discussions around the Vision 2018 process. We have positive and robust relationships with staff side colleagues and have engaged them at an early stage in the strategic and operational challenges faced by the organisation. The plan has been taken forward with the full engagement of the Council of Governors. These internal mechanisms of communications and engagement will continue and be reviewed and evaluated as we move into the implementation phase of the strategic plan.

We have communicated through being an active member of a number of external networks including the Vision 2018 programmes board. Through these routes we have been able to articulate the challenges we face to transform our services at the same time as ensuring standards of quality and compliance are maintained. Going forward we would expect to use the Vision 2018 programme structure to ensure appropriate levels of stakeholder engagement including the public who need to be consulted on any significant proposals to the configuration of health services.

We have a number of processes in place to monitor performance against the Strategic plan. The Board meets informally in development sessions at least six times per year and specifically reviews the delivery of our agreed strategy, reviewing our external environment and performance against strategic initiatives. This process will be revised following agreement of the Monitor strategic plan to ensure Board discussions are focused on the outputs and initiatives proposed in the plan. More formally the Board will receive a six monthly update on delivery of strategic objective milestones and all strategic objectives are mapped into the performance framework reported to the Board. As part of the development of the 'Locally focussed; Regionally Significant' and Monitor strategy plan, the Executive team have challenged the Clinical Divisions to produce and develop their strategic plans. These plans are reviewed through Divisional performance review every quarter and progress monitored and supported by the Strategy and Partnerships team outside these formal reviews.

We accept that given the stage of development of the CCG long term commissioning plans and changes being made to the programme structure and priorities of the Vision 2018 programme, we will need to review operational and strategic plans carefully and frequently over the lifetime of the plan. This is even more relevant given uncertainties in relation to specialist commissioning.

As such, the Operational and Strategic plans, together with the objectives agreed as part of the 'Locally focussed; Regionally significant' strategy will form the backbone of our planning cycle which will run through the year, informing the agreement of annual objectives and the development of the annual plan.

5. Financial summary

The environment within which the organisation is operating, as described in detail earlier within this summary, is changing significantly and the Strategic Plan focuses on how the organisation will both respond to these changes but also drive and influence these changes to support the provision of the highest quality of care, meeting access targets and delivering this within a clinically sustainable and financially balanced way. The financial plan, recognising risks associated with the plan, achieves this position through reflecting

- The plans of the Trust as a whole
- The specific component plans of individual clinical and non-clinical divisions
- Determining what the financial impacts will be of national income, expenditure and savings requirements,
- Accommodating, where known, commissioner requirements; and
- Reflecting local knowledge of our Trust and its operating model.

Taking each of the above factors the Trust has developed a financial plan focused on compliance and longer terms sustainability with its License using the operational plan submitted for 2015/16 as the baseline position and building on this position through a series of assumptions.

In addition to building the plan from a baseline and assumptions the Trust is also working within a set of values when framing its financial position, these values include

- Providing a financial model designed to promote the provision of high quality safe care;
- Providing a financial model designed to promote patients' rights with regards to access of services
- Providing a financial model which underpins clinical sustainability
- Shifting the achievement of financial balance away from revenue expansion to cost reduction
- Collaborating with partners both clinically and non clinically where appropriate to maximise the financial position in the provision of services

The outputs of the financial model are summarised below:

Income Position

- The total income the Trust receives over the period will stay broadly the same.

Expenditure Position

- The total expenditure position is adjusted to reflect the following key assumptions;
 - An allowance for general cost pressures in each year
 - Additional operating costs associated with inflationary increases
 - CIP delivery
 - Additional costs are incurred in line with any additional volumes of activity
 - High cost drugs expenditure to match assumed increases to income

Capital plans

- Over the three years of the strategic plan the Trust will use internally generated resource and, in the later years, some of the cash generated by a planned increased surplus to support its capital programme. It is also anticipated that the Trust will generate funds through charitable fundraising to support some schemes.

Overall Position

Detail	Values			
	15/16	16/17	17/18	18/19
	£m	£m	£m	£m
Income	300.1	301.5	302.9	304.3
Total Expenditure	(287.1)	(284.6)	(284.9)	(285.2)
Post EBITDA Budgets	(14.2)	(15.3)	(15.7)	(16.0)
Surplus / Deficit	(1.2)	1.6	2.3	3.0
Annual CIP Requirement (Included Above)	16.0	18.4	14.4	13.0

- The overall income & expenditure position as part of the base case improves from a £1.2m deficit in 2015/16 to surplus positions in 2016/17 onwards. The Trust recognises that this is a challenging assumption and will implement plans in 2014/15 to provide additional impetus to the furthering of these ambitions as well as keeping these under review as the Vision 2018 health economy process develops.
- Downside conditions have been considered. These include reduced income and the possibility that increases to activity don't transpire. A further downside relating to a shortfall in the delivery of CIP.
- The overall position is dependent on the delivery of CIP, and there are a range of strategic initiatives which will be further explored and developed – as outlined in section 3.
- Based on the overall position outlined for 16/17 – 18/19 and the assumptions applied, the Trust is expected to deliver a risk rating of 3 in the final 3 years of the plan.

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