

Yeovil District Hospital NHS Foundation Trust Operational Plan 2016/17



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Appendix 1 – Board Governance Structure

1. Introduction

In common with the rest of the NHS, the challenges facing Yeovil District Hospital NHS Foundation Trust (YDH) are unprecedented. South Somerset, the primary district which YDH serves, has a much higher proportion of residents aged over 65 (21.6%) than the rest of England (16.3%)¹. This proportion is forecast to increase significantly; population estimates suggest that by 2030 there will have been a 43% increase in those aged over 55, compared to a static working population. Within this increase, the number of people aged over 85 is forecast to increase by 120%.² YDH also delivers services to a smaller proportion of residents in North and West Dorset where the challenges are broadly similar.

The consequences of this are well known – ever increasing demand on health and social care coupled with a static working age population, and difficulties in recruiting sufficient staff to deal with the increasing demand and the complexity of patient conditions. This demographic challenge has been compounded recently by a significant increase in the number of delayed transfers of care. This has put additional pressure on the hospital system. This pressure is being felt across the local health and social care economy and while YDH has a history of excellent performance and sound financial management, the existing, traditional models of care and incentives have led to the underlying deficit position and in some cases have resulted in YDH being unable to deliver the standard of care to which it would aspire.

During late 2014 and early 2015, YDH undertook a deficit diagnostic with the support of Oliver Wyman Consultancy. The Financial Recovery Plan (FRP) that resulted was shared with Monitor as part of their investigation into the Trust's financial position; an investigation which resulted in no formal enforcement action and which recognised that YDH has the right plans and leadership in place to deliver long-term sustainability for the organisation. Consistent with Monitor's deficit driver methodology, it can be seen that the majority of the underlying deficit and operational challenges are caused by strategic drivers - factors which are to an extent under the control of YDH but which require wholesale restructuring and partnership with other stakeholders to resolve. Primary care within South Somerset is also faced with challenges, such as ever increasing workloads and difficulty meeting demand and recruiting GPs. Consequently there is a genuine appetite locally for change and to develop a more sustainable model of care.

This 2016/17 Operational Plan represents the second stage in the implementation of the FRP. Given the strategic nature of the drivers of the current deficit YDH sees the development of the Somerset Sustainability and Transformation Plan (STP) as a real opportunity to work collaboratively to develop a tangible plan to address these issues over the coming 5 years.

Given the strategic nature of the challenge, and following achievement of Vanguard status, YDH has been progressing work with primary care and local partners on the development of radical new models of integrated care, which will deliver a sustainable, high quality health and social care system. These plans are a key element of the Trust's strategic objectives, which are:



¹ Source: Census 2011

² Source: ONS 2008-based population estimates

These four objectives are supported by a number of priorities, the 2016/17 operational impact and deliverables of which are described in more detail throughout this document and which are monitored internally through the Board Assurance Framework (BAF). The Board is fully aware of the challenges facing the organisation but believes that these present a significant opportunity to develop a new role for the hospital as part of an integrated care system, to innovate to deliver improved services in partnership with other organisations both within and outside the NHS and to continue to deliver the highest quality of care to patients.

2. Demand and Capacity Planning and Performance Improvement

Demand and Capacity Planning

YDH has worked with commissioners to agree a robust model to calculate demand estimates for 2016/17. This has been based on a detailed review by specialty and by patient type and calculated using the monthly demand with an adjustment for the impact of any changes to the waiting lists. Growth / contractions have been applied to the baseline by reviewing three year averages and adjusting for known changes. This detailed review was completed with the specialty managers along with a high level review by the directors. Alongside this the managers reviewed the current capacity and any shortfall that needed to be provided.

The Trust continues to work through the more detailed capacity and demand planning using the new national demand and capacity models. The current work plan is that:

- Dedicated demand and capacity work is progressing focussing on orthopaedics, supported by IMAS both internal to the Trust and as part of a wider countywide demand and capacity review being undertaken with Somerset CCG.
- IMAS training has been provided to all Business Managers on their demand and capacity modelling tool and a workshop, facilitated by IMAS, has been arranged to commence demand and capacity modelling across all specialities.

YDH is making the following headline growth assumptions for 2016/17:

Table 1: Headline Growth Assumptions

	Percentage Increase / Decrease
Non elective admissions (excl trauma)	2.4%
Non elective admissions - trauma	5.0%
Elective admissions - ophthalmology	9%
Elective admissions - surgery	7%
Elective admissions - gastroenterology	13%
Elective admissions - neurology	8%
Elective admissions - orthopaedics	2%
Drugs	10%
Maternity	0%
Other	various
A&E attendances	2.4%

These percentage increases reflect assumed growth over and above the underlying demand in 2015/16 and are consistent with growth levels in 2015/16. Fully funding this activity growth together with 2014/15 contractual over-performance, increased drug costs and inflation requires an increase in clinical income in the coming year of £6.3 million.

Our financial and operational plans to achieve our targets are based on the assumption that this activity growth and associated income is agreed. The Trust has been working with commissioners to align our plans and at the time of writing has finalised its contract with Dorset CCG. The contract with our major commissioner, Somerset CCG, has not yet been fully agreed but agreement in principle to move to a Payment by Results (PbR) based contract for 2016/17 has been reached.

Somerset CCG is proposing that the CQUIN framework for 2016/17 move away from the mandated national priorities and focus on more collaborative and interdependent schemes to support the transition to outcomes based commissioning. It is planned that outcome measures will focus on patient centred care and transformational change, with CQUINs shared across all services with shared penalties. The proposed schemes will not be presented in full to providers until the end of February therefore it is difficult to estimate the likely financial impact. The plans do not include any risks or investments for the CQUIN's.

Dorset CCG continues to support the trust in all initiatives to reduce and avoid emergency admissions and supports the development of the frail older persons assessment service (FOPAS) and ambulatory emergency care.

NHS England continues to review specialist services provision by commissioning cost effective treatments from the most capable providers driven by the strategic services review programme. NHS England is focused on reducing unnecessary clinical variation by using evidence based assurance which is underpinned by the clinical utilisation review.

Performance Improvement

The Trust has agreed action plans and trajectories with Somerset CCG, NHS England and Monitor to recover our A&E 4-hour target, 92% 18 week incomplete pathways and 99% diagnostic standards during quarter 1 2016/17. Our capacity plans assume that the Trust will maintain these performance standards post recovery during 2016/17. The move to a payment by results contract supports the potential to flex internal capacity and outsource work should this be necessary to maintain performance.

The trajectories support recovery of the National standards by the following timescales:

- 92% RTT incomplete pathway standard – from April 2016
- 99% diagnostic standard – from April 2016
- A&E 4 hour standard – Performance above 95% standard across Q1 2016/17

The recovery trajectories for each standard have been built taking account of the activity assumptions detailed below. Growth levels above this represent a risk to delivery. In addition, the Trust has set a system-wide target for reducing delayed transfers of care. Delivery of the A&E 4-hour standard trajectory is contingent on action being taken by the wider health and social care system to achieve this target reduction.

Progress against trajectory is reviewed at the Trust's monthly Access and Performance Group meeting with Somerset CCG, NHS England and Monitor.

Bed Capacity Modelling

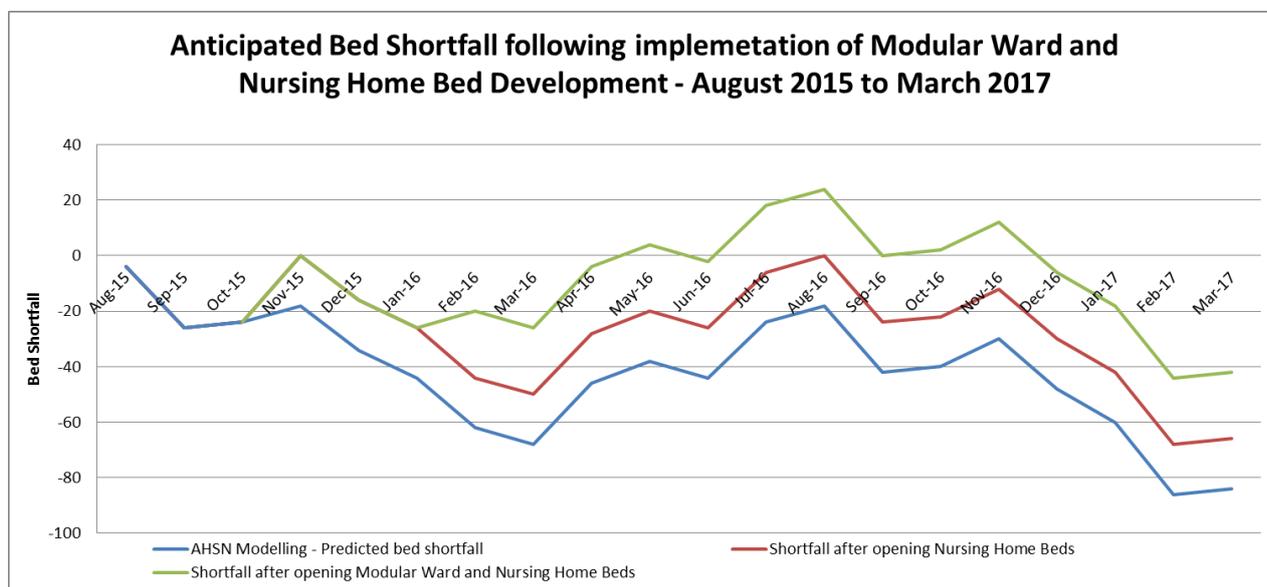
One of the key enablers to YDH delivering the additional work resulting from these activity growth assumptions is bed availability. In early 2015 the Trust undertook a bed modelling exercise supported by the South West Academic Health Science Network (SWAHSN) operational research facility. The modelling demonstrated a significant shortfall in medical beds across the hospital, equating to between 10 and 20 beds in the summer months, rising to circa 50 beds in the winter. The model also forecast the future shortfall given assumptions about demand growth associated with the anticipated demographic changes within the Trust's catchment population. Assuming no change in length of stay the model predicted a shortfall in capacity of between 40 and 60 beds for winter 2015/16. This is offset by a slight

over provision in surgical beds but on a net basis the modelling indicated that the Trust needed to plan for capacity equivalent to circa 40-50 additional beds for Winter 2015/16 to avoid escalation into non-inpatient areas and the cancellation of elective surgery.

The Trust's longer-term vision is to reduce bed demand for acute services through new models of integrated care but in the short to medium term the Board of Directors approved plans to reduce the current capacity gap during 2015/16 through the following schemes which were, in part, supported by funding from the 2015/16 Somerset operational resilience funds:

- The development of an additional 24 bedded medical ward which was completed in early February 2016.
- A partnership with a local nursing home to deliver 18 beds of step-down intermediate care capacity which went live in November 2015.
- The development of a new ambulatory assessment unit which aims to make ambulatory emergency care the default route for assessment, reducing acute admissions and length of stay.

The anticipated impact of these developments, overlaid on the original modelling, is summarised as follows:



The most significant risks to the ongoing delivery of YDH's beds capacity plans during 2016/17 are:

- securing on-going funding for the nursing home development from April 2016 as the continuation of this development is predicated on financial support from either Somerset CCG via the Better Care Fund and/or Adult Social Care. It has been assumed in our financial model that additional funding will be received for this.
- the increasing levels of delayed transfers of care. The model assumes only a modest increase in delays from 2014/15 levels. At February this stands at approximately 10-12% of the Trust's total bed base.

The long term strategy is to mitigate the need to increase the bed base through the delivery of the New Models of Care under development as part of the Symphony Vanguard Programme. Initial results are encouraging, indicating a 40% reduction in emergency admissions and a 30% reduction in length of stay for the target patient cohort (the top 4% of the population who consume 50% of the Health and Social Care resource in South Somerset). This is set out in the Vanguard value proposition for 2016/17 which assumes bed closures at YDH in the longer term will manage the deficit position of the Trust.

3. Quality Planning

Quality Improvement

As demonstrated through its strategic objectives (see the introduction to this document), the top priority for YDH is the provision of high-quality clinical care for its population and excellent patient experience, underpinned by the Trust's iCARE principles:

***i Treating our patients and staff as individuals**

C Effective Communication

A Positive Attitude

R Respect for patients, carers and staff

E Environment conducive to care and recovery

Over the last few years, YDH has undertaken significant work aligned to its quality improvement priorities, including:

- Ensuring that HSMR and SMI have remained constant and within expected limits.
- Maintaining active participation in the regional patient safety collaborative.
- Achieving in-year reductions in hospital acquired pressure ulcers.
- Reducing hospital-acquired infection rates.
- Achieving an overall reduction in the number of patients suffering harm from falling in hospital.
- Developing a local indicator to monitor the patients' experience of discharge and the creation of a 'fit for discharge' ward.

During 2015/16 the Trust also invested £1.9m in a number of schemes that the Board considered vital in ensuring it maintained the quality of care provided to its patients. These included:

- The new ward development
- Safer staffing levels
- Increased junior medical cover
- Midwifery staffing levels
- Infection control

For the next three years, the Board has reviewed the areas of focus for quality improvement and developed a Quality Strategy that incorporates national recommendations, including safe staffing levels, and local priorities that reflect patients' needs. In addition, plans to develop and implement models to provide enhanced seven day services, which will be a key enabler to preventing admissions at weekends and facilitating discharge, will improve the experience for patients.

The Trust has considered and built upon the Quality Strategy (2011-2014) in its deliberations, as well as national reports including recommendations from:

- Report of the Mid Staffordshire NHS Foundation Trust Public Inquiry (Francis, 2013)
- Review into the Quality of Care and Treatment provided by 14 Hospital Trusts in England (Keogh, 2013)
- Promise to Learn – a Commitment to Act: Improving the Safety of Patients in England (Berwick, 2013)
- Review of the NHS Hospitals Complaints System, Putting Patients Back in the Picture (Clywd, 2013)
- Cavendish Report (Cavendish, 2013)
- Safer Staffing Requirements: NICE Safe Staffing SG1 (2014), Safe Midwifery NG4 (2015)
- Morecambe Bay Investigation (Kirkup, 2015)
- regulatory requirements of the Duty of Candour

- Care Act (2015)

Through the revision of the YDH Quality Strategy, seven key aims have been identified which will be the focus of the Trust's quality improvement plans over the next three years:

Aim 1 No preventable deaths.

Aim 2 Deliver continuous reduction in avoidable harm.

Aim 3 Achieve high standards of clinical care in line with best practice.

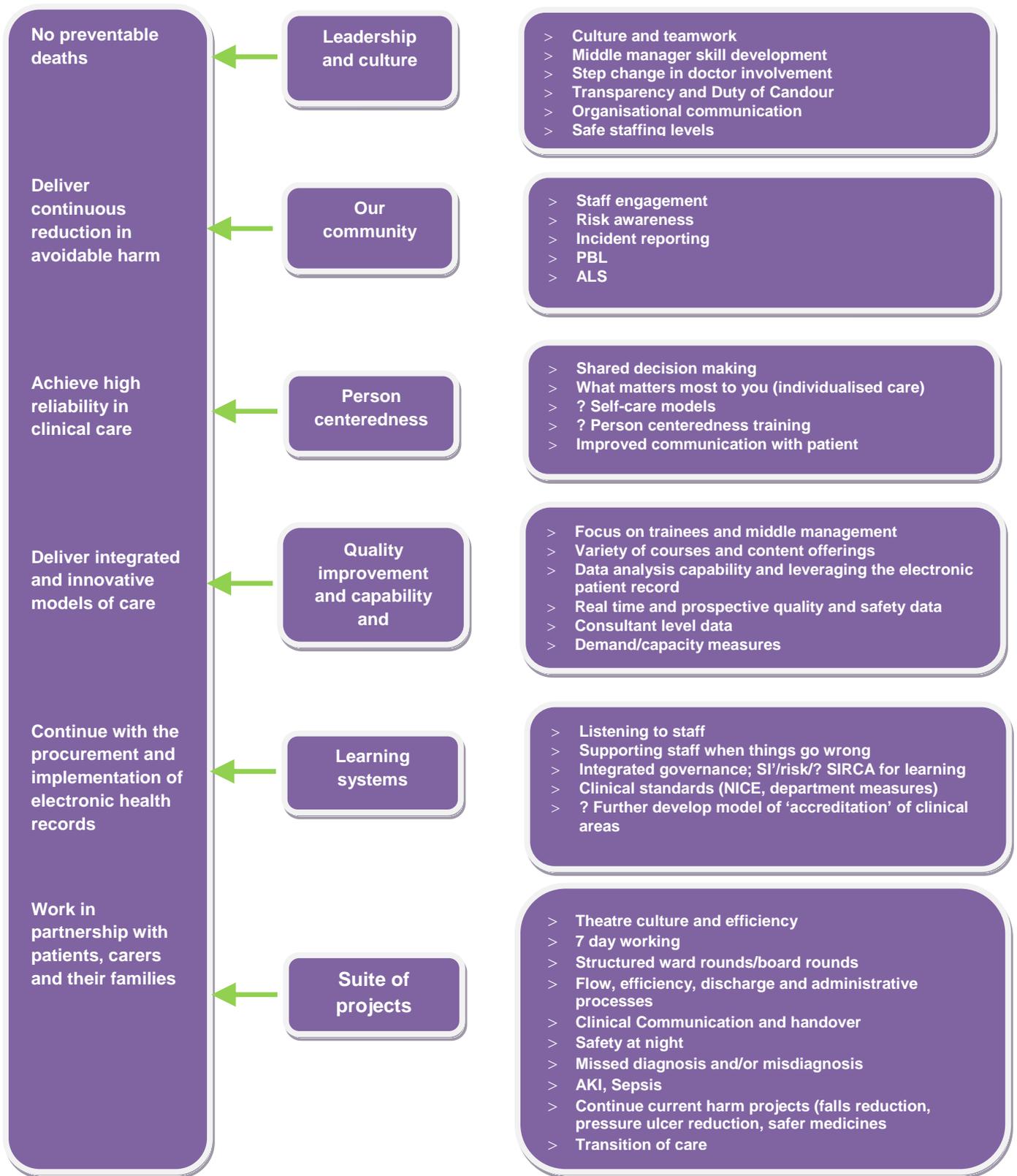
Aim 4 Deliver a reduction in (MRSA and Clostridium difficile) hospital-acquired infections.

Aim 5 Deliver integrated and innovative models of care which support and improve health, wellbeing and independent living via the Symphony Vanguard project.

Aim 6 Deliver implementation of electronic health records and use of IT systems to enhance care delivery for both patients and staff.

Aim 7 Work in partnership with patients, carers and their families to deliver what matters most and meet their needs.

In order to accomplish these ambitious aims, YDH will be developing a far-reaching implementation plan to engage with staff on finding solutions right across the Trust. The following driver diagram summarises the areas of work to be addressed over the next three years.



YDH has joined the Sign up to Safety Campaign and has five pledges:

- Commit to reduce avoidable harm in the NHS by half and make public the goals and plans developed locally.
- Make organisations more resilient to risks, by acting on the feedback from patients and by constantly measuring and monitoring the safety of services.
- Be transparent with people about progress to tackle patient safety issues and support staff to be candid with patients and their families if something goes wrong.
- Take a leading role in supporting local collaborative learning, so that improvements are made across all of the local services that patients use.
- Help people to understand why things go wrong and how to put them right. Give staff the time and support to improve and celebrate the progress.

Seven Day Services

To further improve the quality of services, YDH will continue to develop 24/7 working with a focus on the consistent delivery of the emergency care pathway. A stocktake has been undertaken against the clinical standards set out in the NHS England document - NHS Services, Seven Days a Week Forum, Summary of Initial Findings (December 2013). This has formed the basis of the Trust's development and investment decisions in support of the move to seven day working. The following internal developments have been implemented to date:

- 7-day PALS and bereavement service.
- Consultant physicians on-site at weekends for 12 hours (8am-8pm) to lead the acute take.
- 7-day diagnostic service - plain film, ultrasound and CT.
- 7-day discharge team.
- Strengthening of medical rotas in the emergency department to increase senior cover across the 24/7 period.
- Additional medical SHOs to provide enhanced ward cover, particularly at weekends and in the early evening.
- Specialist nursing cover for stroke at weekends.
- Advanced practitioner service at weekends to support junior doctors.
- A targeted 7-day therapy service.
- 7-day acute oncology service.
- 7-day critical care outreach with night cover on Friday, Saturday and Sunday.
- Duty manager on site at weekends.

Taking account of the Academy of Medical Royal Colleges' 2014 report, "guidance for taking responsibility - accountable clinicians and informed patients", inpatients at YDH have a named consultant assigned to their care and the Trust is continuing to enhance its processes with seven day consultant cover, the implementation of Schwartz rounds and the recruitment of more acute physicians.

Quality Governance and Risks to Quality Delivery

YDH will use the following ways to measure progress and ensure the Quality Strategy is delivering the desired outcomes:

- Quantified annual goals to be agreed by the Governance Assurance Committee, which will also monitor delivery.
- Quality indicators – performance against key quality indicators will be tracked in a variety of ways: by the Strategic Business Unit Boards, by the Governance Assurance Committee through the quality dashboard, and by the Trust Board through the monthly quality and operational performance report.
- Process metrics and tasks will be tracked at granular level by the Patient Safety Steering Group and at higher level by the EIAC and Trust Board through quarterly reporting against the Trust's annual business objectives.

- Quality Strategy will be reviewed annually to inform the Quality Accounts, revisit progress and to ensure that aims remain relevant in a rapidly changing environment.
- Local indicator for the Quality Accounts is selected by the Council of Governors and monitored by them on a quarterly basis alongside quality and patient safety updates from the Director of Nursing.

YDH is committed to enabling staff to contribute to a safe working environment and practices, and to encouraging all staff to raise concerns whenever and wherever they occur. The Trust realises the importance of learning lessons from problems that have occurred. Whenever an incident is reported in the hospital a thorough investigation is carried out and reports are made outlining areas for improvement. This information is shared with all grades of staff at a quarterly Trust-wide meeting. Our approach to the Safety Thermometer encourages peer-to-peer learning and support, to drive quality and safety improvement. Staff can raise concerns and report incidents via an online staff portal. The Director of Nursing and Clinical Governance, is the named Executive lead for quality on the Trust Board.

The Trust's Governance Structure (Appendix 1) ensures ward-to-board reporting, as shown at Appendix 1. The Quality Committee maintains oversight of the systems for delivering assurance on compliance with all CQC standards related to quality and for monitoring implementation of governance systems at an operational level. Additionally, and in line with the CQC well-led elements, YDH has robust risk management processes in place. The corporate risk register, which is formed from the risks which are identified and managed at an operational level, and the Board Assurance Framework are reviewed in detail at the Trust Board on a quarterly basis with a focus on those risks which may have an impact on the quality and safety of patient care. The Board Assurance Framework identifies those risks which may impact delivery of the Trust's strategic objectives. The Trust's CIP plans are developed in conjunction with operational teams and reviewed by the hospital effectiveness group which includes executive level clinical representation. In doing so, they quality assess the plans, further assurance on which is provided when the plans are discussed by the executive directors and approved by the full Board as part of the budget setting process.

We all recognise that healthcare carries some risk and while everyone working in the NHS works hard every day to reduce this risk, harm still happens. Whenever possible, we must do all we can to deliver harm free care for every patient, every time, everywhere. We must be open with our patients and colleagues about the potential for things to go wrong and for people to get hurt, and most of all, we must continuously learn from what happens in order to improve. This is a key message at YDH.

The challenges and risks described in the introduction also comprise the key risks to delivery of the Trust's Quality Strategy, the longer term mitigation plans of which are detailed in the link to the emerging sustainability and transformation plan section of this document. In addition, YDH will develop and implement improvement plans required as a result of feedback from the CQC inspection which took place in March 2016, the report from which is expected to be published in May/June 2016. Initial feedback highlighted numerous examples of good quality care provided at, acknowledging the significant operational pressures the Trust is under, particularly in the emergency department (A&E). As a result of the initial feedback from the CQC, the Trust has taken a decision to increase nurse staffing levels in A&E. This represents additional investment over the original plan of £429k.

4. Workforce Planning

We are a leading NHS 'Vanguard' organisation, at the forefront in the development of new models of care seeking to refine the role of a district general hospital working in partnership with local GPs together with community care and social care. The partnership has a radical plan to form a new accountable care organisation to manage the health budget in South Somerset.

Success depends on us not only having the right workforce numbers, but attracting and retaining the highest calibre people, ensuring they have the right skills, and are working in the right place. Robust workforce planning with clinical engagement is therefore essential, and although we are only 3 years into our 5 year workforce plan, we are undertaking a reassessment of all of our workforce needs. This is being done through a bottom-up approach working with clinical managers, business managers and HR Business Partners.

Our approach to workforce planning is to:

- understand our workforce profile
- forecast the required changes in our workforce
- identify key areas of risk associated with the workforce
- prevent staffing crises and shortfalls in service
- make the best use of current staff and minimise redundancies
- encourage working across service areas and multi professional boundaries

Workforce plans are reviewed and monitored by the Workforce Committee, a sub-committee of the Board, which meets monthly and is chaired by a Non-executive Director. A key focus of the Committee is to ensure workforce plans are linked to our strategy, which comprises of the following:

- expansion of the complex care model to 1,500 patients across 3 care hubs
- implementation of the enhanced primary care model
- establishment of the joint venture capable of holding an outcomes-based capitated contract procurement of a partner to develop systematised surgery
- establishment of the transitional care work programme

Over the last year the Trust has worked hard to reduce the use of agency staff. Following a successful overseas nurse recruitment campaign the hospital is now fully staffed. The new nurses are in the process of completing orientation and sign off and are increasingly able to work within the ward rotas. Recruitment to maintain numbers continues building on recent successful nurse recruitment campaigns in Italy, Spain and India. The Trust anticipates that this activity will have a significant impact on the volume of temporary staff required during 2016/17.

Agency staffing

The Trust has completed a stocktake of best practice against the Monitor Toolkit and agency use and spend are monitored by the Executive team on a weekly basis. YDH is committed to driving down agency rates and have a strategy via our commercial team to reduce the rates that the Trust pays to individual agencies.

As well as overseas recruitment the Trust implemented a number of other initiatives during 2015/16, such as 'refer a friend' scheme. We are also introducing a 'bank incentive scheme' with the aim that where temporary staff are required this is as far as possible filled by our own people.

To help us develop robust workforce plans YDH has introduced e-rostering within nursing areas. This is currently being rolled out to other clinical and non-clinical areas with the plan that this will be completed by the end of March 2017. Implementation will improve the monitoring of sickness absence, annual leave and the utilisation of contracted hours.

The Trust has fully engaged with the Monitor workforce improvement team and has agreed an eight week package of support from them. This is currently underway. The Trust has strengthened processes for the management and authorisation of agency staffing. A full action plan for reducing reliance on agency nurse staffing and building the Trust's internal bank has been developed. In addition, the non-clinical and medical posts are reviewed weekly and plans have been put in place which aim to reduce agency spend in these two areas over Q1 2016/17 through permanent recruitment into posts and renegotiation with agencies of rates within the cap levels.

Workforce assurance

YDH is an active member of our Local Education and Training Board (LETB) and is working with them to support the development of our new 'key worker' care roles. These roles focus on building supportive

relationships with the patient and carer, acting as health coaches where required, and providing day to day contact with the patient. These new roles will help us provide improved care for patients and a new career pathway for HCAs which helps us attract and retain non-registered healthcare professionals to the local health community.

To ensure there is the triangulation of quality and safety metrics, workforce assurance reports are submitted monthly to the Board and reviewed in detail by the Workforce Committee. These not only include KPIs such as mandatory training compliance, sickness, appraisal, turnover, and reasons for leaving, but also vacancies, staffing ratios, 'friends and family test' results, PALS referrals, complaints and staff grievances. These provide a comprehensive risk assessment by ward area and make it easy to understand and assess quality and safety within the Trust.

5. Financial Planning

Budget 2016/17

The financial budget for 2016/17 is a deficit of £15.3m and has been set to reflect the strategic direction of the Trust whilst also recognising the cost pressures that have been incurred in 2015/16. This budget deficit is in line with NHS Improvements control total. A summary of all the movements from the forecast outturn in 2015/16 to the 2016/17 budget are shown below:

Table 2 Summary of movements from 2015/16 forecast outturn to 2016/17 forecast outturn

Description	£'m
Forecast 2015/16 outturn	(18.4)
Reversal of prior year non recurrent items	(1.2)
National cost pressures	(2.5)
Cost Improvement and Revenue Generation schemes	8.0
Capacity Pressures	(0.9)
Investments – Safety & quality	(1.5)
Investments – Other	(2.3)
Other including depreciation & loan interest	(1.0)
Sustainability & Transformation funding	4.5
Forecast 2016/17 outturn	(15.3)

The key points to note are that the financial plan is based on the following assumptions:

- NHS income growth of £6.3m – which includes Somerset CCG £4.6m (assumes transitional support in baseline), Dorset CCG £0.7m, Specialist Commissioning (excluding high cost drugs) £0.5m, £4.5m is planned for from the Sustainability and Transformation fund.
- Assumes Vanguard income of £3.5m which is offset by costs of £3.5m.
- Pay award of 1% from 1 April 2016 for all staff groups

Investments reflect the decision of the Board to continually enable the improvement of high quality, safe patient services. They are aligned to YDH's strategic plans and include revenue costs to support the implementation of an electronic health record and the move to new models of care in South Somerset.

Cash

As a consequence of our deficit budget during 2016/17 the Trust will require short term financial support in the way of loans from the Department of Health. Our plan is based on the following assumptions

- Amortising loan (capital expenditure) - £3.2m
- Non Amortising Loan (revenue) - £15.3m.

Scenarios

The Trust has modelled upside and downside scenarios which give a sensitised planned deficit of £17.8m. This is based on the assumption that all of the opportunities of £2.0m are achieved and all of the downside scenarios of £4.5m also happen. There is a further risk to the full achievement of £4.5m STF funding which is conditional on meeting performance targets in particular RTT.

A summary of the opportunities and risks is shown below:

Table 3 Summary of opportunities and risk

Description	Opportunities (£'m)	Risks (£'m)
Reduce medical agency costs	1.1	
Redesign out-patients services	0.3	
Improve patient flow	0.7	
Opening escalation beds		(1.0)
Agency rates not reduced		(0.3)
CCG income reduced		(3.2)
Total	2.0	(4.5)

Summary of Cost Improvement Plans (CIP)

The Trust is fully engaged with the Lord Carter productivity work programme which aligns to the Trust's work programme from the detailed deficit diagnostic work that was completed in early 2015. Following this deficit diagnostic the Trust has a number of work-streams in progress will help support some of the savings which were identified in the initial productivity programme. These work streams include theatre efficiencies; collaboration in developing new models of service provision e.g. shared surgical rotas.

The South Somerset Symphony Project will also support us in achieving some of the efficiency savings identified in the productivity & efficiency review.

In setting the CIP plans for 2016/17, the Board has been clear that it must set realistic targets that do not detrimentally impact the safety and/or quality of care. The Board also acknowledged that there is limited scope to make further operational efficiencies without transformational system-wide change. Alongside this are the transformational savings that will be achieved as part of the Trust's new models of care strategy. It is planned that these cost reductions will start to be realised in 2016/17.

The Trust recognises that we still need to continue to reduce the reliance on agency staffing with a focus on nursing and medical staff. As previously mentioned this is being progressed with a focussed effort on recruitment, increasing the bank uptake, reducing the need for agency staff and reducing the agency hourly rate.

The cost improvement plans have been based on a realistic but stretched target and include work-streams identified as part of the recent deficit diagnostic work that the Trust has undertaken. The overall CIP plan including revenue generation is £8.0m which is 5.8% as opposed to the 2.0% included in the tariff. The following table details the schemes planned for 2016/17:

Table 4 Summary of Cost Improvement Projects

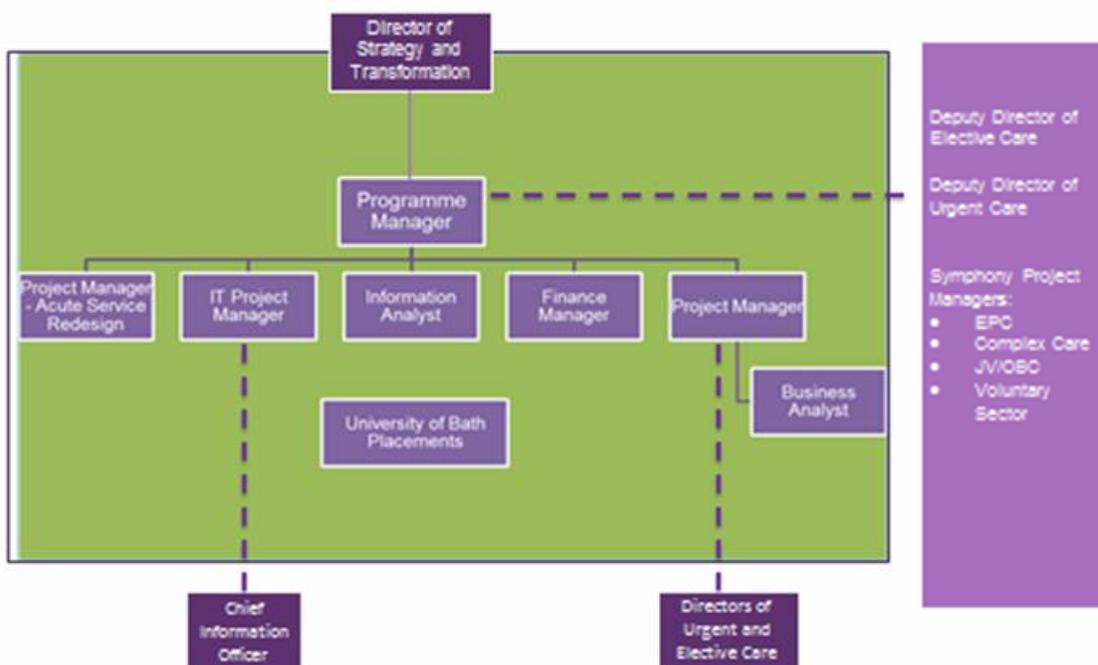
Project	Annual Plan 2016/17 £m	Risk Rating
Efficiencies – improving throughput	1.000	Medium
Reduction on nursing agency	1.083	Medium
Procurement	0.200	Low
Reduced length of stay	0.719	High
Other	0.971	Medium
Revenue generation	2.291	Medium
Workforce Savings	1.722	Medium
Total	7.986	

Hospital Transformation

In recognition of the interdependencies between the delivery of the outcomes of the Symphony Vanguard New Models of Care Programme and the Hospital Transformation, the Trust is putting in place a strengthened Programme Management Structure. This integrates the Symphony Programme with the Trust's Hospital Effectiveness and 2016/17 CIP delivery work under a single Programme Management Office led by the Director of Strategy and Transformation. The PMO structure is outlined below and will be responsible for:

- Ensuring that the benefits assumed from the Symphony Vanguard New Models of Care are quantified and realised.
- Overseeing the internal hospital cost improvement and effectiveness programme.
- Taking forward an ambitious strategic programme to develop a new model of care for a small rural district general hospital.

Revised PMO Structure:



Recruitment to key posts is underway and it is anticipated that the new PMO will be fully function from the beginning of May 2016. A key role of the new PMO is to ensure that there is a strong operational grip on the planning, monitoring and delivery of the Trusts internal CIP's as well as ensuring delivery of the longer term benefits of the Trust's New Care models work.

Following a visit from the Monitor team as part of the operational plan review process the Trust reviewed its CIP target for 2016/17 to reflect income generation and other savings opportunities. This has increased the total CIP from 4.1% to 5.8%. The Trust is using the suggested Monitor 'grip and control' template, as part of the PMO, to identify any additional opportunities for in year savings. The initial focus will be on workforce efficiencies.

The Trust considered the Monitor offer of consultancy support to deliver a tangible return on investment during 2016/17. After careful consideration the Trust decided not to put itself forward for this. Following the deficit diagnostic work undertaken by Oliver Wyman Consultancy last year and the subsequent support in recent months from Monitor, the Trust feels that it has a good understanding of the areas of focus for improvement. Our focus during 2016/17 is on the delivery of these. We have, however, expressed an interest in learning from the work being undertaken elsewhere.

Capital Investment

£10.4million was invested in capital developments in 2015/16, which included £0.8 million spent on medical equipment and upgrading radiology equipment, £3.3 million on enhancing the quality of the buildings and estate, £3.5m on the provision of a new ward and £1.9 million on the Trust's electronic health record system (TrakCare) implementation.

Following feedback from Monitor on the draft version of this document, the Trust has reviewed its capital plans (as part of the budget setting process) and concluded that all schemes are essential to maintain the quality of patient services. The capital programme for 2016/17 support the Trust's clinical strategy and has been prioritised to focus funding on investment of greatest need to ensure appropriate levels of patient safety are maintained and efficiency improvements can be realised. The focus is to maintain the current levels of quality and safety by replacing end of life equipment and refurbishing key clinical areas to provide the necessary levels of quality and safety for patients. The programme also continues the investment into the Trust's new TrakCare system to provide improved safety and efficient working practices. As part of the original TrakCare business case, a detailed benefits realisation plan was produced setting out the cash and non-cash releasing benefits which has continually evolved to ensure the expected impacts of implementation are reflected within the Trust's overall improvement trajectories (financial and non-financial).

The capital programme for 2016/17 is planned to be £7.4 million including investment funded from donated funds and supports the Trust's strategic agenda to develop new models of care and deliver a sustainable, high quality health and social care system for the local population. The 2016/17 capital programme includes continued investment into radiology and medical equipment (£1.3m) and improving the estate (£2.5m) including the completion of the Special Care Baby Unit programme, replacement of aged electrical systems and development of clinical areas. Major project investment is seen within the Trust's Trakcare implementation of an electronic health records system (£2.1m for 2016/17) which is planned to be completed and fully operational by March 2017.

Procurement

The Trust is developing its procurement service with the objective of achieving the necessary quality and certainty in products and services at the lowest cost in a sustainable manner. The Trust employs numerous activities and actions to achieve this including:

- Increased use of key national frameworks including Procure 21+ and Crown Commercial Services frameworks. Procurement processes require appropriate frameworks to be considered at the outset of any procurement exercise.

- The Trust is a party to the Peninsular Purchasing and Supply Alliance (PPSA) which undertakes collaborative procurement activity on behalf of 16 NHS organisations in the south west.
- The Trust is working on enhancing its benchmarking ability through the implementation of a new system during 2016.
- The Trust is embarking on an exercise to review and tighten its electronic procurement catalogues to further standardise products and services procured.
- The Trust fully engages with national initiatives (i.e. Lord Carter review) such as sharing data on the top 100 non-pay products.

Risk Rating

The risk rating for YDH across all the four quarters for 2016/17 is planned to be 2.

6. Links to the Emerging Sustainability and Transformation Plan

Outcome Based Commissioning

Somerset CCG and Somerset County Council have set out an ambitious plan to move towards outcome based commissioning across Somerset during 2016/17 with the aim of issuing a whole population, capitated, outcome based contract from April 2019. This will form a key theme within the local Sustainability and Transformation Plan. The commissioners' vision is that this will generate an increased focus on a person-centred approach to health and social care provision in order to improve outcomes and ensure the financial sustainability of the health and social care economy.

The CCG is running a 'most capable provider' process during 2016/17 on the basis that the outcome based contract will be issued in 'two lots' and the countywide transformation footprint aligns and supports this. YDH intends to play a full and active part in this.

YDH considers the move to an outcome based contract as a key enabler to the work that we have been undertaking over the last three years as one of the nine National Primary and Acute Care (PACS) Vanguard sites. The new commissioning arrangements:

- Provide increased emphasis on 'prevention' to avoid future health needs.
- Incentivise service development to promote long term health benefit rather than short term treatment.
- Support independence and self-management of health.
- Increase integration between providers.
- Ensure greater integrated commissioning of health and social care.

Symphony Vanguard Programme

Building on the work to date, the learning, organisational structures and new Care Models being implemented through the Symphony Vanguard Programme will be at the heart of the Somerset Sustainability and Transformation Plan.

In South Somerset the development of radical new models of care with local partners is being facilitated by a joint venture with primary care. The aim is to deliver a sustainable, high quality health and social care system for the rural population which it serves. As part of the Outcome Based Commissioning process consideration will be given as to how this can be rolled out to the Mendip population to provide consistency across the 'eastern lot'. The South Somerset Symphony joint venture, of which YDH is a major stakeholder, is in a very strong position to make these plans a reality. The plan for 2016/17 is:

- To complete the roll out of the complex care model to provide intensive support to people with multiple conditions through 3 hubs (the first of which opened during 2014/15), through senior medical input, care coordination, a single personalised care plan and support for patients to manage

their own conditions. The initial high level results have been encouraging with a 40% reduction in emergency admissions and a 30% reduction in acute emergency length of stay being evident for the target population. The challenge for 2016/17 is to complete the roll out of this model to cover the 1,500 population cohort originally identified.

- To continue to work with local GP practices to roll out the model of enhanced primary care - helping GP practices to offer greater support for people with less complex conditions through health coaching and other innovative approaches.
- To complete the establishment of the Symphony Operating Company, which will be a vehicle that is able to deliver services and hold primary care contracts. In addition, the Symphony joint venture partnership will be established. This will be a vehicle which is able to hold a single capitated budget and shift resources to where they are required to enable the new care models to be successful.

Yeovil District Hospital Sustainability and Transformation Plan

As set out in the introduction to this document and in common with many acute providers YDH is experiencing year on year increases in demand and an associated financial pressure. During 2015/16 the Trust developed a fully worked up financial recovery plan (FRP) which was accepted by NHS England and Monitor as the basis of its longer term (3-5 year) sustainability plan. This 2016/17 Operational Plan reflects the second step in the delivery of the FRP. Central to this case were a set of assumptions as to the impact of the new Symphony care models on the hospital and also a series of hospital focussed improvements which aim to balance clinical quality and cost effectiveness:

- The Trust is part way through a procurement process for an elective care partner. This partnership aims to facilitate a radical redesign of daycase surgical services through the implementation of a systematised surgery approach - a highly efficient model which achieves outstanding quality at reduced cost through a new approach to planning and process management of surgery.
- A key component of the Somerset STP is a service by service review of acute service provision within the county. The Trust has a track record of success in developing networked services - working with neighbouring acute trusts in Dorchester and Taunton, and with the private sector, to configure services in order to address increasing demand and to share staff and resources across sites. A set of initial priorities have been agreed through the STP, which includes the development of a new MSK pathway. Working with Taunton and Somerset NHS Foundation Trust, a structured service by service review will be undertaken during Q3 of 2016/17 to identify the priority services for the development of new models of care delivery.
- The Trust has developed, in partnership with a local nursing home and domiciliary care provider, a new approach to transitional care for patients who do not need an acute hospital bed but need some intensive support for a defined period.

A key part of the Sustainability and Transformation plan will be a significant increase in the momentum of this hospital redesign activity as a response to this proposed increase in demand and in order to release funds from within the system for reinvestment to support the Symphony care models and a greater focus on prevention.

The Trust recognises that there is a need for a radical programme of redesign that touches every part of our hospital, much of which will take the life of the Sustainability and Transformation plan to achieve. Initial priorities for the Trust are as follows:

- To develop a new partnership model for the management of patients who are medically fit for discharge from the acute hospital.
- To develop a new model of outpatients, utilising digital technology and aligning with the new Symphony care models.
- To develop further options for the networking of services including dermatology and acute surgery.
- A core service review to identify whether there are alternative, lower cost models that maintain provision to the local population.

To support this, the Trust reviewed its strategy during 2015/16 to position itself as a UK leader in developing new models of care. The new strategy is summarised in the introduction.

7. Membership and Elections

Anyone aged 14 and over that lives in England may become a member of YDH, subject to a small number of exclusions. The public constituency is divided into six areas, five of which cover core wards and districts served by the hospital across Dorset and Somerset. The sixth constituency (rest of Somerset and England) acknowledges the interest of members from a wider catchment area.

Staff are now recruited on an opt-out basis meaning they are automatically enrolled as members if they are substantively employed by YDH. A system is in place whereby leavers are identified so the membership database can be updated. Staff that leave but wish to remain a member are transferred to a public constituency.

The Council of Governors meets quarterly and comprises 13 elected public governors, 5 elected staff governors and 5 appointed governors from partner organisations. The 13 public governors are elected by YDH's members. The 5 staff governors are elected by staff and all elected governors (public and staff) are usually appointed for 3 year terms. There is no time limitation for appointed members.

During 2015/16, and continuing into 2016/17, an internal quality assurance assessment of membership data is taking place to promote accuracy, remove duplicate records and resolve any other inconsistencies.

Governor Elections

Constituency	Number of Elections			
	2013	2014*	2015	Planned Elections 2016
Public – Greater Yeovil		2	1	
Public - South Somerset – South & West	1	2		1
Public - South Somerset – North & East		2	1	
Public - Dorset	1		1	1
Public - Mendip		1		
Public - Rest of England	1	1		
Staff	1	3	2	2
Total	4	11	5	4

*There were governor elections in the public constituencies in the spring and summer of 2014.

Membership Strategy

YDH recognises the importance of having a strong and representative membership. With over 8,000 public members, the Trust has access to an extensive community of users and supporters. The aim during the coming year is to maintain those numbers, to improve the quality of engagement with them and to recruit younger members and those from local black, minority and ethnic communities.

There is a Membership and Communications Working Group of the Council of Governors which was established to set and evaluate strategic priorities in relation to membership and to review and arrange recruitment opportunities and activities including attending local events within the community. The Working Group comprises public and staff governors and reports to the Council of Governors.

YDH regularly holds member events, produces marketing and publicity material and distributes a hospital newsletter to all members either in hard copy form or by email. Governors undertake opportunistic recruitment and communication within their communities. The Trust is also in contact with Yeovil College to increase engagement with young people through the creation of a young person's ambassador role. Governors have been supported to attend neighbouring NHS organisations' Council of Governors meetings and Governing Body meetings to develop their knowledge of the overall healthcare system within Somerset and Dorset so they feel more confident when speaking with members of their constituencies.

YDH BOARD GOVERNANCE STRUCTURE

