

# Yeovil District Hospital NHS Foundation Trust Operational Plan 2017/18 – 2018/19



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## 1. BACKGROUND

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%)<sup>1</sup>. 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%.<sup>2</sup> YDH also delivers services to a smaller proportion of residents in North and West Dorset where the challenges are broadly similar. The Trust's catchment population is broadly split 80% from Somerset and 20% from Dorset.

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 exercise supported by Oliver Wyman Consultancy. The Financial Recovery Plan (FRP) that resulted has been shared and reviewed in detail by NHS Improvement as part of their subsequent investigations into the Trust's financial position. Consistent with NHS Improvement'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 and 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 has been the key focus of the PACS Vanguard 'Symphony' Programme over the past three years.

## 2. KEY FEATURES OF OUR OPERATIONAL PLAN

This Operational Plan covers the period 2017/18 and 2018/19 and represents the next stage in the implementation of the Trust's Financial Recovery Plan. The Trust has a track record of delivery having achieved its planned budget in 2015/16. It is also on target to deliver this again during 2016/17. This has been coupled with sustained improvement in performance against the ED four-hour target where the Trust is consistently delivering some of the strongest performance across the NHS.

There has also been significant progress in recovery of the RTT target despite some system-wide challenges particularly related to the Somerset MSK pathway, Oral Surgery and Dermatology. Assuming that changes to these pathways are delivered system-wide the Trust has a trajectory that sees it achieving the 92% standard from January 2017.

Given the strategic nature of the drivers of the current deficit YDH has been working with Partners in Somerset to develop the Somerset Sustainability and Transformation Plan (STP). Key to this has been sharing the learning from the South Somerset Vanguard programme and associated new care models across the county together with the move to an Accountable Care System holding an outcome based contract.

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<sup>1</sup> Source: Census 2011

<sup>2</sup> Source: ONS 2008-based population estimates

During 2016/17 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. Significant progress has been made; key highlights of which are:

- The establishment of Symphony Healthcare Services which has seen the integration of three South Somerset GP practices to date, with another nine undergoing the due diligence process, three of whom are anticipated to be integrated by the end of 2016.
- Roll out of the new complex care and enhanced primary care models with over 3,600 patients having been touched by one of these models. Evidence suggests that this is starting to have a tangible impact on acute demand as evidenced by the new Symphony operational dashboards.
- The establishment of DayCase UK, a joint venture between YDH and Ambulatory Surgery International (a major international provider of daycase surgery) to take forward our vision of developing a new model of 'systematised' surgery. Work has commenced to deliver efficiencies within the existing day surgery footprint.
- The development of a number of innovative partnerships with commercial organisations which are helping the Trust to realise its strategic ambitions.
- Commitment by Somerset CCG to issue an outcome based contract for South Somerset in 2017/2018 which supports our journey to become an Accountable Care Organisation (ACO).
- Key enhancements to the Trust's physical infrastructure, including the development of a new multi-storey car park which will open in February 2017.

The Board of Directors has reviewed and confirmed agreement of the proposed control total for 2017/18 which is £17.4m, prior to £4.3m of Sustainability and Transformation Funding (STF). Accepting this control total requires the Trust, as well as continuing to focus on the system-wide changes identified in the original FRP, to deliver an ambitious CIP next year of £8.7m (6.4% of turnover). This is acknowledged as a significant stretch and will require a radical redesign of the way we deliver services within the hospital.

The Board has discussed this and we are confident in our capability and capacity to deliver this level of savings which is similar to the CIP level that the Trust is on track to deliver during 2016/17.

Delivery of the 2017/18 control total requires the delivery of an £8.7m CIP. The detail of this is being worked up and will be available in more detail in early 2017 but the key features are as follows:

- A process of clinician-led review of each service to establish where costs can be reduced and whether services can continue to run in their current form. This programme has the title 'Project Reset' and will be led by the Medical Director with an Executive team supporting this made up of the Chief Finance Officer, Director of Elective Care, Director of Urgent Care and Director of Strategy and Transformation. The programme builds learning from the work undertaken at Bolton NHS Foundation Trust, with whom the Trust has made links during 2016/17. The Trust's Programme Management Office will oversee the project with project management, data analysis and financial expertise. We will also bring in GPs to work alongside hospital clinicians to maximise the opportunity to move care out of the hospital and exploit the opportunities we have of the Symphony programme.

- As part of Project Reset we will also look at how we transform the business model of the hospital to drive efficiencies particularly in our processes. The use of digital technology has a real opportunity to reduce our transaction costs and in particular how we deliver outpatient activity. Our Chief Information Officer and Commercial Director will work with the operational Directors to review how we can shift as much of this work to a digital platform as well as ensuring patients are, wherever possible, encouraged to manage their own condition supported as required by professionals.
- We will continue to review our staff costs as part of our workforce review and look to undertake a further workforce reduction. The workforce reduction programme this year delivered £2.2m of recurrent savings and we will need to look for a similar level of reductions into next year. We will also continue to deliver further reductions in agency spend building on the significant progress made in 2016/17.
- We have already begun our 'Y5ave' campaign to encourage all staff to look at how they could make small savings in their daily work and this will continue to build a culture where staff are constantly seeking opportunities for efficiencies.
- We will review referral activity from GP practices to YDH to understand where there has been growth in activity in both non-elective and elective specialties and work with the GP practices to understand the reasons for this and how this demand could be managed in a different way, ideally outside the acute hospital setting.
- We will commission further nursing home beds through a partnership with local nursing home and domiciliary care providers to support a further reduction in DTOCs. This will enable us to close bed capacity in YDH and support our CIP programme.

### **3. ACTIVITY PLANNING**

The Trust's activity planning assumptions for 2017/18 – 2018/19 have built on the foundations and processes undertaken in 2016/17. These have been directly influenced by the demand and capacity events facilitated by NHS England which were attended earlier, in addition to building on the works in partnership with IMAS and the IMAS modelling tool to further understand the demand and capacity for each individual specialty area.

The demand and capacity work has been coupled with detailed reviews by specialty managers to account for waiting list movements, referral increase/decrease impacts and any known variants due in year, e.g. cancer campaigns, in order that any potential shortfalls are highlighted and risk assessed.

Throughout 2016/17, considerable work has been undertaken in collaboration with commissioners to understand demand and the subsequent activity and capacity required to deliver the operational standards across the trust, notably the achievement of A&E, RTT, cancer and diagnosis standards. This has resulted in developed plans which are well informed and widely understood.

The Trust's use of independent sector capacity to deliver commissioned activity arises as a result of unidentified, short notice or unplanned events, e.g. workforce strikes and changes in commissioned pathways, and therefore activity plans are reflective of activity which is deliverable. The activity assumptions which form the basis of discussions with commissioners are reflected below; these are broken down into a more granular figure than the growth assumptions captured within the national planning guidance under which the Sustainability and Transformation Plans (STP) were originally based.

Planning for 2017/18 has been built on the assumptions underpinning the 2016/17 plan. For 2018/19 the headline STP planning growth level of 2.8% has been assumed.

**Table 1: Headline Growth Assumptions**

Point of Delivery	2017/18	2018/19
Total Referrals	2.6%	2.6%
Consultant led First Outpatient attendances	2.4%	2.6%
Consultant led follow up outpatient attendances	6.0%	2.6%
Total elective admissions spells (ordinary admissions and day cases)	0.5%	2.6%
Total non-elective admissions	6.8%	2.6%
Total A&E attendances excluding planned follow ups	3.7%	2.6%

The Trust's working assumption is that it will agree a payment by results based contract with Somerset and Dorset CCG for 2017/18 and 2018/19.

#### **4. QUALITY IMPROVEMENT**

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**

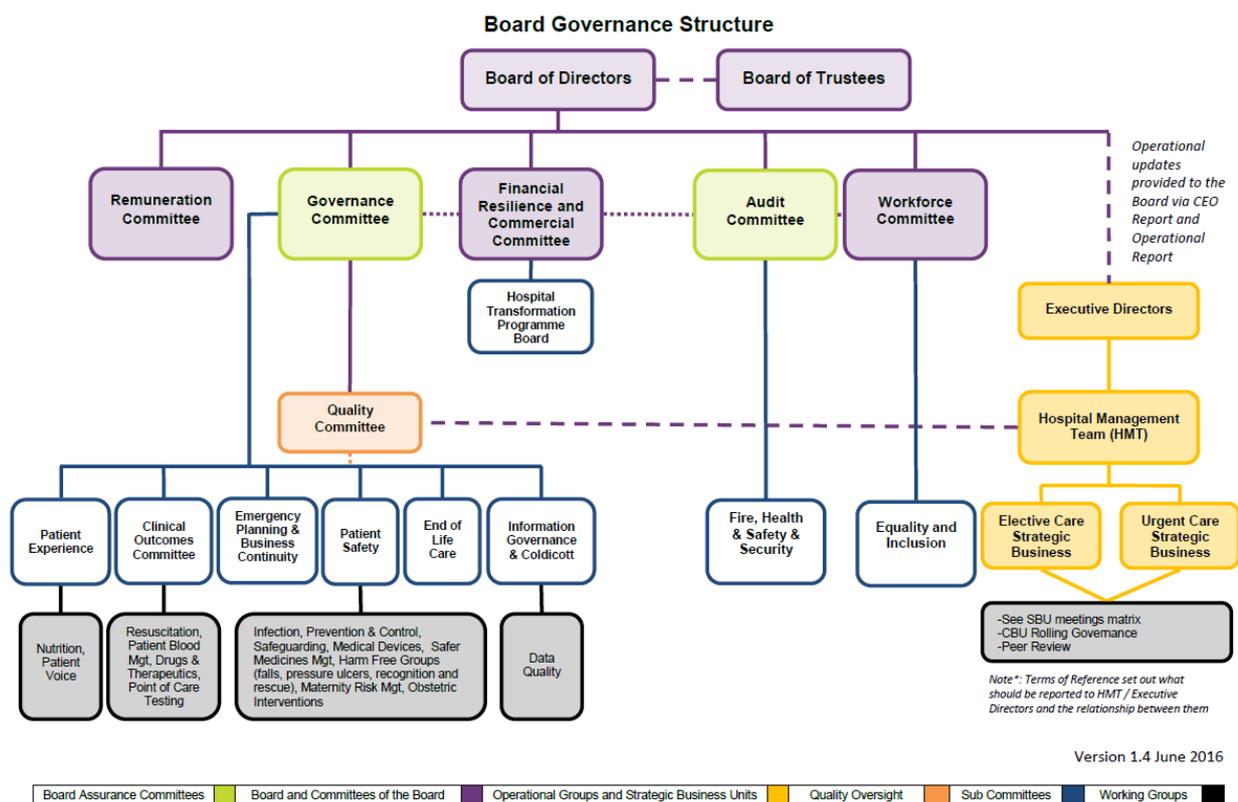
##### **E Environment conducive to care and recovery**

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

- Ensuring that mortality indicators have remained constant and within expected limits.
- Maintaining active participation in patient safety and quality improvement collaborations.
- 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 new care models to support the efficient assessment and transfer of patient who are 'fit for discharge'. For 2017/18 a key priority is to develop a new Discharge to Assess model to support a reduction in the Trust's bed base.
- Improving the day to day management of the hospital site to ensure that hospital 'flow' is optimised.
- Investing in our specialist team for Dementia and Older People.
- Increasing junior medical cover and improved clinical support out of hours, seven days a week.

The Trust has begun to embed the Institute of Health Improvement Quality Improvement methodology within its change process. Rapid test of change cycles are used as a way of delivering and evaluating change. This approach is being formalised as a key strand in our change management strategy which has been developed through our newly established Programme Management Office (PMO). Through this the PMO is developing a clear and standardised methodology for delivering change within the Trust.

The Board Governance Framework is detailed below.



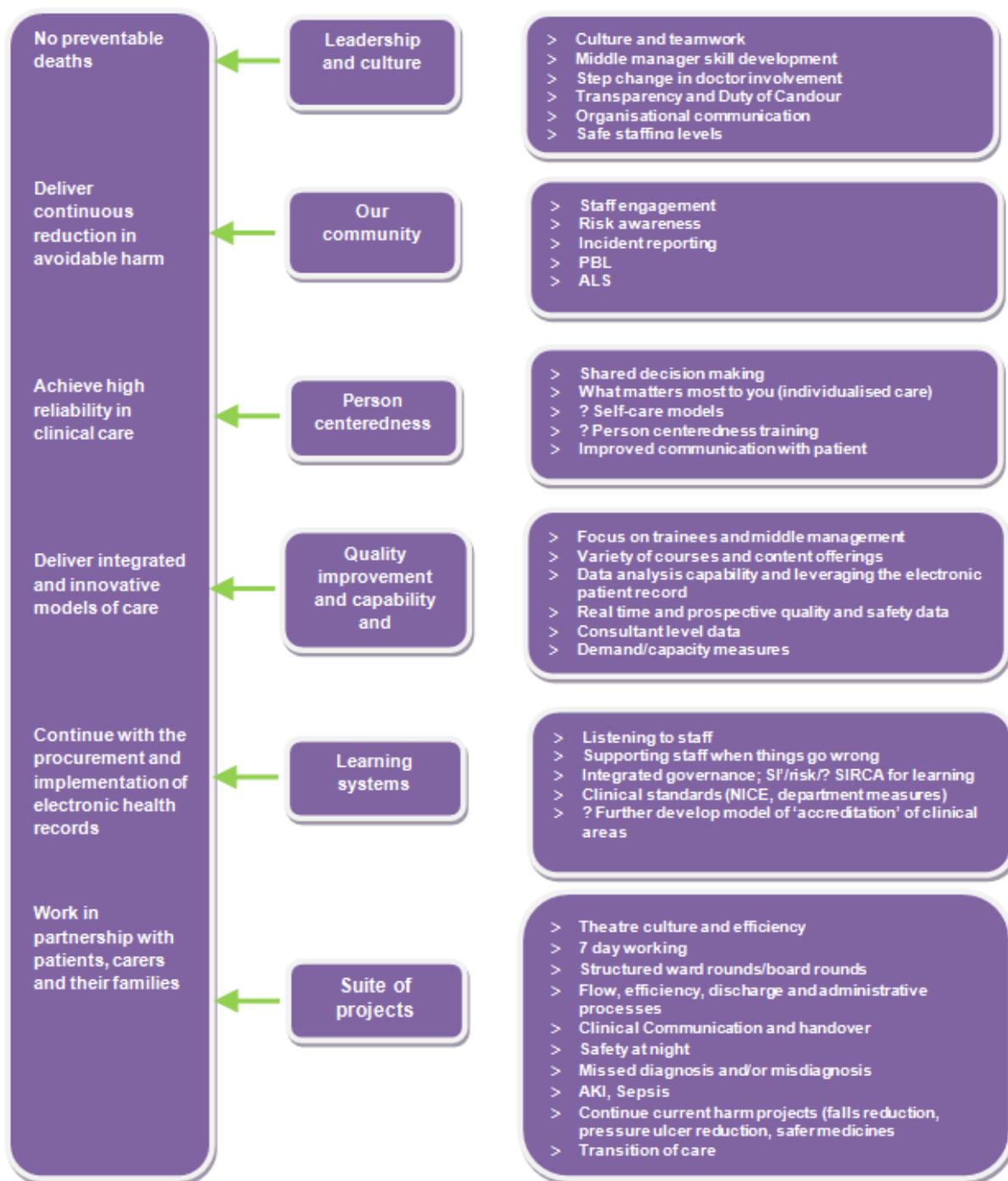
The Board will continue to monitor progress with the Quality Strategy including compliance with national recommendations, CQUINs and local priorities. This happens through the Trusts Quality and Clinical Governance Committees, both of which are formal sub-committees of the Board of Directors. Each month the Board reviews a comprehensive operational performance pack which includes a summary dashboard that balances quality, operational performance, workforce and financial metrics. The major CIP schemes and developments are tracked through the Hospital Transformation Board which includes Executive level representation from the Medical Director and Director of Nursing.

## Quality Strategy

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 has developed implementation plans to engage with staff on finding solutions right across the Trust. Our approach is summarised in the diagram below:



YDH remains committed to the Sign up to Safety Campaign and the five key 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.

## **Responding to the recommendations of our CQC Inspection**

YDH has developed and delivered improvements required as a result of feedback from the CQC inspection which took place in March 2016. Feedback also highlighted numerous examples of outstanding and good quality care being provided.

The key areas of focus for the Trust are improving staffing levels across the 24-hour period in the emergency department and a review of the inpatient model of care for young people. A full action plan has been developed which has required investment in the following areas during 2016/17, the full year effect of which is built into the budget plans for 2017/18:

- Investment in additional nursing and medical staff to improve 24/7 cover in the emergency department. This has been based on a review using a recognised acuity/dependency tool.
- Improving paediatric nursing staffing cover to the emergency department into evening.
- Capital investment to undertake environmental improvements within the emergency department.
- Capital investment to improve the fabric of the maternity theatre.
- Capital investment on the Children's ward to reflect the outcome of a follow up review of the young person's model by the Royal College of Paediatrics and Child Health (RCPCH).

## **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. An audit has been undertaken against the clinical standards set out in the NHS England's *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, CT and MRI.
- 7-day discharge team.
- Strengthening of medical rotas in the emergency department to increase senior cover across the 24/7 period and until 10pm at night.
- Additional medical staff particularly at weekends and in the early evening.
- Specialist nursing cover for stroke at weekends.
- Assistant practitioner service at weekends to support junior doctors.
- A targeted 7-day therapy service.
- 7-day critical care outreach with plans to extend core hours of service.
- Duty manager on site at weekends.
- 7-day phlebotomy services.

## **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 Units, 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 Trust Board through quarterly reporting against the Trust's annual business objectives.
- The 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.

YDH is committed to enabling staff to contribute to a safe working environment and practices, and to encourage all staff to raise concerns whenever and wherever they occur. The Trust realises the importance of learning lessons from problems that have occurred. Whenever a serious 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 ensures ward-to-board reporting. The Quality Committee maintains oversight of the systems for delivering assurance on compliance with all CQC standards and statutory guidance 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 on delivery of the Trust's strategic objectives.

All of the 2017/18 and 2018/19 CIP plans will include a full Quality Impact Assessment (QIA). A standard QIA methodology is under development via the PMO which is going to be aligned with the approach taken by Somerset CCG. All schemes are subject to monthly reporting using a standard template which includes key delivery metrics.

## **5. WORKFORCE PLANNING**

The Trust requires a robust workforce-planning process to ensure we have people in the right numbers, with the right skills and the right values and behaviours to deliver high quality care. With the right framework, YDH will be able to identify, harness and retain people with the skills and potential to achieve our organisational vision.

Such is the importance of having good workforce plans and linking them to the Trust's clinical and wider STP strategies, and increasing the number of services providing 7-day working, we are undertaking a new workforce planning exercise to help identify the potential gaps and savings in our workforce over the coming years. This is being rolled out across YDH during 2017/18 and 2018/19.

The approach of YDH to workforce planning is to:

- Understand STP strategies.
- Understand service needs.
- Understand workforce profile.
- Forecast the required changes in the 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 the Trust's strategy. Robust workforce planning will also be key to the delivery of Project Reset.

### **Agency Staffing**

During 2016/17, YDH has significantly strengthened processes for the management and authorisation of agency staffing. A plan for reducing reliance on agency nurse staffing and building the bank internally has been developed in partnership with NHS Improvement. In addition, the non-clinical and medical posts are reviewed weekly and plans have been put in place which aim to reduce agency spend through permanent recruitment into posts and renegotiation with agencies of rates within the cap levels. Over the last year, YDH has worked hard to reduce the use of agency staff, and the number of CAP breaches has steadily fallen over the past few months, as have the number of agencies used which are off framework.

To help YDH develop robust workforce plans, we have 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.

We have had a successful overseas nurse recruitment campaign in India with many nurses expected to join YDH in 2017/18. We also plan to reduce pressure on the Trust's bed base by the start of April 2017 and we anticipate that both of these actions will have a significant impact on our dependency on a temporary workforce.

As well as overseas recruitment, the Trust will also continue to implement a number of other initiatives such as 'refer a friend' scheme. YDH will also continue with its bank incentive scheme with the aim that where temporary staff are required, this is as far as possible filled by our own people.

### **Changing Skill Mix**

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 Health Care Assistants which helps YDH attract and retain non-registered healthcare professionals to the local health community.

YDH has also worked in partnership with Plymouth University to develop physician associate roles and has sponsored seven students through their studies. Physician associates support doctors in the diagnosis and management of patients, and they are trained to perform a number of roles including: taking medical histories, performing examinations, diagnosing illnesses, analysing test results and developing management plans.

The training involves many aspects of under-graduate and post-graduate medical training, although it focuses principally on general adult medicine in hospital and general practice, rather than specialty care. Once qualified, they work under the direct supervision of a doctor. The role of physician associates in hospitals could become increasingly significant as they are able to perform many of the roles of foundation year 1 and 2 doctors, as well as middle grade doctors, although they are not able to prescribe. They could also help provide a stable workforce resource for the future.

YDH has also signed up to becoming a nursing associate test site and has completed a joint application form in partnership with other NHS trusts in Somerset. It is hoped that this new profession will support plans to increase our skill mix on the wards.

### **Headcount Reduction Programme**

YDH has undertaken a successful workforce reduction programme during 2016/17. This delivered a reduction of approximately 50 wte posts and a recurrent reduction in pay costs £2.2m. Through a further systematic review of back office functions the Trust plans a further headcount reduction to support its CIP plans over the course of this plan.

### **Workforce Assurance**

To ensure there is the triangulation of quality and safety metrics, workforce assurance reports are submitted monthly to the Board of Directors and reviewed in detail by the Workforce Committee, as sub-committee of the Board. These not only include key performance indicators 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.

## **6. FINANCIAL PLANNING**

### **Budget 2017/18 & 2018/19**

The control total budget including STF income for 2017/18 is a deficit of £13.1m and £12.6m for 2018/19; this has been set to reflect the strategic direction of the Trust whilst also accepting the financial challenge to reduce the Trust's deficit. The following table summarises the key movements from our forecast outturn to our budget for 2017/18 and 2018/19.

**Table 2: Summary of movements from 2016/17 Forecast Outturn to 2017/18 Budget**

£m	2017/18	2018/19
	Draft Budget	Draft Budget
<b>Opening Surplus / (Deficit)</b>	<b>(19.6)</b>	<b>(16.6)</b>
Income Inflation	0.3	0.1
Tariff HRG4+	(1.7)	0.0
Activity Growth	2.0	0.9
Cost Inflation	(5.0)	(3.2)
Developments	(1.5)	0.0
Restructure 2016/17	2.2	0.0
One off car park development income	(1.1)	0.0
CIP	8.7	3.4
Other	(1.3)	(0.9)
PDC & Interest	(0.4)	(0.6)
<b>Closing Surplus / (Deficit)</b>	<b>(17.4)</b>	<b>(16.9)</b>
STF	4.3	4.3
<b>Surplus / (Deficit) After STF</b>	<b>(13.1)</b>	<b>(12.6)</b>

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

- Assumes 'vanguard' income is received to match the forecast costs of £3.4m.
- Pay award of 1% from 1 April 2017 for all staff groups.
- Non-pay inflation (excluding drugs) 1.8%.
- Drugs inflation 2.8%.

Included in the budget are a number of additional costs, over which the Trust has no influence or control. These additional costs have had a significant adverse impact on the Trust's budget for 2017/18; a summary of these items are shown below:

**Table 3: Additional Costs Over Which YDH Has No Influence**

Bridge Item	Description	£000's Value
Cost Inflation	Junior Dr Contract	(0.3)
Cost Inflation	CNST	(1.2)
Income Inflation	NHS Clinical Income Inflation (Tariff)	0.1
<b>Included in tariff change</b>		<b>(1.3)</b>
Cost Inflation	Apprentice Levy	(0.3)
Cost Inflation	Business Rates Increase	(0.1)
Cost Inflation	CQC Fee	(0.1)
Cost Inflation	Pensions Levy SBS	(0.1)
Tariff HRG4+	Impact of the new tariff payment system	(1.7)
Other	CQUIN non payment item	(0.4)
Other	HEE reduction to placement tariff	(0.3)
Other	Reduction to R&D funding	(0.1)
Other	HEE reduction to apprentice income	(0.1)
PDC & Interest	Reduction in PDC to £0	0.5
PDC & Interest	Additional interest for loans @ 3.5%	(0.9)
<b>Excluded from tariff change</b>		<b>(3.6)</b>
<b>Total</b>		<b>(4.9)</b>

### Cash

As a consequence of the Trust's deficit budget during 2017/18 and 2018/19, YDH will require short term financial support in the way of loans from the Department of Health. Our plan is based on the following assumptions

- £12.9m for 2017/18 and £12.6m for 2018/19

### Scenarios

The Trust has modelled upside and downside scenarios which give a sensitised planned deficit of £15.7m. This is based on the assumption that all of the weighted opportunities of £0.1m are achieved and all of the weighted downside scenarios of £2.7m also happen. The weighted adjustment is based on a judgement of the likelihood of the risk or opportunity.

A summary of the opportunities and risks is shown below:

**Table 4: Summary of Opportunities and Risk**

Description	Opportunities (£m)	Risks (£m)
Local prices for non-PBR services & maternity local price modification	0.13	
Project reset achievement		(1.70)
CQUIN non-achievement		(0.19)
Opening escalation beds		(0.20)
Capacity		
Agency rates not reduced		(0.40)
General risk		(0.25)
<b>Total</b>	<b>0.13</b>	<b>(2.74)</b>

It is recognised that the financial savings challenge does carry significant risk.

### **Summary of Cost Improvement Plans (CIP)**

The Trust has initiated a clinician led sustainability review to leverage their insight and ideas to identify different ways of working to achieve internal transformation, in addition to working with our partners in the local health economy to find system wide savings for the STP. Alongside this, it is planned to undertake further analysis of the Lord Carter metrics to identify any areas where further efficiencies can be driven out to achieve further savings. In addition to this review, all areas of the Trust have examined their areas of responsibility to identify and plan for savings through operational changes within their control.

One work stream that is in progress with partners in the local health economy is relating to delayed transfers of care. Savings are expected to be realised in 2017/18 through improved patient flow enabling a reduction in the number of beds needed. The South Somerset Symphony Project will also support us in reducing the number of beds required in the hospital by ensuring care closer to home for patients with early recognition of needs and reducing admission rates for patients with multiple long term conditions.

The Trust recognises that we still need to continue to improve the sustainability in our staffing and we will work to further 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.

A further area of workforce that will be assessed is the spans and layers of management to ensure that we optimise our organisational structure, with optimal numbers of layers of management and each manager having appropriate numbers of staff to manage.

Procurement savings will be achieved through a combination of contract management, inflation management and review of alternatives products and/or suppliers. YDH will be making greater use of analytics and the national PPIB tool to identify and realise efficiencies and will be driving forward with its Procurement Transformation Plan (PTP).

The Trust will be utilising Shared Business Services from 1 April 2017, and will aim to ensure that best use is made of the new resources available via this source including framework agreements and Virtualstock systems.

In setting the CIP plans for 2017/18 and 2018/19, the Board has been clear that it must set realistic targets that do not detrimentally impact the safety and/or quality of care. The overall CIP plan is £8.7m which is 6.4% as opposed to the 2.0% included in the tariff. The following table details the schemes planned for 2017/18:

**Table 5: Summary of Efficiency Programme Areas**

<b>Project</b>	<b>£'m</b>
Operational efficiencies	1.5
Digital transformation	0.2
Centrally managed schemes	0.4
Procurement	0.5
Beds	0.5
Clinician led sustainability review	5.6
<b>Total</b>	<b>8.7</b>

### **Capital Investment**

£6.4m is forecast to be invested in capital developments in 2016/17, which includes £1.2m spent on medical equipment and upgrading radiology equipment, £2.4m on enhancing the quality of the buildings and estate, £0.6m on the provision of a new ward and £1.6m on the Trust's electronic health record system (TrakCare) implementation.

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 2017/18 and 2018/19 supports 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 2017/18 is planned to be £5.3m, 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 2017/18 capital programme includes continued investment into radiology and medical equipment (£1m) and improving the estate (£2.6m) including the commencement of a programme of ward refurbishments, reorganisation of ED and ongoing development of clinical areas.

Major project investment is seen within IT and the Trust's TrakCare implementation of an electronic health records system (£1.7m for 2017/18) which is planned to be completed and fully operational in 2017/18. £0.5m of capital loan repayment is also funded from internally generated capital funds.

The capital programme for 2018/19 is planned to be £4.6m and continues to support 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 planned investment is funded from internal resources and charitable funds and allows for the annual repayment of the capital loan. The programme includes £1.4m of replacement medical and radiological equipment, £1.1m of IT replacement and GS1 development and £2m to maintain and improve the estate.

### **Risk Ratings**

The risk rating is 3 for 2017/18 and 2018/19.

### **Alignment with the Somerset Sustainability and Transformation Plan (STP)**

The Trust is working as part of the Somerset health system to ensure that our plans are aligned as far as possible with those of the wider system. During 2016/17 a process of system wide financial reporting has been put in place. This has enabled greater visibility of the collective Somerset position.

Discussion is underway to align plans around a system control total which is an aggregate of the various organisations positions. The mechanism for managing risk remains under discussion. During 2017/18 there will continue to be review of the Somerset financial position via regular meetings of the Somerset Finance Directors and through the STP Programme Executive Group.

Somerset has also commissioned a 'turnaround' review which is being led by a dedicated turnaround Director. The recommendations of this report are due to be published on 19 December. YDH has played an active part in this work and will work with the system on the recommendations from this review. The Somerset STP priorities for 2017/18 and 2018/19 are being reviewed to ensure alignment with this work.

## **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 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.

Following on from the work undertaken in previous years, there are ongoing procedures in place to ensure quality assurance assessment of membership data in order to promote accuracy, remove duplicate records and resolve any other inconsistencies. There are also processes in place to capture deceased patients in ensure that they are no longer included within membership statistics.

### Governor Elections

Constituency	Number of Elections				
	2013	2014*	2015	2016	Planned Elections 2017
Public – Greater Yeovil		2	1	1	1
Public - South Somerset – South & West	1	2		1	2
Public - South Somerset – North & East		2	1		2
Public - Dorset	1		1	1	1
Public - Mendip		1			1
Public - Rest of England	1	1			1
Staff	1	3	2	2	1
<b>Total</b>	<b>4</b>	<b>11</b>	<b>5</b>	<b>5</b>	<b>9</b>

\*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. Governors have been supported to attend neighbouring NHS organisations' Council of Governors meetings, Governing Body meetings and Governor Exchange Networks 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.