

CHANGING LIVES

Annual Plan

2015/16





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Statement of sustainability & resilience

Steve Wragg
Chairman

14th May 2015

Diane Wake
Chief Executive

Stuart Diggles
Director of Finance (Interim)

Statement of Purpose

The purpose of this Annual Plan is to set out what needs to be achieved during 2015/16 to enable us to realise our four strategic aims which are the core drivers of our future sustainability:

1. Patients will experience safe care
2. Partnership will be our strength
3. People will be proud to work for us
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This Annual Plan is based upon the strategic objectives set out in our Five year Strategy 2014-19, which was built around the needs of our patient population while at the same time identifying the changes required of healthcare for the future.

About The Trust

Barnsley Hospital NHS Foundation Trust is a district general hospital built in the 1970s serving a population of approximately 250,000 within the boundaries served by Barnsley Metropolitan Borough Council and employing around 3,294 staff. The Trust occupies a single site covering an area of approximately 8.2 hectares, with over 400 beds and has a current annual income of c£170 million.

During 2013/14, the Trust cared for 426,950 patients, saw 216,771 clinic appointments and treated 79,681 patients in the Emergency Department. It provides a full range of district hospital services to the local community and surrounding areas including emergency and intensive care, medical and surgical care, elderly care, paediatric and maternity, along with diagnostic and clinical support. It also provides a number of specialised services, such as cancer and surgical services in partnership with Sheffield Teaching Hospitals NHS Foundation Trust.

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Executive Summary

Year one of our turnaround plan (2014/15) was a very challenging year for the Trust. Having declared an unexpected loss for the 2013/14 financial year, the Trust has undergone significant change to turn its operational and financial fortunes around and, working with the regulator Monitor, aimed to complete the year with a planned £11,900,000m deficit. Without implementing significant change and improvement the deficit would have been circa £20,000,000.

As a Trust we have delivered our quality strategy and reduced our hospital standardised mortality rate by more than 10 points placing us firmly within our peer group; we have strengthened and embedded our governance processes and made some key clinical appointments including a new medical director. In addition to finding the Trust in breach of licence for financial and governance irregularities in April 2014, Monitor also imposed a breach for operational reasons following failure to achieve the four-hour wait target. Our staff rose to the challenge and the Trust became one of the fastest trusts in the country to have this breach lifted, improving the waiting times and the experience and treatment of our patients, in just 10 months.

This plan outlines the Trust's approach going forward for the next year (2015/16) as year two of our five year plan including:

- Our vision, values and aims
- Our strategic context (also see BHNFT five year plan)
- A further set of challenging strategic objectives
- Summarised quality, operational and financial plans

As a Trust we have aligned our plans with commissioners and other providers along with the latest national guidance including the "five year forward view".

The income & expenditure position 2014/15 financial year saw the Trust return a deficit of £11,700,000*, this is £205,000 favourable to plan.

The financial plan for 2015/16 shows a deficit of £11,103,000, although an improvement of £604,000 over the prior year, it is £5,093,000 worse than the second year of the Trust's five year plan. There have been a number of major items that were not previously planned for - items which the Trust has minimal, if any, control over:

- Pay award 1% higher than planned £1,279,000
- Reduced funding from Barnsley CCG for 7-day working £1,674,000
- 42% CNST premium increase £2,674,000
- Loss of services £342,000

A total impact of £5,969,000.

Due to the planned deficit above, taking into account the capital expenditure programme and the cash position at the start of the year, the Trust has a requirement for cash and funding support of £9,700,000 in 2015/16. This is an increase of £3,800,000 from the five year plan. It is assumed that this funding will be received via Interim Revenue Support Loans.

A downside case has also been prepared which takes into account a number of the financial risks highlighted; these relate to both risks around income and cost pressures. The downside case shows an income and expenditure deficit of £14,026,000, which is worse than the base plan by £2,923,000.

These plans have been developed not only with our teams to support the needs of our patients but also in partnership with others to support more sustainable care services for Barnsley. The process of communicating these plans has already begun as a review of our strategic objectives has become an integral part of our appraisal process. The Trust will now go on to share the plan on a wider basis.

The monitoring and follow up of the Trust's annual plan will intensify this year as we embed new processes in our governance. Formal quarterly reports will come to Board to highlight progress alongside more regular updates on specific developments as well as the revamped monthly integrated performance report.

* Figures quoted for the financial year 2014/15 are unaudited, however no material adjustments are expected. They also exclude results for the Trust's Charity.

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Our Vision

Our vision of being ‘*The best integrated healthcare organisation for our local communities and beyond*’ spells out the Trust’s future for all stakeholders, one of working with others to be an integrated care organisation.



Our Values:

We treat people how we would like to be treated ourselves. We will:

- Show you respect, courtesy and professionalism
- Treat you with kindness, compassion and dignity
- Communicate with you in a clear, honest and responsible manner

We work together to provide the best quality care we can. We will:

- Share the same goals: finding answers together
- Recognise your contribution by treating you fairly and equally
- Constantly learn from you, so we share and develop together

We focus on your individual and diverse needs. We will:

- Personalise the care we give to you
- Keep you informed and involve you in decisions
- Take the time to listen to you

Our Objectives:

Aim: Patients will experience safe care

- We will provide high quality care for patients
- We will deliver consistently safe care
- We will deliver consistently effective care
- We will deliver prioritised 7 day services

Aim: People will be proud to work for us
People will be proud to work for us

- We will continue to work to ensure we have an engaged and motivated workforce
- We will recruit, retain and develop a workforce with the right people, right skills at the right time
- We will proactively improve the health and wellbeing of our employees

Aim: Performance Matters

- We will improve our performance in all aspects of delivery supporting the achievement of all operational, quality and financial targets
- We will deliver the full benefits of investment in technology including the optimisation of Lorenzo and the implementation of new improvements in maternity and imaging
- We will optimise the use of the estate
- We will secure the most cost effective goods and services
- We will work with our teams to develop agreed commercial partnerships and business proposals

Aim: Partnership will be our strength

- We will be open and inclusive with our patients, our partners and the public
- We will be an effective partner on the Health and Well-being Board (H&WBB)
- We will be a key partner in the Working Together Programme





Our Strategic Context

Having sought and obtained a clear view of clinical services, performance and strategic options the Board developed the following SWOT. This summarises the Trust's key challenges and opportunities both internally and externally.

Strengths	Weaknesses
<p>Local identity, pride and commitment to hospital by both staff and the Barnsley community</p> <p>Coterminous Clinical Commissioning Group (CCG), local authority and Trust boundaries</p> <p>Care Quality Commissioning (CQC) rating 5 (good rating compared with peer group)</p> <p>Delivery of all key operational targets 2014/15</p> <p>Successful track record of partnership working</p> <p>Development of A&E model of care and review of non-elective pathways is enabling of 4-hour access target to date</p> <p>Introduction of Electronic Patient Record System</p> <p>No 'Never Events' in 2014/15.</p> <p>No incidents of grade 4 pressure ulcers during 2014/15</p> <p>Excellent performance meeting all targets for C-diff and no MRSA bacteremia for our 5th year running.</p> <p>HSMR has reduced significantly to below 'expected' target</p> <p>Size of organisation allows change at pace</p> <p>Estate footprint allows further development</p> <p>Close proximity to motorway network</p> <p>Excellent procurement</p> <p>Commitment to clinical leadership with introduction of new Clinical Business Units (CBUs) support the development of new and innovative models</p>	<p>Opening financial deficit position for 2014/15</p> <p>Collaborative working arrangements need to gather pace</p> <p>High levels of locum and agency usage due to difficulties in recruitment of certain staff groups</p> <p>18-week targets under pressure, historic issues with diagnostics</p> <p>Parts of culture very traditional</p> <p>Operational/system pressures following introduction of Electronic Patient Record System</p> <p>Some areas of estate not fit for purpose</p> <p>Organisation may be too small to impact some change</p> <p>Vision to provide integrated care but no community footprint</p> <p>CCG structure still developing in response to community needs</p> <p>Quality of financial data such as lack of service level reporting and patient level information and costing systems</p> <p>Poor NHSLA claims record</p>
Opportunities	Threats
<p>The Five Year Forward View model of healthcare delivery for the future</p> <p>The Dalton Report December 2014 prescribes more professional partnerships</p> <p>Expansion of collaborative working to attract skilled workforce and maintain local services</p> <p>Establishment of collaborative arrangements for specialised or smaller specialty services</p> <p>Development of ambulatory care pathways</p> <p>Partnership working with community services to avoid unnecessary hospital admissions and attendances</p> <p>Development of advanced non-medical roles to address reduction in training posts and provide consistency of care</p> <p>Improving performance management through CBUs</p> <p>Better financial data from sustainability review, PLICs and SLR</p> <p>Better use of technology in clinical and non-clinical areas</p> <p>Expand marketing beyond traditional boundaries</p> <p>Tap into alternative external funding sources such as technology and learning and development schemes</p> <p>Expand beyond traditional acute services</p> <p>Increase outpatient procedures</p> <p>Theatres optimisation</p> <p>Research and Development function to become a Centre of Excellence</p> <p>Ability to increase activity through Choose and Book</p> <p>GP Federation as an emerging opportunity for partnership</p>	<p>Difficulty in recruitment and retention of skilled workforce for both medical and non-medical roles</p> <p>Reduction in national training posts impacting on capacity to maintain service delivery and medical rotas</p> <p>Commissioning agendas including centralisation and the need for 7-day working may put services at Barnsley at risk if standards, minimum volume and workforce requirements cannot be met and services not fully funded.</p> <p>NHS Contracting Guidance has implications for providers in terms of penalties</p> <p>Increasing demand for certain services related to demographic change and changes in clinical behaviour, driven by an ageing population and availability of new diagnostics/treatments.</p> <p>Ability of other providers to offer more clinic slots or new services</p> <p>Increasing regulation</p> <p>Financial position of CCGs</p> <p>Financial position of local authorities</p> <p>Political uncertainty including risk of further reorganisation</p> <p>Threat to reputation from CQC ratings and financial position</p> <p>Competition from other public and private sector providers</p> <p>Change in Government and policy</p> <p>Small size of organisation is a risk to sustainability</p> <p>Increased costs including NHSLA premiums</p>



In developing our strategy the Trust has taken account of key national reports including the five year forward view and the Dalton Review. See below:

Factors impacting our plans from the Five Year Forward View

- New care models to pursue ‘triple integration: *“the increasing integration of primary and specialist services, of physical and mental health services, and health and social care”*
- Pursuit of the ‘triple integration’ model through: *“personalisation, standardisation, anticipatory care and co-production, refracted through the push-pull of specialisation versus generalism, and scale effects versus digitisation and miniaturisation.”*
- The creation and in-reach of Multispecialty Community Providers into other settings such as home visits, care homes and community hospitals.

Factors impacting our plans from the Dalton Review

This work has been linked through to our Five Year Strategy and strategic options. The report identifies five themes:

- One size does not fit all
- Quicker transformational and transactional change is required
- Ambitious organisations with a proven track record should be encouraged to expand their reach and have greater impact
- Overall sustainability for the provider sector is a priority
- A dedicated implementation programme is needed to make change happen

Barnsley CCG and local partners

The Trust has ensured its plans align with commissioning intent and we have been working closely to seek agreement on finance and activity. There are a number of new developments for partnership working in 2015/16 the most notable being our shared work on taking forward the multi specialist provider model as part of the five year forward view. The new model will be clinically driven and centred around the patient, the initial focus will be on diabetes and there is a desire to extend this work to further long term conditions to support the needs of the population of Barnsley.

Joint work will continue to support the delivery of the H&WBB strategy and Better Care Fund initiatives to reduce emergency admissions to hospital. This work will be further supported by the establishment of a Clinical Transformation Board hosted and facilitated by the CCG. The focus of the Board will be to ensure improved health outcomes and ensuring value for care services through new models and service and pathway redesign. The Trust will be a key partner in this work. It must be noted that delivery of 7-day services, which are a key element of our plan, are not yet fully funded by the CCG.

The Trust continues to be an active member of the “Working Together” partnership of the seven local acute trusts supporting improved care and more efficient services. Beyond this relationships are being advanced with a wide variety of partners (both public and private sector) to develop existing and emerging opportunities across the spectrum of health and social care services.





Delivery of our Strategy

Building on the work begun in 2014/15 the strategic objectives have been agreed for 2015/16 (representing year two of the five year plan). These are SMART focussed objectives which will support strategic delivery, ensuring clarity to all staff and stakeholders. Performance will be closely monitored by the Executive Team with quarterly reports on progress and delivery going to the Finance and Performance Committee and the Board of Directors.

Aim 1: Patients will experience safe care

- a) In 2015/16 we will continue to provide high quality care for patients, ensuring all our patients have a positive experience of care through us better understanding what patients want, measuring our performance and improving the way we care; ensuring a totally patient centred service and experience.

Milestone/Measure	Completion Date
Maintain and strive to increase response rates to the FFT across inpatient areas and ED.	March 2016
Further develop opportunities for patients to give feedback on their experience of care through the wider roll out of the NHS Friends & Family Test (FFT) to Outpatient and Day Case areas.	March 2016
Identify areas for service improvement from the 2014 FFT results and patient/carer feedback	July 2015
Implement identified areas for service improvements and monitor sustainability and effectiveness including working on integrated care pathways with our partners e.g. the discharge process, End of Life, diabetes and dementia.	March 2016
Launch of the "Listening into Action" programme to facilitate improved staff engagement and create a shared agenda for quality improvement.	April 2015

- b) In 2015/16 we will deliver consistently safe care: taking action to reduce harm to patients in our care and protecting the most vulnerable including the elimination of avoidable grade 3 & 4 pressure ulcers.

Milestone/Measure	Completion Date
Reduce the number of hospital acquired avoidable Grade 2 and 3 pressure ulcers acquired in 2014/15 with the ultimate aim of eliminating all Grade 3 & 4 hospital acquired avoidable pressure ulcers	March 2016
Ensure medicine reconciliation occurs within 24 hours of admission to BHNFT and 90% of medicines reconciliations are performed within 24 hours of admission to our hospital	March 2016
Reduce avoidable harm to patients who are having elective surgical procedures in our hospital, by auditing compliance and striving to achieve 100% compliance with the World Health Organisation (WHO) surgical checklists for all patients under-going elective surgical procedures.	March 2016
Evidence compliance with best practice (or evidence based) including NICE quality standards for: Venous Thromboembolism Prevention and assessment & prevention of falls in older people	March 2016

- c) To deliver consistently effective care throughout 2015/16 the Trust will achieve improved health outcomes through delivery of effective and evidence-based care and achieve agreed targets.

Milestone/Measure	Completion Date
Deliver length of stay reduction agreed target (2% reduction) and reduce readmission rates (2% reduction) versus 2014/15 performance	March 2016
Consistently identify all patients at risk of dehydration and implement the new Trust Guideline for Fluid Balance Charts.	March 2016
Continue to ensure a reduction in HSMR to 100 or less and keep weekend mortality as a key focus	Jan 2016
Continued focus and further work on the following specific pathways: sepsis, acute kidney injury, pneumonia, deteriorating patients and end of life care	March 2016



d) Continued delivery of prioritised 7-day services in 2015/16 to support the needs of our patients and deliver the Keogh standards increasing the availability of medical decision makers, radiology cover, therapy support and pharmacy services across 7 days.

Milestone/Measure	Completion Date
Ensure continuation of delivery and funding for these services with commissioner support	March 2016
Continued monitoring of benefits realisation	March 2016
On-going review of assessment against Keogh standards, update to Board	March 2016

Aim 2: Partnership will be our strength

a) In 2015/16 we will create opportunities to engage and involve our patients, their families, the wider community; service user advocacy groups and our wider health and social care partner groups in the development and delivery of our services.

Milestone/Measure	Completion Date
Publication of our stakeholder map and identify gaps in engagement and involvement for action	May 2015
Development of a specific stakeholder engagement programme (linked to our communications strategy) to address all groups and form a valuable consultative body	June 2015
Extended circulation of the Barnsley Hospital News to reach a significantly wider readership and capture views and commitment to engage from the community	April 2015
Delivery of an annual members and open day for Trust membership and the community to share achievements and seek further and continuous involvement	Sept 2015
Establishment of a bi-monthly primary care publication 'Quality Matters' with an active feedback mechanism, linked to the Medical Director's community clinical engagement programme.	Sept 2015

b) During 2015/16 we will be an effective partner in order to improve the way we work and provide services with others including our work on the H&WBB, the CCG, GP Federation, clinical networks, acute providers and all other local partners.

Milestone/Measure	Completion Date
Stakeholder map and engagement programme developed (as above)	May 2015
Delivery of key strategic plan initiatives with partners including: Care coordination centre Integrated diabetes care through multispecialty community provider model Shared care pharmacy Imaging service improvement plan Further opportunities to be developed in year	March 2016



- c) In 2015/16 we will be a key partner in the Working Together programme (including the seven local acute trusts) supporting the delivery of the programme aims and outcomes including to:
- i) share good practice including improved procurement
 - ii) support sustainable care quality and consistency across the region through shared resource
 - iii) sustainable service configuration
 - iv) deliver technology projects that enable clinicians to work across sites

Milestone/Measure	Completion Date
Delivery of key working together initiatives with including: Interventional radiology proposal Regional on-call for ophthalmology and OMFS proposal GI Bleeds proposal Further procurement opportunities Back office proposal	March 2016

Aim 3: People will be proud to work for us

- a) In 2015/16 we will continue to work to ensure we have an engaged and motivated workforce through participation in the national "listening into action" programme and other agreed initiatives

Milestone/Measure	Completion Date
Facilitate "Listening into action": recruit a sponsor group of 8 people, and identify 10 initial projects and identify 100 change champions.	May 2015
Develop coaching capacity. Train a minimum of 10 new coaches by 1/9/15	Sept 2015
Develop a succession planning programme for aspiring managers, complete a pilot programme.	Nov 2015
Facilitate the staff survey activities, increase the response rate of the annual staff survey by 5% on the previous year.	March 2016
Amalgamate the staff survey data and the feedback from LIA to create an engagement action plan.	May 2015
Support the board development programme, deliver a change programme for CBU leads.	August 2015
Offer leadership and management training at level 2-7 delivery of initial programmes.	Dec 2015

- b) In 2015/16 we will recruit, retain and develop a workforce with the right people, right skills at the right time so that our patients receive safe and compassionate care.

Milestone/Measure	Completion Date
Delivery of the Trust recruitment and retention strategy and achievement of KPIs including: vacancy rates target, 56 days to recruit standard, and all equality standards	March 2016
Review flexible working options and practices including quarterly review of turnover, vacancy rates, reduction in agency staff, and completion of consultant job plans	March 2016
Develop the skills and competency in the workforce to match long term demand	March 2016
Support the introduction of the national nurse revalidation process	March 2016
Support the creation of an impactful employer brand to augment the recruitment and retention process and to engender pride in the organisation	March 2016



- c) In 2015/16 we will proactively improve the health and wellbeing of our employees, preventing ill health and enabling employees off sick to return to work sooner and to a safe environment.

Milestone/Measure	Completion Date
Support the enforcement of the sickness absence policy with training and streamlining of reporting and recording systems	March 2016
Create an inclusive employee Health and Wellbeing programme to enable our workforce to be 'fit to care'	March 2016
Reduction of sickness absence to 3.5%	March 2016

Aim 4: Performance matters

- a) In 2015/16 we will continue to focus on improving our performance in all aspects of delivery supporting the achievement of all operational, quality and financial targets and delivery plans.

Milestone/Measure	Completion Date
Delivery of KPIs, reported monthly to Board through the integrated performance report.	March 2016
Delivery of year 2 of the financial turnaround plan	March 2016
Delivery of key strategic plan initiatives including: <ul style="list-style-type: none"> • Bed utilisation review and action plan • Expansion of gynaecology outpatient procedures • Development and marketing of maternity services 	<ul style="list-style-type: none"> • Orthopaedics development plan • Theatre utilisation plan • Urology development plan • Endoscopy service development • Development of further opportunities as outlined in five year plan
	March 2016

- b) During 2015/16 we will deliver the full benefits of investment in technology including the optimisation of Lorenzo and the implementation of new improvements in maternity and imaging

Milestone/Measure	Completion Date
Lorenzo optimisation including paperless outpatients.	March 2016
Paperless requesting and reporting for imaging business case to Board	May 2015
Implementation of Lorenzo phase 2, including maternity system goes live.	June 2015
Consideration of options for other key clinical systems including e-prescribing and vital signs in year.	March 2016



- c) In 2015/16 we will optimise the use of the estate to drive efficient use of space, improve the care environment and identify cost reductions. Projects will be delivered in alignment with the agreed capital schedule and are subject to the availability of funds

Milestone/Measure	Completion Date
Delivery of critical backlog maintenance works, rolling programme over the year.	March 2016
O-block next phase of refurbishment delivered, prioritised based on clinical strategy.	March 2016
Assistive technology new office space and workshop completed.	July 2015
Delivery of Trust sustainability action plan.	March 2016

- d) In 2015/16 we will secure the most cost effective goods and services through efficient and planned procurement activity, achieving an overall saving target of £1M

Milestone/Measure	Completion Date
Monthly tracking of performance versus £1m target	March 2016

- e) In 2015/16 we will work with our teams to develop agreed commercial partnerships and business proposals including Barnsley Hospital Support Services (BHSS) schemes, delivering our overall Trust income target.

Milestone/Measure	Completion Date
Achievement of the Trust and BHSS income targets for the year through delivery of key strategic plan initiatives including: <ul style="list-style-type: none"> • Expansion of Occupational Health services through further identified opportunities • Expansion of private health services • On site advertising • Commercial partnerships • Optimisation of sterile services. • Expansion of assistive technology to all of Yorkshire and Humber • Development of further opportunities in year. 	March 2016



Our Quality Plan

The Trust's plan for quality improvement over the next 12 months will support the Trust's continued compliance with the CQC registration requirements and provide assurance to the Board that the Trust has in place effective and robust processes and arrangements for monitoring the quality of care we provide to our patients.

Our plan for quality improvement over 2015/16 has taken into account the national and local commissioning quality priorities and the Trust's local quality goals and priorities. We have considered our performance over the past 12 months against the quality goals we set ourselves in 2014/15 and, together with plans for continued quality improvements, have identified those areas where the Trust believes focus on quality improvement should continue.

The annual review of the Quality Strategy and the Trust's plan for its implementation has been undertaken to ensure continued alignment to the Trust's Quality Report (incorporating the Quality Account) and also with the Quality Governance Framework. The Trust's plan for quality improvement over 2015/16 will be continuously monitored at both local CBU level and at corporate level via the Trust's integrated performance report

In 2015/16 the National Tariff Payment System defines four relevant key areas of challenge for BHNFT in improving quality and outcomes for patients:

Physical Health: Acute Kidney Injury (AKI): To improve the follow up and recovery for individuals who have sustained AKI, reducing the risks of readmission, re-establishing medication for other long term conditions and improving follow up of episodes of AKI which is associated with increased cardiovascular risk in the long term

Physical Health: Sepsis: To screen for sepsis all those patients for whom sepsis screening is appropriate, and to rapidly initiate intravenous antibiotics, within 1 hour of presentation, for those patients who have suspected severe sepsis, Red Flag Sepsis or septic shock

Mental Health: Dementia: To support the identification of patients with dementia and delirium, alone and in combination alongside other medical conditions

Urgent & Emergency Care: Improving the recording of diagnosis in A&E and reduction in A&E mental health re-attendances.

In alignment with the National priorities the Trust has also through consultation with the Barnsley CCG agreed on an additional four local quality improvement priorities:

Antimicrobial Stewardship: To ensure appropriate antimicrobial stewardship is in place (a coordinated program that promotes the appropriate use of antimicrobials (including antibiotics), improves patient outcomes, reduces microbial resistance, and decreases the spread of infections caused by multidrug-resistant organisms) in order to help reduce healthcare associated infections.

Pressure Ulcers: To improve pressure ulcer management and improve hospital acquired pressure ulcer prevention.

Do Not Attempt Cardiopulmonary Resuscitation (DNA CPR): To improve the implementation of DNA CPR.

Learning Disabilities: To improve the care experience and health outcomes of inpatients with Learning Disabilities.

Following the development of our three year quality strategy in 2014/15 and during our consultation exercises with patients, staff and our stakeholders, our four main priority goal areas of quality improvement remain the same for 2015/16. Quality priorities and targets for improvement had been aligned to each goal.

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Our Quality Goals

Goal 1 – Patient Experience : by the end of March 2016 we will:

Integrate systems for patient and staff feedback and triangulate reporting to ensure this leads to service improvement

Improve people's experience of integrated care through the development of integrated care pathways and collaborative working with key partners

Goal 2 – Delivering Consistently Safe Care By the end of March 2016 we will:

Reduce harm to patients who are having elective surgical procedures in our hospital

Eliminate hospital acquired avoidable Grade 3 & Grade 4 pressure ulcers

Ensure medicine reconciliation occurs within 24 hours of admission to BHNFT

2014/15 priorities and targets rolled forward to 2015/16:

Reduction in inpatient falls

Goal 3 – Delivering Consistently Effective Care : By the end of March 2016 we will:

Ensure compliance with best practice (or evidence based)

Deliver length of stay reductions and reduce readmission rates

Consistently identify those patients at risk of dehydration and take actions to address this

2014/15 priorities and targets rolled forward to 2015/16:

Reduce Hospital Standardised Mortality Ratio (HSMR)

Improve recognition and management of the deteriorating adult patient

Improve sepsis recognition and response

Ensure scrutiny of all in hospital deaths to ensure learning is achieved where possible

Goal 4 – Building on Capacity and Capability

Review leadership requirements at all grades

Implement nurse revalidation

Review the Trust's Training Plan to ensure robust learning and development for all staff to support them in their role

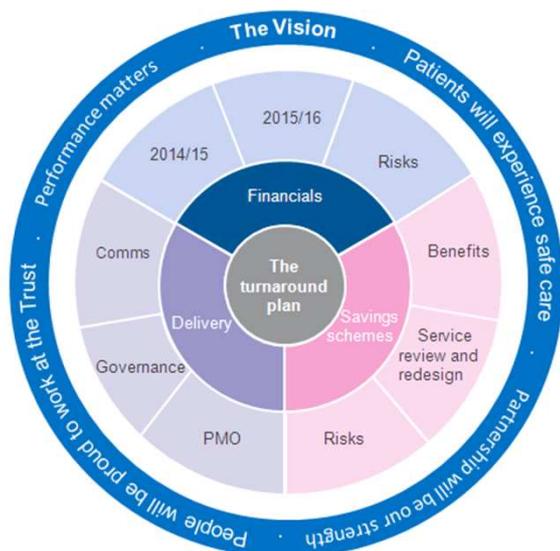
Known Risks to the Achievement of the 2015/16 Quality Priorities.

Risk	Mitigation
Unable to achieve a further 25% reduction in inpatient falls and repeat falls reported in 2013/14.	Focused work is currently being undertaken across the Trust lead on by a Head of Nursing. The Trust has approved the new Falls Policy and is introducing a Trust wide Falls Strategy which will focus the work in managing this risk throughout 2015/16.
Unable to achieve and demonstrate 95% compliance with the Pneumonia Care Pathway.	2015/16 has seen the introduction of a Deterioration Patient Group, chaired by the Medical Director, which will focus on the management, development and implementation of patient safety critical initiatives. The Trust is also exploring the opportunities for the procurement of an electronic warning system which will support the management of some of these identified risks.
Unable to achieve and demonstrate 95% compliance with the implementation of NEWS in the adult patient	
Unable to achieve and demonstrate 95% compliance with the implementation of the Sepsis Six Bundle	

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Our Turnaround Plan



The Turnaround Plan is built upon four key performance based drivers.

<p>Quality: Quality and safety drive our clinical strategy and our future remaining at the heart of our core business.</p>	<p>Delivery and culture: Create a “can do” culture; clinically lead with a bottom up approach.</p>
<p>Financial control: To do what we get paid to do: the provision of high quality, cost effective services.</p>	<p>Accountability: Teams and individuals are held to account through robust governance to ensure delivery.</p>

As part of the turnaround plan a robust cost improvement programme (CIP) management process was developed and implemented including:

- Establishment of a project management office focussed on CIP delivery
- Improved financial governance and reporting
- Enhanced Quality Impact Assessment process and assurance
- CIP delivery linked to revamped Trust governance, including a CIP Steering Group chaired by the Chief Executive.

The Trust has seen a step change to delivery in this area and can evidence a tangible record of achievement for 2014/15. The Trust started 2014/15 with 39 CIP schemes totalling £6.3m of cost improvement and revenue schemes. This has developed over the year to over 70 schemes forecasting to delivering savings of £6.4m; the extra schemes developed in year have set-off schemes which have not delivered as planned or have had implementation delayed into 2015/16.

For 2015/16 the Trust’s CIP plan is £6,700,00, our approach is now embedded within the Trust. Key features of this approach include:

- Development of Trust wide schemes where the impact matched back at CBU level, this supports cross CBU working.
- Stronger executive leadership is in place to drive the schemes forward and support individual departments.
- A reinforcement of CBU ownership, an improved understanding of the issues they face and a recognition for their contribution.
- An understanding within the organisation that this is a continual process.
- A mixture of transactional and transformational schemes.

In year the Trust will commence delivery of further strategic initiatives as outlined in the 2015/16 objectives supporting improved care, efficiency and contributing to the bottom line.



Our Operational Plan

CBUs will, through a process of capacity and demand modelling, performance management and systems monitoring, ensure that our contractual obligations are met during 2015/16.

Activity	2013/14	2014/15	2015/16
Outpatients	283,659	268,149	263,968
Elective Inpatients	4,487	4,544	3,892
Elective Day Cases	24,353	22,653	23,313
Non Elective Spells	35,696	35,596	35,320
A&E Attendances	79,681	79,055	80,054

To enable this to happen CBUs will ensure that outpatient productivity is at its optimum. We will continue work to reduce the number of DNAs within the system, and ensure that clinic appointment slots are available to meet the 18 week non-admitted pathways.

The Trust will continue to reduce the number of elective cancellations by improved elective workload scheduling and continue to improve diagnostic wait times to achieve the 6-week diagnostic target.

Inpatient Bed Utilisation

A bed utilisation review was commissioned by BHNFT in Q4 of 2014/15, which highlighted a number of key areas of improvement around length of stay, bed utilisation, ward processes and delayed transfers of care in order to facilitate bed reductions.

On the back of this piece of work, CBU teams have been challenged with the design and delivery of a model of inpatient care, which optimises the alignment of clinical services where the best synergies exist while aligning services with similar co-dependencies so that the most efficient bed base can be derived. The net effect of this piece of work is to move the treatment of patients to the most appropriate place at the most appropriate time making the most efficient use of our bed base.

Theatres / Endoscopy

By optimising theatre utilisation we will increase productivity throughout our operating theatres by use of improved patient scheduling, the introduction of 4 hour sessions and 8 hour days and reviewing Day Surgical Unit and Surgical Admission Unit hours of working to allow patient choice for later safe discharge following a surgical intervention.

We are undertaking a review of trauma and emergency pathways to facilitate improved waiting times for operation and improved clinical outcomes.

We will continue to maximise our capacity and clinical expertise in endoscopy and look towards expanding the Trust's business share within the Health Economy for endoscopy procedures undertaken at BHNFT.

The Trust is also undertaking a process of expansion in endoscopy, creating additional capacity to capitalise on market opportunities within the South Yorkshire region and to support more timely delivery of local services with a broader range of specialist procedures.

7-day services

The Trust will continue to support and expand the provision of targeted 7-day services in AMU, imaging, therapies and pharmacy whilst working with our host CCG to secure continued funding. It must be noted that this is currently at risk. Key benefits will be achievement of the Keogh standards, further reduction in HSMR and narrowing the gap between weekdays and weekends, support delivery of the 4hr Emergency Access target.

System working

The Trust will continue to work with our partners to improve and maximise the resources we have available to deliver high quality care for our patients. We will continue to be open and inclusive with our patients, our partners and the public and ensure that the services that we deliver provide consistently effective care.

Winter plan

The Trust will ensure that robust systems resilience plans are in place to deal with the effects of winter and seasonal variations. We will continue to work with our partners to ensure appropriate funding and services are available to ensure continuity in service provision.



Key Operational Risks

Risk	Mitigation
Delays to redesign the theatre master template to change the ways of working	Theatre Utilisation group set up. Meetings fortnightly Theatre Utilisation action plan in place
Current demand on Emergency Services including admissions continues to increase and outstrip capacity meaning bed reductions cannot be made	Bed Reconfiguration task and finish group in place, meets weekly and Bed Utilisation report identifies specific areas that can be reduced. Continued work with partners on admission reduction.
Unable to secure funding for 7-day services to continue	Contracting meetings with CCG in place Trust continues to provide 7 day services as a cost pressure
Unable to attract workforce needed to deliver 7 day working	Recruitment drive in place Fixed term contracts in place until funding secured

Workforce

The Trust has a workforce of 3,294 staff - this includes part time staff and pay costs account for approximately 70% of our revenue budget. Development of the workforce strategy and objectives for 2015/16 include:

- focus on the career development, competency acquisition and skill mix of our workforce to ensure that our workforce profile matches current and future needs
- ensure we have an engaged and motivated workforce through participation in the national "listening into action" programme and other agreed initiatives
- reduction in agency staff by effective use of e-roster, medical rotas and recruitment strategies
- reduction in levels of sickness absence.

Key Workforce Risks

Risk	Mitigation
Failure to control labour costs by failing to match staff numbers with requirements to deliver service and meet the business plan	Trust sickness absence target and CBU sickness clinics action plans, e-roster and e-job planning roll out and tighter controls on agency authorisation
Further NHS industrial action may impact on staffing levels and service delivery	Business continuity plans in place and good partnership arrangements with trade unions
Risk of non recruitment to hard to fill vacancies and risk of non development of staff in post could lead to insufficient and incompetent staff	Use of innovative online recruitment/talent search tools, including social media sites, roll out of the new Care Certificate for HCAs and use of Calderdale competency framework to identify and map clinical training needs and skills aligned to service needs
Reputational and financial risk associated with potential disputes and employment tribunal submissions due to current climate of organisational change	New line managers training programme to include management of organisational change, good staff partnership arrangements in place to seek early resolution and resolve disputes.



Our Capital plan for 2015/16

Our capital spend is divided into three distinct areas, the summary table is below including some contingency followed by a brief description of 2015/16 priorities by area.

Capital Spend	5 YP	Budget	Variance
	2015/16 £'000	2015/16 £'000	
Estates Development (incl. Critical Upgrades)	2,309	1,609	(700)
Estates Backlog Maintenance	885	885	0
IM&T (Incl. EPR)	1,325	1,425	100
M&S Equipment	750	1,050	300
Schemes In Progress	0	200	200
Vital Signs	1,000	150	(850)
Contingency	600	500	(100)
Capital Expenditure	6,869	5,819	(1,050)

Estate

The Trust's five Year Strategic Plan considers context within the NHS including strategic direction at national level and the need within the Trust for Clinical Services not only to be sustainable but to follow this guidance. This, alongside innovation and technology enhancements will inevitably mean service redesign, which in turn will need to be reflected in the built environment, estate condition and critical backlog.

We are investing in our hospital facilities, particularly improving the maternity unit, to ensure we continue to provide a suitable environment for our patients and staff.

Maintenance evidences the need for the Trust to continue to invest in backlog maintenance to ensure that buildings are safe and fit for purpose. The Trust should ensure that all of the needs are considered when planning and prioritising capital funds.

Key projects include:

- Development of estates for women and children's services
- Fire related works/critical backlog maintenance
- Ward upgrades

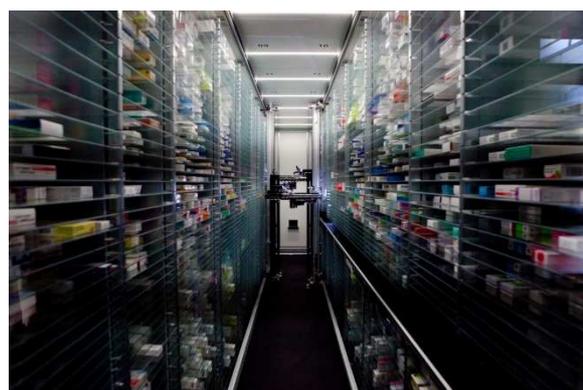
IT

We will continue to deliver our Information, Communication and Technology (ICT) strategy, with the vision of delivering a "paperless hospital". The first phase of our electronic patient record was delivered in 2014/15 and continues into 2015/16 with further extensions to our use of the Lorenzo system, including the deployment of a module for Maternity. We are also planning to reduce the number of paper letters generated by sharing more information electronically with primary care services.

Plans are in place to expand other use of technology such as replacing paper X-ray requests with expansion of our "order communications" system. Desktop PCs continue to be upgraded to our new "virtual desktop", to provide the equivalent of a new computer everyday. We are also upgrading our telephony and bleep systems to the latest technology, providing integrated communications across the hospital.

Key projects include:

- Lorenzo optimisation
- A new maternity system
- Electronic requesting and results for radiology tests
- Further cases to be developed, e.g. vital signs



Medical and Surgical Equipment

We will buy new medical equipment to ensure we can use the latest technology available to support the delivery of clinical services. We are currently in the process of prioritising spend in this area based on clinical need.

Key projects include:

- Cardiology imaging equipment
- Further projects to be agreed



Our Financial Plan

Activity based clinical income

The activity based clinical incomes have been developed as detailed below.

Initially the Checklist modelling tool has been used jointly with Barnsley CCG (previously PCT) for a number of years as the basis for annual planning. The tool uses referral, waiting list and activity data from an agreed modelling period and models the activity needed for the following contract period to meet demand and achieve target waits.

This is then reviewed and compared to other sources of information, e.g. forecast outturn, and revised and updated if needed. Activity plans are shared with commissioners who will review them against their commissioning intentions.

First cut plans are usually valued at average prices until the national prices and grouping software have been issued. When these have been issued plans are valued in accordance with the contract year rules and prices. In those areas in which the National Tariff is applied, the Trust has opted to use the Enhanced Tariff Option (ETO). Some elements of the clinical income are also valued based on locally agreed tariffs.

The draft plans are reviewed by CBUs and updated with known changes, e.g. service developments or changes to clinical pathways not captured in the modelling. Plans are updated with information from commissioners and CBUs to produce second cut plans which are shared and discussed with commissioners to reach final indicative plans for the coming year.

Similar approaches to those above are also used with other commissioners of the Trust's services.

CQUINS

CQUINS are also agreed and included within Clinical Income, these total £3,288,000 for the 2015/16 year and are based on the delivery of both national and locally agreed quality targets.

Other clinical income

There are a number of other clinical income streams received by the Trust which are not directly based on activity and a tariff. These are predominantly based on either block contracts for the provision of a given service at an agreed level or are based on non-recurrent incomes predominantly in relation to the delivery of 7-day services.

Other clinical incomes are based on the outturn achieved for the prior financial year adjusted for known changes in service delivery, patient pathways and commissioner requirements.

At this point, the full funding of 7-day services has not been agreed with Barnsley CCG and there is currently a £1,674,000 shortfall to the funding required. The £1,700,000 currently offered (which is at risk pending BCCG's achievement of its QIPP/Quality, Innovation, Productivity and Prevention target) is included in other clinical incomes in the 2015/16 financial plan. Any funding not received which cannot be mitigated through service and/or cost reduction is a risk to the financial plan.

Other income

There are a range of other incomes received by the Trust, these have predominantly been forecast based on the outturn for the prior financial year with known changes applied.

These relate to income such as:

- R&D
- Education & Training
- Pass through costs for pay and non-pay costs in relation to shared service delivery



Cost base

The cost base has been matched to support the delivery of the activity and income as detailed on page 18. The key factors taken into account when setting the cost base are as follows:

Pay:

- Levels of staffing required, current headcount and the need to support with bank and agency staff and locums
- Pay cost inflation resulting from the agreed changes under Agenda for Change
- Other pay progression and cost pressures such as Clinical Excellence Awards
- Savings planned through the delivery of CIP*
- Pay costs assumed to deliver 7-day services are included at a reduced level to mitigate the lack of BCCG funding, this represents an impact to unrecovered costs of £1,274,000 and directly worsens the budgeted deficit.

Non-Pay:

- Accounting for inflation and deflation as appropriate
- CNST cost increases of 42% over prior year
- Recognition of the full year effect of recurring cost pressures from the prior financial year
- Additional support costs to delivery key programmes of work
- Savings planned through the delivery of CIP*

Other Costs:

- Depreciation is calculated in line with Trust policy and is based on the opening fixed asset position and the capital expenditure in year

Other Costs (cont....)

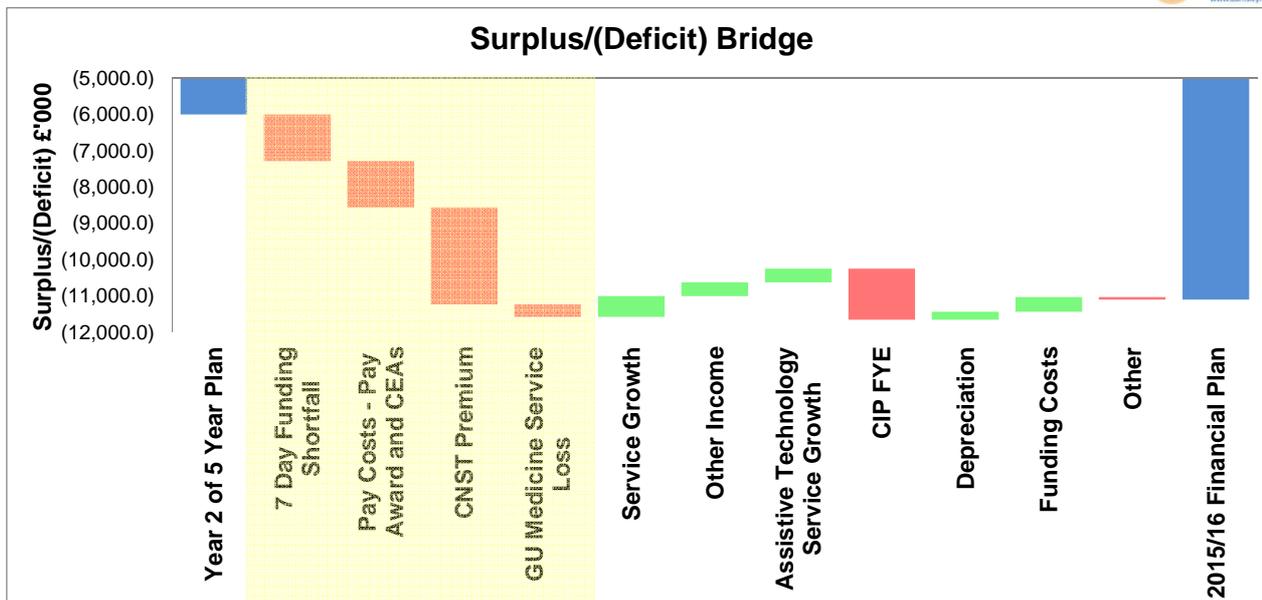
- Funding costs are estimated in line with existing and forecast funding requirements and expected costs of that financing
- Restructuring costs have been allowed for to enable elements of organisational change that may be required.

* See earlier section for details of the turnaround approach and CIP plan.

Income & Expenditure	5 YP		Budget	Variance
	2015/16	2015/16		
	£'000	£'000	£'000	£'000
Clinical Income	146,685	149,289	2,604	
Other Income	17,569	20,114	2,545	
Total Income	164,254	169,403	5,149	
Pay Costs	(110,174)	(116,477)	(6,303)	
Other Costs	(51,322)	(55,980)	(4,658)	
Total Costs	(161,496)	(172,457)	(10,961)	
EBITDA	2,758	(3,054)	(5,812)	
EBITDA Margin	1.7%	-1.8%	-3.5%	
Financing	(8,168)	(7,549)	619	
Other	(600)	(500)	100	
Net Surplus/(Deficit)	(6,010)	(11,103)	(5,093)	

The Income & Expenditure account above does not account for the income or costs associated with systems resilience.

The chart below summarises the key movements to the Income & Expenditure account that have been taken account of when preparing the financial plan for 2015/16 as compared to the second year of the 5 Year Strategic Plan.



NB: The four elements of the bridge above shaded in yellow are areas which have impacted to the Trust since preparation of the five year plan. The Trust has minimal, if any, control over these impacts and minimal ability in the short or medium term to mitigate against them.

Capital expenditure

The capital spend to support the Trust plan for 2015/16 is summarised in the table opposite by the main categories of spend. Key items included in each area are described below:

- Estates Development: upgrade to O Block, fire safety, electrical infrastructure
- Estates Backlog Maintenance: health and safety, upgrade and maintenance projects
- IM&T: data and telephony systems, hardware upgrades, EPR system
- Medical and surgical Equipment: renewal of ageing equipment

Full details of capital spend are given in an earlier section.

There are a few schemes from 2014/15 which are already in progress as the 2015/16 year commences, which relate to projects in progress through the financial year end.

Capital Spend	5 YP	Budget	Variance
	2015/16	2015/16	
	£'000	£'000	£'000
Estates Development (incl. Critical Upgrades)	2,309	1,609	(700)
Estates Backlog Maintenance	885	885	0
IM&T (Incl. EPR)	1,325	1,425	100
M&S Equipment	750	1,050	300
Schemes In Progress	0	200	200
Vital Signs	1,000	150	(850)
Contingency	600	500	(100)
Capital Expenditure	6,869	5,819	(1,050)

The phasing of the capital spend on a quarterly basis is shown below, this phasing is built into the Trust's cash funding requirements.

Qtr 1 £566,000 Qtr 2 £1,140,000

Qtr 3 £1,700,000 Qtr 4 £2,413,000

Based on the above and the existing asset base at the start of the 2015/16, the forecast depreciation charge for the year is £5,777,000.

CHANGING LIVES



Statement of position

The main variances to the second year of the five year plan are as shown below with key items noted to the right:

Statement Of Position	5 YP 2015/16 £'000	Budget 2015/16 £'000	Variance £'000	
NON CURRENT ASSETS	71,521	70,008	(1,513)	- Reduced capital expenditure, 2014/15 downward revaluation.
CURRENT ASSETS				
<i>Inventories</i>	1,407	1,538	131	
<i>NHS Trade Receivables Current</i>	2,823	5,609	2,786	- Overall receivables increase as CQUINS now assumed to be outstanding at year ends.
<i>Other Receivables Current</i>	2,928	2,070	(858)	
<i>Prepayments Current</i>	792	698	(94)	
<i>Cash</i>	501	1,126	625	- Cash balance increased due to higher headroom assumption.
Assets Current Total	8,451	11,041	2,590	
CURRENT LIABILITIES (< One Year)				
<i>Trade & Other Payables Current</i>	(9,239)	(9,131)	108	
<i>PFI</i>	(181)	(203)	(22)	
<i>Loans non commercial Current</i>	0	(180)	(180)	
<i>Social Security Creditors Current</i>	(3,357)	(3,508)	(151)	
<i>Accruals Current</i>	(1,103)	(4,438)	(3,335)	- Overall payables & accruals higher due to higher average payable days assumption.
<i>Provisions Current</i>	(683)	(121)	562	
<i>Deferred Income Current</i>	(545)	(609)	(64)	
Total Current Liabilities	(15,108)	(18,190)	(3,082)	
NET CURRENT ASSETS (LIABILITIES)	(6,657)	29,231	5,672	
<i>Other Receivables Non Current</i>	730	772	42	
<i>PFI NC</i>	(169)	(109)	60	- Previously assumed public dividend capital (PDC) received as term loans, increased funding due to increased deficit.
<i>Loans non commercial Current</i>	0	(30,555)	(30,555)	
<i>Other Non Current</i>	(282)	(249)	33	
Total Non Current	279	(30,141)	(30,420)	
TOTAL ASSETS EMPLOYED	65,143	32,718	(32,425)	
TAXPAYERS' AND OTHERS' EQUITY				
<i>Public Dividend Capital</i>	73,718	46,955	(26,763)	
<i>Retained Earnings</i>	(12,846)	(18,125)	(5,279)	
<i>Revaluation Reserve</i>	4,271	3,888	(383)	
TAXPAYERS EQUITY TOTAL	65,143	32,718	(32,425)	- Funding now received as term loans.

CHANGING LIVES



Cash Flow Statement

The main variances to the second year of the five year plan are as shown below with key items noted to the right:

Statement Of Cash Flow	5 YP 2015/16 £'000	Budget 2015/16 £'000	Variance £'000	
Operating Surplus / (Deficit)	(6,010)	(11,103)	(5,093)	- Deficit adverse to five year plan
Non-cash Income and Expenses				
Depreciation & Amortisation	5,988	5,777	(211)	- Reduced depreciation on capex
Financing costs	2,181	1,772	(409)	- Reduced financing costs
Decrease/(Increase) in Trade & Other Receivables	(21)	400	421	- Reducing receivables, opening position higher
Decrease/(Increase) in Inventories	(28)	(72)	(44)	
(Decrease)/Increase in Trade & Other Payables	(72)	(1,979)	(1,907)	- Reducing creditor days, op. position higher
(Decrease)/Increase in Other Liabilities	(231)	(203)	28	
Other Movements	0	(720)	(720)	
NET CASH INFLOW FROM OPERATING ACTIVITIES	1,807	(6,128)	(7,935)	
Cash Flows from Investing Activities				
Interest received	20	20	0	
Purchase of Property, Plant and Equipment	(6,869)	(5,819)	1,050	- Reduced capital expenditure plan.
Net Cash Outflow from Investing Activities	(6,849)	(5,799)	1,050	
Cash flows from financing activities				
Loan Drawdown/Repaid non commercial PDC received	5,900	9,520	9,520	- Net increase of £2,320,000 to fund increased deficit less reduced capital programme.
Capital Element of PFI Obligations	(180)	(192)	(12)	
Interest Element of PFI Obligations	(200)	(203)	(3)	
Interest Paid	0	(434)	(434)	- Interest on funding transferred to term loans, reduced PDC dividend due to funding change.
PDC Dividend Paid	(2,000)	(1,066)	934	
Net Cash Outflow From Financing Activities	3,520	7,625	4,105	
Increase / (Decrease) in Cash and Cash Equivalents	(1,522)	(4,302)	(2,780)	
Cash and Cash Equivalents at 1 April	2,024	5,428	3,404	- Increased opening position arising from 2014/15 payables position.
Cash and Cash Equivalents at 31 March	502	1,126	624	
	(1,522)	(4,302)	(2,780)	



Our Risks

Area	Risk description	Potential impact
CIPs	<p>CIPs planned for delivery do not deliver either fully or partially, or the realisation of the saving is delayed.</p> <p>Mitigation: The delivery of other CIP savings are advanced, either by being able to advance the delivery of an existing scheme or by advancing the delivery of a pipeline scheme. The pipeline of future CIP schemes to be permanently developed. Other CIP savings over perform to plan.</p>	<p>Any unmitigated loss of CIP savings would be a £ for £ impact to the surplus/(deficit) in year.</p>
CQUINs and Penalties	<p>The Trust's delivery performance under its main contracts do not achieve the required levels of service as stated within the contracts. This may result in the failure to achieve a CQUIN and the related income or a penalty may be incurred. CQUINs are assumed to deliver c£3,288,000.</p> <p>Mitigation: The Trust will continue to deliver quality services to patients thus ensuring CQUIN targets are achieved. Prior to the signing of the annual contracts with commissioners, including BCCG, the CQUIN targets and penalty thresholds will be negotiated so that they are set jointly to ensure that as far as possible they are achievable.</p>	<p>Any lost CQUIN income would be a £ for £ impact to the surplus/(deficit).</p> <p>Any penalty incurred would be a £ for £ impact to surplus/(deficit).</p>
Activity	<p>The plan has been set jointly with the commissioners. There may however be activity levels assumed that are not achieved. This may result in adverse variances to the overall financial performance of the Trust.</p> <p>Mitigation: Work with commissioners to manage patient flows more efficiently and agree approach to any changes that can be foreseen.</p>	<p>Cannot be assessed as would depend on the specific area of under activity and whether any resulting excess resource or costs could be removed.</p>
Non-recurrent income: 7 Day Working and System Resilience	<p>Barnsley CCG have not currently funded the full amount required for 7 Day Working, there is currently a £1,674,000 shortfall. To partially mitigate the shortfall the Trust has assumed £400k of cost reductions. The £1,700,000 offered is dependent on BCCG achieving its QIPP target for 2015/16. It has previously been recognised by BCCG that 7 Day Working is an on-going requirement and recognises the need for the non-recurrent funding. System resilience funding (yet to be agreed) does not support full requirements of pressures faced.</p> <p>Mitigation: Discussions are on-going with BCCG to find options for further funding support to 7-day services. Unfunded 7-day working activities are not continued. Further service delivery cost reductions.</p>	<p>7-day working income not coming though as planned/offered agreed would be a £ for £ loss of income. Any associated non-recurring activity or cost not stopped, or targeted cost savings not achieved would be a £ for £ impact to surplus/(deficit). Any system resilience funding shortfall would be a direct impact to deficit. Any impact to deficit would be an equal impact to cash and funding requirements.</p>
Inflation on non-pay costs	<p>Inflationary increases on non-pay costs have been assumed in the plan, any increases beyond these would increase the Trust's cost base, e.g. commodity market price increases result in increases to the cost of supplies to the Trust, such as utilities or drugs, pay rate increases under Agenda for Change.</p> <p>Mitigation: Procurement to work with suppliers and source new suppliers to remove cost increases, alternative products to be sourced, usage levels to be reduced when possible.</p>	<p>Any cost increases due to inflation beyond the assumptions made within plan assumptions would be a £ for £ impact to the surplus/(deficit).</p>
Supplier Payments	<p>The cash flow and hence statement of position assume the continued management of supplier payments. Although the underlying assumption is a reduction from c80 days to c70 days of overall credit, there could be pressure to reduce further which would impact to cash and funding requirements.</p> <p>Mitigation: The senior finance team maintain the weekly reviews of all payment runs and follow the same cash management processes as the prior year.</p>	<p>Each further day of credit reduction would increase cash requirements by c£200,000.</p>
Capital Plan	<p>The capital plan includes an amount of expenditure in relation to Estates or projects that may require estates work, due to the age of the properties asbestos is present in many areas. Removal of asbestos can be an major and highly variable cost to remove and may be under estimated within the capital spend planned.</p> <p>Mitigation: None.</p>	<p>Any cost increase to the capital plan resulting from higher than expected asbestos removal costs would result in the capital plan being overspent, any overspend impacting to cash and funding requirements.</p>



Our Opportunities

Area	Opportunity description	Potential benefit
CIPs	CIPs planned for delivery in year deliver greater savings than planned. This could be due to over performance of the schemes, savings being realised ahead of plan or new schemes being developed and delivering in year.	Any improvements to CIP savings would be a £ for £ benefit to the surplus/ deficit in year and may also impact to future years including higher full year effects.
Activity	There are a number of ways for the Trust to increase activity volumes: <ul style="list-style-type: none"> - Specific marketing activities for given services (e.g. births based on the recent significant developments of the maternity unit) - Choose and Book – ensure the Trust is placed at the top of the list for referral appointments to capture new patients by ensuring there are clinics available to book appointments in to - DNA rates – the Trust's DNA rate is currently 9-10% resulting in unutilised capacity. Actions to reduce DNAs will mean better utilisation of resources, more patients being seen and waiting times reducing. 	Cannot be accurately assessed as would depend on the specific area of activity. Any revenue generated should contribute at a very high marginal rate to the surplus/(deficit) as the activity should better utilise existing resource and only variable costs such as drugs and tests would increase.
Income	Other sources of income can be brought to the Trust, either recurring or non-recurring. This may include further increases to private patient activity, R&D activities or provision of other services from the Trust.	Any increases to income that can be delivered from existing resources would be a £ for £ benefit to both income and surplus/(deficit). Any increase to income requiring the addition of existing levels of variable costs would be a £ for £ increase to income and a benefit to surplus/(deficit) at an approximate variable contribution of 33%, e.g. a £500,000 income increase would be a benefit to surplus/(deficit) of c£165,000.
Financial Reporting	The Trust is working to improve its financial reporting at all levels. This includes both the scope of the reporting and the granularity of data within that reporting. This work includes the further development of service level reporting (SLR) and patient level information and costing systems (PLiCS). This will highlight further areas for review and from where efficiencies need to be or can be gained. It will also help to highlight performance anomalies that can then be addressed.	Cannot be estimated due to the unknown nature of any changes and the area(s) that may be affected.



Upside Case

The 2015/16 plan as presented contains a number of challenges and pressures which need to be delivered to achieve the deficit of £11,103,000. Some of these are the planned activity increases, new services, and a £6,742,000 of CIP. The Trust is also in a position of having an unsigned contract with its major commissioner as appropriate funding for final elements of service delivery and support are agreed. Based on this level of challenge and uncertainty an Upside Case has not been prepared.

Downside Case

Income & Expenditure

As detailed above the Trust is facing a number of risks to the delivery of its financial plan for the financial year 2015/16. A number of these have been further evaluated and incorporated into a downside case as outlined below.

The total forecast impact to deficit of the downside risks is £2,923,000, resulting in a downside deficit for 2015/16 of £14,026,000. This is shown in the downside Income & Expenditure below.

7-day Funding

- The funding offered by BCCG is not forthcoming due to the CCG's failure to deliver its QIPP target. Impact to income and deficit of £1,700,000.
- The targeted cost savings assumed to partially mitigate funding shortfalls are not achieved. Impact to pay costs of £400,000.

Trauma & Orthopaedic Activity Recovery

- The forecast increase in activity is not delivered as planned. Impact to income of £324,000. Due to expected saving of variable costs, non-pay costs would reduce by £60,000, net impact to deficit of £264,000.

General Medicine (AMAC)

- The forecast increase in activity is not delivered as planned. Impact to income of £72,000. Due to expected saving of variable costs, non-pay costs would reduce by £13,000, net impact to deficit of £59,000.

Systems Resilience

- No systems resilience funding is yet agreed with BCCG, it is understood that the funding available is far less than 2014/15. The shortfall, if no funding is received could be a worst case of c£1.5m. A shortfall of £500,000, resulting in pay cost pressures is included in the downside case.

Income & Expenditure	Budget	Downside	Variance
	2015/16 £'000	2015/16 £'000	
Clinical Income	149,289	147,193	(2,096)
Other Income	20,114	20,114	0
Total Income	169,403	167,307	(2,096)
Pay Costs	(116,477)	(117,377)	(900)
Other Costs	(55,980)	(55,907)	73
Total Costs	(172,457)	(173,284)	(827)
EBITDA	(3,054)	(5,977)	(2,923)
EBITDA Margin	-1.8%	-3.6%	-1.8%
Financing	(7,549)	(7,549)	0
Other	(500)	(500)	0
Net Surplus/(Deficit)	(11,103)	(14,026)	(2,923)

Cash & Funding

The downside case Income & Expenditure shows an increase to deficit of £2,923,000.

This would directly translate into an impact to the cash position of the Trust in the financial year. Therefore increased loan funding would be required of £2,900,000 (rounded to the nearest £100,000)