

Summary

Overall, the Trust achieved the aims as set out in the operational plan for 2014/15 and a summary of the key successes and achievement are detailed within this plan.

In 2014/15, the Trust made progress against many of the priorities set out in the quality account, including 18 week waits and cancer. The Trust strengthened leadership at board and divisional levels and made some improvement in staff engagement compared to previous years. Enforcement undertakings were lifted in two areas and financial governance and the Board Assurance Framework was strengthened.

In addition, in 2014/15, the Trust achieved a small surplus (of £0.14M) and full delivery of the stretching (£10.9M) cost improvement programme for the first time in four years. Also, the Trust Board and Rotherham Clinical Commissioning Group (RCCG) agreed a business case for the development of a £12M new integrated Emergency Centre, planned to open in spring 2017, which will increase future resilience in the provision of urgent and emergency care.

This plan for 2015/16 is produced in the context that the Trust has recommitted to its strategic plan and remains committed to delivering the level of resilience required to meet current and future service demands, and to achieving clinical, financial and operational sustainability.

An overview of this plan together with some background and context is set out below. Feedback on this plan is welcomed and if you have ideas about how we can improve our services, please email us at yourideas@rothgen.nhs.uk.

Public and patient involvement and the support of our stakeholders, such as partners in the voluntary sector, health and social care providers and the local authority, are important in shaping and delivering our plans. Also, we are committed to ensuring that we continue to act on the feedback from our CQC inspections, along with feedback from patients and families, staff, regulatory and other external bodies, to improve and develop our services for the people of Rotherham.

We are grateful to all those who have contributed so far and look forward to working with our patients and partners during 2015/16 to ensure patients are at the heart of what we do and that we provide excellent clinical outcomes and a safe and first class experience for our patients.

Context and Background

The 2014/15 five year strategic plan set out clearly the Trust's strategic aim and objectives for the five year period. The Trust has reviewed this strategy and is

recommitting to this overall direction, which sets the context for the submission of the 2015/16 one year plan.

The Trust Board has reviewed the current position of the organisation in relation to its internal and external environment and organisational responsibilities and has undertaken a review of 2014/15 performance in terms of quality, financial, operational, workforce, governance and partnership working.

The Trust's strategic aim is to remain as a standalone organisation whilst also exploring potential opportunities for collaboration with other acute providers in the local health economy, and in particular exploiting the opportunities provided by the local acute trust collaborative "Working Together Programme"; a collaborative of seven hospital trusts in South Yorkshire, Mid Yorkshire and North Derbyshire.

During 2014/15 the strategic objectives were reduced from eight to five, crystalizing more clearly for stakeholders our key aims and objectives. This proved effective driving increased transparency, engagement and support to deliver our plan.

The Trust entered 2014/15 subject to Monitor enforcement undertakings in three areas; strategic planning, board governance and the electronic patient record. We are pleased that enforcement action was lifted in relation to electronic patient record in July 2014 and board governance in January 2015. Significant action continues to support improvement in the remaining area of finance with a view to achieving compliance in the future.

The Trust started 2014/15 with a strong team of Non-Executive Directors, led by a newly appointed experienced Chair, but with only one substantive Executive Director, the Chief Nurse in post. Furthermore, the clinical divisional structure was not fully in place or embedded. Therefore the priority for 2014/15 was to recruit an experienced and permanent executive team, implement and embed the clinical directorate structure and build leadership capability below board level.

In 2014/15, the Trust successfully appointed a substantive Chief Executive in April 2014, substantive Chief Operating Officer in October 2014, substantive Finance Director in November 2014 and substantive Director of Human Resources in November 2014. In addition, a substantive Company Secretary was appointed in April 2014. An experienced Interim Medical Director was appointed in December 2014 and the process to recruit substantively to this post is underway with the expectation of make an appointment in 2015/16. In addition, the clinical divisional structure was implemented with the introduction of four divisions; Medicine, Surgery, Diagnostics and Family Health. From June 2015, a fifth division "Emergency Care" will be introduced in recognition of the need for increased focus and leadership capacity to deliver our 2015/16 plan expectations (integrated medicine and emergency care including the agreed development of the new Emergency Centre due to open in Spring 2017). The substantive Clinical Director and General Manager for the new Division of Emergency Care have been appointed and will join the Trust Senior Leadership Development Programme.

In 2014/15, phase one of the transformation plan focused on the emergency care pathway and in particular the transformation of community services and the delivery

of a £5M investment programme. The transformation programme resulted in the introduction of a seven locality model of adult community nursing, such that a lead GP, lead nurse and community matron for each locality can oversee the provision of care for their population. In addition, pathways of care were established to support admission prevention and discharge as well as enhancing the care co-ordination centre. Despite this, and the achievement of the four hour access target during Q1 and Q2, the changes were not embedded sufficiently in order to meet winter pressures, and the Trust did not achieve the four hour access target in Q3 and Q4 and at year end.

However, improvement continues to be driven through phase two of our transformation programme which brings a more integrated approach to urgent care and community transformation with the central focus being the management of frail older people. This will introduce designated physician support for the locality model and support a closer working relationship between primary care and community teams as well as further enhancing ways of working in the acute setting. The early signs in 2015/16 indicate the Trust is now demonstrating the resilience required to achieve the four hour access target this year.

During 2014/15, the Trust Board further reviewed the organisation’s strategic objectives and after consultation with stakeholders, agreed the five strategic objectives that are now in place, and which form the basis of this plan.

The vision, mission, values and five strategic objectives are as follows:

<p>Our Vision To ensure patients are at the heart of what we do, providing excellent clinical outcomes and a safe and first class experience.</p>	<p>Our Mission To improve the Health and Wellbeing of the population we serve, building a healthier future together.</p>	<p>Our Values</p> <ul style="list-style-type: none"> Respect Compassion Responsible Together Right First Time Safe
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Strategic Objectives

	<p>Patients:</p> <p>Excellence in healthcare</p>	<p>Putting our patients at the heart of what we do</p> <ul style="list-style-type: none"> ● Care and compassion ● Every patient and their family is special ● Always ensuring we meet essential standards of care ● Embracing the future and leading the way
	<p>Colleagues:</p> <p>Engaged, Accountable Colleagues</p>	<p>Amazing colleagues delivering patient care every single day</p> <ul style="list-style-type: none"> ● Ensuring this is a really great place to work ● Listening to you and supporting you to make decisions ● Developing you to be the best you can be ● Facing our challenges together

	<p>Governance: Trusted, open governance</p>	<ul style="list-style-type: none"> ● Being open and transparent about what we do ● Being responsible and accountable ● Learning when things don't go well ● Supported by clear policies and structures ● Always compliant giving patients confidence in all we do
	<p>Finance: Strong financial foundations</p>	<ul style="list-style-type: none"> ● Using our money and resources wisely ● Better understanding the costs of delivering services ● Making savings safely and becoming more efficient ● Investing in quality and improving our facilities ● Value for money and planning for the future
	<p>Partners Securing the future together</p>	<ul style="list-style-type: none"> ● Understanding the needs of our community ● Working with others to improve the health and wellbeing of our community ● Looking ahead ● Building partnerships to achieve clinical and financial sustainability ● Embracing innovation

The information provided below sets out our 2015/16 priorities against each of the five strategic objectives along with key enablers to support delivery of each strategic objective.



Patients – Excellence in Healthcare

Priorities:

- Deliver the quality priorities in the 2015/16 Quality Account
- Deliver improvement and actions arising from the CQC Inspection Reports
- Achieve performance in line with all statutory and contractual requirements
- Progress Clinical Specialty Reviews to the next stage as determined by the Clinical Reference Group (May)

Key enablers

- Define and deliver acute and community transformation programme (phase two)
- Hospital at Night and Day
- Estates strategy and information technology strategy – review and progress
- Service Line Management and creation of the Emergency Care and Integrated Medicine Directorates
- Compassion in caring



Colleagues - Engaged, Accountable Colleagues

Priorities:

- Increase colleague engagement in the key priorities across the Trust
- Decrease sickness absence
- Decrease premium spend, including agency, interim and locums

- Recruit and develop the capacity and capability to deliver the plan for 2015/16 and beyond

Key Enablers:

- Restructure HR Directorate across all disciplines (employee relations, recruitment, Health and Wellbeing, Learning and Development)
- Procure and implement e-rostering
- Recruitment of key individuals to support delivery strategic objectives
- Information driven medical job plans
- Leadership and management development programmes, succession plans in place
- Listening into Action and Staff engagement plans (employee champions, staff side and staff Governors), Communications Department



Governance - Trusted, open governance

Priorities:

- Address financial enforcement requirements
- Financial governance action plan and controls
- Compliance with audit recommendations
- Enhanced performance framework
- Information governance toolkit – Level 2
- Strengthened clinical governance arrangements

Key enablers:

- Introduce and embed Service Line Management
- Strengthened Governance arrangements for the Emergency Centre and Cost Improvement and transformation Programmes



Finance - Strong financial foundations

Priorities:

- Deliver the 2015/16 financial plan
- Deliver £12.9M Cost improvement target
- Improve liquidity
- Deliver the 2015/16 capital programme
- Long term financial plan (2015/16 to 2019/20)

Key enablers:

- Financial governance action plan
- Service line reporting/patient level costing
- Revised contractual arrangements
- Reduce agency and other premium spend
- Benchmarking of services against peer group leaders



Partners - Securing the future together

Objectives:

- To finalise the model of care and resourcing requirements for the Emergency Centre
- Improve partnership working with external stakeholders
- Improve financial, clinical and operational sustainability through partnership working (Working Together Programme)
- Development and progression of clinical service strategies

Key enablers:

- Stakeholder engagement programme
- Patient and public involvement
- Working together programme
- Stakeholder engagement

2015/16 will be a challenging year. Delivery of our quality, operational, stretching financial and significant transformation plans will underpin performance in future years and support our strategic aim in terms of long term sustainability.

In the 2015/16 one year plan, the Trust Board has recommitted to the Trust's strategy. In overall terms, the direction and underpinning strategic assumptions remain unchanged. The Trust has achieved significant progress in line with the first year of this strategy (in 2014/15) which will provide improved foundations to support implementation of the 2015/16 plan.

Clinical Sustainability

The Clinical Specialty Reviews undertaken in 2014/15 supported the strategic direction outlined in the Trust's five year strategy (2014-19) namely for the Trust to remain as a 'standalone' organisation whilst also exploring potential opportunities for collaboration with other acute providers in the local health economy. Assessment of clinical sustainability is complex and dependent on a multitude of variable factors, including operational issues and the ability to meet the wider efficiency and financial challenges faced during the plan period. The review considered the "foreseeable future", which the Trust defined as within the next three to four years in keeping with the outer years of the Five Year Strategic Plan 2014-19 and was based on information available at that time. The review was also cognisant of the national context for healthcare in relation to the future direction for smaller/medium sized district general hospitals articulated in the reports, "Facing the future: smaller acute providers" (Monitor, June 2014), "Five Year Forward View" (NHS England, October 2014) and "The Dalton Report" (December 2014).

As part of the 2015/16 business planning process, Trust boards are required to consider their response to the NHS Five Year Forward View and determine the scale and scope of their service portfolios. Trusts should consider whether a new organisational form may be most suited to support the delivery of safe, reliable, high quality and economically viable services for their populations. Categories of organisational form are described as; collaborative, contractual and consolidated.

Already within the Trust there are examples of working under each of the organisational forms described. For example, the Trust's working arrangements with Barnsley Foundation Trust in the provision of ophthalmology and with Doncaster and Chesterfield Foundation Trusts in ENT and Oral Maxillo Facial surgery are examples of the Trust's long standing ability to work collaboratively. Also, through its integration with community services the Trust demonstrates its use of consolidation as an organisational form.

The Trust will ensure that as part of its on-going routine review of clinical services that it remains open to utilise different organisational forms to ensure clinical sustainability of its services in the interests of its patient. During 2015/16, the Trust will further review clinical service strategies and continue to drive acute and community integration with a view to further strengthening clinical sustainability of services for the population we serve.

Financial Sustainability

The financial position of the Trust remains challenging as the Trust still faces a significant underlying deficit at the start of 2015/16. Whilst the underlying position improved slightly in 2014/15 (and was reassessed throughout the year to provide greater financial transparency), the cost pressures faced this year have increased the underlying deficit further for the start of 2015/16. The ambitious cost improvement programme of £12.9M has been agreed by the Trust Board in recognition of delivery in full of the £10.9M programme 2014/15, the historic under delivery of cost improvement plans previously and the need to further erode the underlying deficit with a view to returning the Trust to a surplus position in the longer term. All plans will be subject to quality impact assessments and monitoring to ensure no detrimental impact on services and patient care. The action taken in 2015/16 seeks to reduce the underlying deficit from £9M at the start of the year to £7M at the year-end, with the Trust planning to achieve a deficit of £1.9M at year end. This will require use of a loan to support the capital investment programme.

The Trust will continue to review and develop the financial assumptions within the five year strategic plan to assess the level of financial risk faced by the Trust in achieving its long term strategic aim and strategic objectives and to develop and refine the long term financial plan for the Trust.

Operational Sustainability and Resilience

Capacity and capability to deliver the one year plan is key. The modular Senior Leadership Programme is in place and will continue throughout 2015/16, with improved talent mapping to ensure focus on key skills and roles to meet current and future organisational needs.

The Trust's performance management framework is currently being strengthened as part of the introduction of a Service Line Management Programme. This requires an overhaul of information reporting and the development of a suite of robust information to support business delivery which will ultimately result in a standardised performance management framework which will be deployed across all levels of the

organisation. This project, which is currently underway and will enable greater transparency and scrutiny of performance to enable us to ensure clear lines of accountability and responsibility and drive improvement at increased pace. The need to ensure resilience alongside sustainability of services will remain central to performance improvement and transformational work streams.

Sickness absence management remains a high priority alongside the delivery of plans to reduce dependency on premium pay and agency usage and stretching targets have been set for 2015/16 to support delivery of our financial plan. However, quality in terms of patient safety, clinical effectiveness and patient experience will be paramount, ensuring that the Trust supports staffing requirements needed to support the delivery of service priorities, whilst recognising the need to improve financial efficiency.

Risks to Delivery

The risks to delivery have been refreshed for 2015/16. Our assessment at this time has identified the following risks:

Risk Type	Nature of Risk	Mitigation
Quality	<ul style="list-style-type: none"> Nursing recruitment to meet required ratios Failure to meet the targets in the Quality Account Failure to reduce the need for agency staff Failure to deliver contractual quality requirements (in particular the C.difficile trajectory) Additional risks may be identified arising from the outcome of the CQC visit 	<ul style="list-style-type: none"> Nursing recruitment strategy including retention Leadership development and recruitment to key clinical and non-clinical posts and define clear line of accountability and responsibility Revised performance management arrangements (ward to board) Improve staff engagement at all levels Persistent focus in reviewing C.difficile incidence
Operational	<ul style="list-style-type: none"> Failure to deliver A&E 4 hour target compliance Failure to sustain/reduce non-elective admissions Failure to secure and develop the capacity and capability to deliver plan Failure to recruit nurses and other staff to meet required ratios Failure to achieve transformation outcomes 18 week RTT management 	<ul style="list-style-type: none"> Revised Divisional structure Review of care pathways Transformation Programme (Phase 2) Leadership development Recruitment to key clinical & non-clinical posts Nursing recruitment strategy including retention Work with ECIST (elective) to support process redesign and improvement
Financial	<ul style="list-style-type: none"> Failure to deliver CIP Failure to reduce premium pay costs Failure to achieve contractual performance requirements 	<ul style="list-style-type: none"> Develop CIP schemes in excess of annual target Revise and strengthen performance management arrangements

	<ul style="list-style-type: none"> • Failure to improve liquidity 	<ul style="list-style-type: none"> • Increase substantive recruitment campaigns • Managed service for medical and nursing staff • Implementation of E-rostering system • Contracted Activity plans have been developed and signed off by Division • Responsible officers identified for all development and transformation schemes • Regular meetings with CCGs • Rolling 13 week and 12 month cash flow forecast • Loan to support the capital programme • Explore the consolidation of current loans • Prioritisation of the capital programme • Enhanced debt collection
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Delivery of the 2015/16 one year operational plan will be monitored at Trust Board on a monthly basis.

Review of 2014/15 Performance

Effective and robust strategic planning must take account of current organisational performance. This section of the plan provides a summary of the Trust's performance across key areas for last year.

Progress against delivery of 2014/15 Strategic Objectives

The table below describes the positive progress made against the 2014/15 operational plan objectives:

Delivery of the strategic objectives was underpinned by a set of key priorities for 2014/16. The progress made has been summarised as follows:

Strategic Objective	Strategic Priority	PROGRESS IN 2014/15
Governance	Addressing Monitor Enforcements	<ul style="list-style-type: none"> • Significant levels of evidence provided to Monitor for concerns relating to the Electronic Patient Record • Following thorough review of the evidence that the Trust had given Monitor were assured with progress and removed the undertaking in July 2014 • Monitor removed the undertakings relating to Board Governance
Patients Finance	Clinical Service Reviews	<ul style="list-style-type: none"> • Completed in December 2014 • A total of 29 services were reviewed • Full clinical engagement across all services reviewed

Patients Finance	Transformation Programme Action Plan	<p>Following substantive appointments to key executive roles, the Trust has taken the opportunity to review the role and function of PMO and can report the following progress:</p> <ul style="list-style-type: none"> • An interim Head of Transformation (with a clinical background) commenced in post Feb 2015 • Close working links established with Director of Finance and Chief Operating Officer to define the programme for 2015/16. • Work streams addressing efficiencies in outpatients, theatres, workforce and bed capacity. • Dedicated project managers assigned to each clinical division to provide expertise and support in transforming services at a grass roots operational level • Performance management of plans to deliver successful outcomes within pre-defined timescales.
Finance	Service Level Reporting (SLR)	<ul style="list-style-type: none"> • SLR software procured and installed • System training delivered to key staff • Close working between Finance and Information teams to validate data inputs/outputs of initial SLR data feed • Extending clinical engagement to support implementation • Multi-disciplinary team approach adopted • To be progressed as part of Service Line Management in 2015/16
Governance Colleagues	Board Development Programme	<ul style="list-style-type: none"> • Board development sessions undertaken in 2014/15 and ongoing • External facilitation as deemed appropriate/specific to the subject area • Development programme scheduled throughout 2015/16
Governance Colleagues	Appointment of CEO & Executive Team	<ul style="list-style-type: none"> • Substantive Chief Executive Officer April 2014 • Substantive Company Secretary April 2014 • Substantive Director of Finance November 2014 • Substantive Director of HR November 2014 • Substantive Chief Operating Officer October 2014. • Substantive Medical Director post out to advert • The stabilising of the executive team is demonstrating significant benefits through continuity and consistency
Governance Colleagues	Clinical Management Re-structuring	<ul style="list-style-type: none"> • Final structures agreed • Recruitment process completed early in 2014/15. • Introduction of Emergency Care Division agreed
Governance	Board Committee Structure	<ul style="list-style-type: none"> • A full review of committee structures and terms of reference has been completed • Benefits of which are more focussed and structured mechanism for reporting through to Board
Governance	Assurance Framework	<ul style="list-style-type: none"> • Board Assurance Framework revised, re-formatted and aligned to the Strategic Objectives • Quarterly review at Board (evidenced through the public Board papers) • Audit of the BAF and risk management controls completed during Q4 14/15 to provide further assurances and/or areas requiring further work.
Patients Governance Colleagues	Risk Management	<ul style="list-style-type: none"> • Interim risk management strategy agreed by the Trust Board • Risks reviewed at Trust Board committees and escalation to Trust Board as required
Colleagues	Staff Communication and Engagement	<ul style="list-style-type: none"> • A review of staff communications and engagement • Branding developed for corporate objectives • Chairman and Chief Executive led sessions to communicate organisational strategy and disseminate key messages • Monthly team brief is in place delivered at community and acute settings • Listening into Action methodology and principles have been introduced across the organisation to empower staff • Staff engagement strategy continues to be developed incorporating Listening into Action (LiA) principles

Colleagues	People Performance Management	<ul style="list-style-type: none"> • Appraisal and Personal Development reviews (PDRs) • Revised policy formally ratified • Briefings and more detailed training sessions held for both appraisers and appraisees (on-going)
Patients/ Governance	Performance Management Framework	<ul style="list-style-type: none"> • Monthly meetings with each of the four Divisions to review performance across a range of indicators. • Iterative review process on-going to improve processes for performance management • Service Line Management Strategy approved by Trust Board in February 2015 and launched May 2015
Partners	Stakeholder Engagement Plan	<ul style="list-style-type: none"> • Closer working with our stakeholders to support joint planning and delivery of plans • Actively engaged in the Health and Wellbeing Board • Actively engaged in the Commissioner led Children's Improvement Board • Stakeholder engagement plan in place and under review
Partners	Governor Engagement	<ul style="list-style-type: none"> • A governor development programme is in place • Training and development sessions have been held during 14/15 covering a range of topics to support governor engagement and increase knowledge base • Launched <i>Governors' Surgeries</i> in-year - an opportunity for patients, relatives and staff to speak to our Governors and make their views known

Financial Performance

The following table summarises the draft year-end financial position, prior to the annual audit:

Financial Duty	Year End Plan £'Ms	Year End Actual £'Ms	RAG
Delivering the Planned Surplus	0.66	0.14	A
Achieving the Capital Resource Limit	7.57	6.78	A

Metric	Weight	March 2015			Thresholds			
		Plan	Actual	Score	1	2	3	4
Liquidity Ratio	50%	2	2	-11.3	<-14	-14	-7	-2
Capital Servicing Capacity	50%	3	2	1.68	<1.25x	1.25x	1.75x	2.5x
Overall Continuity of Service Risk Rating		3	2					

A more detailed breakdown of the position is as follows:

In Month			Description	Year To Date		
Plan	Actual	Better (Worse) than Plan		Plan	Actual	Better (Worse) than Plan
£000s	£000s	£000s	Income	£000s	£000s	£000s
19,270	21,715	2,445	Clinical	217,160	222,230	5,070
667	960	293	Research & Development & Education	7,053	7,702	649
1,419	1,790	371	Other	12,384	12,762	378
21,356	24,465	3,109	TOTAL INCOME	236,597	242,694	6,097
			Expenditure			
12,929	12,246	683	Pay - In Post	152,206	143,805	8,402
52	296	(244)	Pay - Bank	369	2,961	(2,592)
681	1,889	(1,209)	Pay - Agency	4,709	13,155	(8,446)
3,706	4,171	(465)	Drugs & Clinical Supplies	39,846	43,254	(3,408)
2,405	2,459	(54)	General Supplies	27,556	28,453	(897)
181	621	(802)	Other	470	1,366	(896)
19,591	21,681	(2,090)	TOTAL EXPENDITURE	225,156	232,993	(7,837)
34	(1,143)	(1,177)	Reserve Movements	(774)	0	774
1,799	1,641	(158)	EBITDA	10,667	9,701	(967)
(843)	(886)	(43)	Financing Costs	(10,005)	(9,573)	432
956	755	(201)	SURPLUS - Excluding Impairment	663	128	(535)
0	0	0	Impairment of Assets & Donated Asset treatment	0	11	11
956	755	(201)	SURPLUS	663	139	(524)

Key issues are:

- Year-end position of £0.14m surplus against the planned surplus of £0.66m
- Capital programme under spent in year, although 41% of annual expenditure incurred in the final two months of the year following revised management arrangements of the programme
- Continuity of Service Risk Rating of two

Contract Position

The table below demonstrates the Trust total year-end position of actual activity by point of delivery against planned levels:

	14/15 Plan	14/15 outturn	Variance
Elective	41156	42756	1600
Non-Elective	25205	26104	899
Outpatient - First	91827	92556	729
Outpatient - Follow-up	216269	218292	2023
A&E	75293	76951	1658

It is clear to see that the trends reported nationally are reflected in our local activity position demonstrating that increased demand continues to stretch our operational capacity, and place sustained pressures on both acute and community services.

It is imperative that demand is closely monitored during 2015/16 and schemes to manage demand are being progressed through our transformation programme.

Quality Performance

Our 2014/15 quality programme and progress is summarised as:

Domain	Focus Area	Goal	2014/15 Performance
Safe	Mortality	<ul style="list-style-type: none"> Deliver a four point reduction in HSMR 	<ul style="list-style-type: none"> Awaiting publication of final data It is anticipated the four point reduction has not been achieved Focus on mortality will continue into 2015/16
Safe	Harm Free Care	<ul style="list-style-type: none"> Achieve a minimum of 96% of Harm Free Care across the Trust <ul style="list-style-type: none"> Achieve zero avoidable grade three and four pressure ulcers Achieve a zero avoidable falls with harm 	<ul style="list-style-type: none"> Achieved 94.35% harm free care (national rate 93.36%) A steady decline in the number of avoidable pressure ulcers occurring in both in-patient areas and patients cared for at home by TRFT community staff has been delivered in-year. Whilst we have not yet achieved our target of zero avoidable pressure ulcers, good progress has been made and we will continue to focus closely on this issue during 2015/16. The Trust has maintained its position in relation to the number of falls which have occurred and the number of falls resulting in harm which is below the national incidence rate
Reliable	Waiting Times	<ul style="list-style-type: none"> Achieve all national waiting time targets in: <ul style="list-style-type: none"> Cancer A&E 18 week pathways six week diagnostic waits 52 week waits 	<ul style="list-style-type: none"> Yes No Yes Yes No
Caring	Friends and Family Test	<ul style="list-style-type: none"> Achieve a three point increase in the overall in-patient, maternity and A&E NPS <ul style="list-style-type: none"> Achieve a three point increase in A&E NPS Achieve a 3 point increase in IP NPS Achieve a 40% response rate for A&E, inpatients and maternity combined 	<ul style="list-style-type: none"> The three point increase was intentionally set as a stretch target We did not achieve these stretch targets however the Trust did achieve all national CQUIN indicators for the Friends and Family Test Our overall response rate was 27.02% - higher than both the national average (18.49%) and a significant improvement on 13/14 performance (15.91%)

In addition the Trust achieved 88% compliance against its contractual requirements for Commissioning for Quality and Innovation (CQUIN). The CQUIN scheme consisted of nine priority areas (three nationally mandated and six locally determined) with a total of 21 sub-indicators.

The Trust was inspected by the CQC in February 2015. We are awaiting feedback on the outcome of the inspection.

Operational Performance

2014/15 has seen substantial levels of Accident and Emergency (A&E) attendances and emergency admissions (as referenced in the activity table above). This has placed increased demands on services requiring the Trust to increase staffing capacity to meet demand. In addition this has driven additional agency usage creating financial inefficiency.

Despite not achieving the A&E target of 95% four hour access target, the Trust was ranked 52 out of 144 Acute Trusts providing Type one A&E services and did make significant improvements to its supporting processes. The Trust remains committed to achieving the target in 2015/16.

Operational Targets

Indicator	Performance	RAG
A&E four hour wait	X – linked to increases in demand and patient acuity	Red
Cancer waiting times	√	Green
Diagnostic waiting times	√	Green
18 weeks	√	Green
Cancelled operations	√	Green
52 week waits	X – we have engaged with the national Elective Intensive Support Team to review our systems and processes and support the Trust to develop an improvement plan for implementation in 2015/16	Yellow
MRSA	√	Green
C.difficile	X – the Trust target was 26 and the actual year-end position was 32	Red

Community Transformation

As part of 2014/15 contract settlement NHS Rotherham Clinical Commissioning Group agreed to support a programme of work relating to community transformation of £5m. The aim of this was to enhance and, where required, re-model community services to support delivery of care closer to home, improve patient experience and reduce levels of emergency attendances and admissions through developing a network of alternative care options to those within the traditional hospital setting.

Whilst emergency attendances and admissions did not reduce during 2014/15, we are pleased to report delivery against all of the schemes and recovery of the £5m associated finances in full during 2014/15 which provides a strong basis for the next phase of transformation in 2015/16. Performance is detailed below:

Priority 1: A Better Community Nursing Service		Q1	Q2	Q3	Q4
1.1	Produce a recruitment and retention strategy for community nursing				
1.2	Non-recurrent investment into IT support implemented - key target order placed				
1.3	Agree new service model for community nursing services				
1.4	New performance arrangements and KPIs for community nursing services agreed				
1.5	Agree new allocation formula for community nursing service				
1.6	Community nursing workforce at 90% capacity on current establishment				
1.7	Service model agreed for the Community Nursing OOH Service				
1.8	New service model for the community nursing locality teams is fully implemented				
Priority 2: Integrating Services in Health and Social Care					
2.1	Implement integrated falls and bone health pathway for people > 55 years with a fragility fracture				
2.2	Develop a specialist respiratory community support service				
2.3	Agree service model for an integrated neurological conditions care pathway				
Priority 3: An Enhanced Care Coordination Centre					
3.1	All care plans from the case management programme available at the CCC				
3.2	Agree service model for an Enhanced Care Coordination Centre				
3.3	Implement new service model for an Enhanced Care Coordination Centre				
Priority 4: Utilisation of Alternative Levels of Care					
4.1	Complete review of The Oakwood Community Unit				
4.2	Agree proposals on use of alternative level of care beds for Continuing Health Care patients				
4.3	Agree pathways for "Supported Discharge", "Admission Prevention" and "Discharge to Assess"				
4.4	Agree service model for Integrated Rapid Response Service				
4.5	Agree service model for Oakwood Community Unit				
4.6	Reconfigure The Oakwood Community Unit				
Priority 5: Better Governance and Performance Management					
5.1	Agree full set of specifications and KPIs for all community health services delivered by RFT				
5.2	Agree new governance framework for community health services				
5.3	New reporting arrangements in place for KPIs and activity				
5.4	Spend on community health services is aligned to contract value				

Progress was also made in other areas a number of which are listed below:

- Outcome of clinical service reviews further supports the Trust's strategic plan and objectives
- Secured positive year-end financial settlements relating to over performance in non-elective activity
- The plans for the new Emergency Centre were formally approved by the Trust Board of Directors and also by the CCG governing Body
- In December 2014 the Trust was identified nationally by Healthwatch as a Trust that deals effectively and proactively with complaints and suggestions from visitors

- The Trust won a gold award for preventing accidents on its hospital and community sites as awarded by the Royal Society for the Prevention of Accidents (RoSPA), as part of their RoSPA Occupational Health and Safety Awards 2015. Only organisations that maintain high standards in consecutive years can win gold medals
- The Trust was awarded a contract to deliver enhanced catering services to patients, staff and visitors. This will modernise the way meals are delivered and served on wards and innovative features such as electronic meal ordering, hydration trolleys and ward hostess services
- The Trust was awarded a coveted 'Park Mark' for its parking facilities, making it the first NHS organisation in South Yorkshire to successfully take on 'safer parking' principles
- The Trust hosted sixteen external agency inspections during 14/15 and two clinically led visits by RCCG

Whilst these represent some positive outcomes during 2014/15, there remain a number of issues which require attention in 2015/16.

Review of Environment

National Context

- The impact of the outcome of the election of the new conservative government
- The Five Year Forward sets out new models of care (consistent with our long-term strategic objectives)
- Better Care Fund plans to support patients receiving care in the community and from social care providers by reallocating resources to reduce demand for hospital admissions (consistent with our long-term strategic objectives)
- Changes to commissioning arrangements
- Continued requirements to deliver long-term sustainable financial efficiencies
- Demand for NHS services continues to rise above and beyond predicted levels adding further pressure to national funding streams
- Changes in the national tariff arrangement (considering the issues experienced in 14/15)
- Lack of sufficient numbers of staff being trained (across all clinical grades) to fill current vacancies and support implementation of strategic initiatives (e.g. increased nurse staffing levels, seven Day Working etc.)

Regional Context

- Demand for NHS services continues to rise above and beyond predicted levels adding further pressure to regional funding allocations
- Impact of regional reviews
- Impact of further centralisation of services to specialist centres
- Future impact of the Working Together Programme
- Recruitment and retention of staff

Local Context

- Demand for NHS services continues to rise above and beyond predicted levels adding further pressure to local funding allocations

- Findings of the reports into Child Sexual Exploitation in Rotherham
- Change in leadership and structure of RMBC and the appointment of Commissioners
- The outcome of the recent Care Quality Commission inspections of services
- Support from Child and Adolescent Mental Health Services (CAMHS)
- Increasing pressure to market test services by commissioners
- Recruitment and retention of staff particularly in shortage areas

To further support our strategic planning we reviewed our strengths, weaknesses, opportunities and threats relative to both external and internal environment which informed the development of this plan.

Changes in Commissioning Assumptions

NHS services continue to require radical change to meet the increasing challenges placed upon them and to deliver the financial efficiency requirements of the sector. Predicted increases in the ageing, elderly population, many with multiple co-morbidities and long term conditions have been realised during 2014/15 resulting in operational pressures and support the need for future service transformation and integrated pathways. Alongside this, advances in medical practice, new technologies/drugs and increasing patient expectations, place further demands on the Local Health Economy commissioners and providers. Making best use of the finances available requires collaborative working to ensure focus in areas of strategic importance ultimately aimed at providing the best quality and value for money services to our patients.

As part of 2015/16 planning we have worked with our primary commissioners across the local health economy to help shape commissioning intentions to meet the changing needs of our local population. This has been facilitated through the Health and Wellbeing Board as well as more detailed direct commissioner/provider discussions at a range of levels.

Whilst one of NHS Rotherham CCG's key strategic aims remains to reduce emergency admissions in Rotherham, they have recognised the increased levels experienced above 2014/15 planning assumptions. This has resulted in a joint agreement to commission emergency activity for 2015/16 in line with the actual activity experienced in 2014/15. This is a significant shift from the previous activity assumptions and this has resulted in more realistic activity planning assumptions which have been welcomed by the Trust. The commissioning assumptions for 2015/16 by key commissioner are:

Rotherham CCG

- Sustained focus on addressing higher than national average emergency admissions, including reducing the number of re-admissions
- Delivering appropriate services in non-acute settings (intermediate care, nurse/therapy led step-down facilities, care closer to (and in) the home)
- Review of emergency care pathways through commitment to development of an Emergency Centre at Rotherham Hospital

- Reducing unnecessary hospital face-to-face follow-up attendances as part of the efficiency programme
- Further reductions in resources expected in 2016/17
- On-going impact of the Better Care Fund

The 2015/16 activity plans, local CQUIN schemes and other local incentive schemes reflect a joint strategic approach to addressing the issues identified above ultimately aimed at delivering a better quality of care to our patients.

Rotherham Metropolitan Borough Council (RMBC)

- The Trust is working with RMBC and other stakeholders to address the findings arising from the investigation into Child Sexual Exploitation in Rotherham
- A move to a stand-alone Public Health contract
- Responsibility for commissioning of Health Visiting services from October 2015 (and more to follow)
- Increased integration between acute and community sexual health services facilitated through enhancements to the service specification
- A full review of school nursing provision to be undertaken in 2015/16

NHS England

NHS England commission specialised services, dental services and some public health from the Trust. Whilst we provide some services deemed as specialised (e.g. chemotherapy, HIV, some cancer treatments) the numbers are small relative to those provided at the nearby teaching hospital therefore the impact of changes in funding for specialised services has had little impact on the Trust for 2015/16. The following commissioning arrangements are those directly impacting on service provided at Rotherham under this contract:

- A reduction in minor oral surgery procedures which will be transferred to a community based service
- QIPP savings on vial sharing and home delivered drugs with benefit share agreement in place with providers
- Commissioning of health visiting services will transfer to RMBC in October 2015 in line with changes to national commissioning arrangements

Any activity/financial implications of the above have been factored into our 2015/16 planning assumptions.

2015/16 Strategy

Having considered the Trust's current position and reviewed the potential future impacts, the Board has agreed to recommit to its overall strategy.

The basis for this decision is that the Trust Board determined that the external environment presents similar challenges to those identified in our original 2014/15 strategy. In addition the Trust remains committed to its strategic aim and objectives with a view to achieving the necessary resilience and sustainability of services to

meet the increasing demands of the population we serve. It is likely that similar challenging and stretching levels of efficiency savings will continue to be required in the context of the outlook for the economy and the NHS continues to require similar levels of efficiency savings.

Our strategic direction, as described in the five year plan shared previously, remains unchanged. It has a clear focus on shaping services and developing new and collaborative models of care to meet the future needs of our population, embracing change and advancements in technology, effective financial management, enhancing partnership working and, importantly, engaging and supporting our staff to deliver the best possible care for our patients.

Delivering the Strategic Objectives - Programme of Work

We have clearly defined work programme to deliver our 2015/16 priorities to support quality, operational and financial delivery which, in turn, supports the organisation in delivering its vision, mission, values and strategic objectives.

The Trust Board will receive a monthly progress report to ensure transparency and scrutiny of progress and further support good governance arrangements. In addition Divisional and service line performance management arrangements will ensure regular monitoring against objectives and review of risks and mitigation.

Quality Ambitions and Improvement Priorities

During the year we have been monitoring progress against the targets we set ourselves after consultation with key stakeholders and staff. Not all of the goals we set ourselves have been achieved although good progress can be described in a number of areas. It remains our ambition to achieve these goals and therefore they are carried into 2015/16 as our quality ambitions, underpinned by a series of in-year improvements.

The proposed quality improvement indicators for 2015/16 have been selected following a consultation process with colleagues, Trust governors and Trust members and the Rotherham Health Select Commission. Healthwatch were also invited to contribute. Proposals also take into account feedback received via complaints, the outcome of the national patient surveys as well as progress against last year's agreed priority indicators, some of which have been carried forward to consolidate progress made to date.

The table below provides the list of improvement indicators for 2015/16:

Priority	Description	Exec lead	Operational lead
Clinical Effectiveness (CE)	1. 100% of unpredicted deaths of patients in hospital will be reviewed in line with the Mortality Review Process	Medical Director	Associate Medical Director: Quality and Standards in Medical Care

Clinical Effectiveness	<p>2. Over 2015/16, the number of patients with a length of stay equal to, or greater than 14 days will be reduced:</p> <ul style="list-style-type: none"> Over Quarter one and two to fewer than 100 patients at any given time averaged over the Quarter Over Quarter three and four to fewer than 80 patients at any given time averaged over the Quarter <p>Current base line position is 120 at the time of reporting</p>	Chief Operating Officer	Director of Operations
Patient Safety (PS)	<p>1. SAFE - Harm Free Care (HFC) Achieve minimum 96% HFC, with the following percentage reduction from the 2014/15 baseline:</p> <ul style="list-style-type: none"> 70% reduction in avoidable pressure ulcers grade two to four (this will achieve 96% HFC overall) 50% reduction avoidable falls with significant harm <p>Current base line position end 2014/15 is 94.35%</p>	Chief Nurse	Associate Director, Patient Safety and Risk
Patient Safety	<p>Sign up to Safety</p> <p>A detailed project plan will be drawn up under the leadership of the Associate Medical Director for Governance and Patient Safety which will:</p> <ul style="list-style-type: none"> By December 2017 lead to reduction of avoidable harm caused by missed or delayed diagnosis By December 2017 lead to reduction of avoidable harm caused by failure to recognise and manage the adult deteriorating patient <p>Base lines and metrics for improvement will be established as part of the first phase of the project and will be reported on a quarterly basis</p>	Medical Director	Associate Medical Director: Governance and Patient Safety
Patient Experience (PE)	<p>1. Increase percentage of in patients who were not disturbed at night during their admission :</p> <ul style="list-style-type: none"> by staff to >85% Current Baseline*: 80% by other patients > 60% Current Baseline*: 55% <p>(*in-patient survey result)</p> <p>2. Achieve & maintain minimum 95% positive score¹ Friends & Family Test (F&FT) – in patient areas : Current Baseline: 95.95</p> <p>Achieve and maintain minimum 86% positive score Friends & Family Test (F&FT) A&E Department: Current baseline: 84.67%</p> <p>Achieve 40% F&FT response rate – in-patient areas Current base line 30.43</p>	Chief Nurse	Deputy Chief Nurse

Patient Experience	<p>3. Increase the number of colleagues who have undertaken training in dementia awareness by 30%, with reduction of the number of complaints about our care of frail & elderly patients, including those with dementia, by at least 30% in 2015/16.</p> <p>The baseline position at year end 2014/15: 965 colleagues trained in dementia awareness – this will require at least 320 more colleagues to be trained.</p> <p>Base line of complaints relating to care of elderly and frail patients to be established over Q1.</p> <p>Achieve minimum 90% positive result from carers' survey Current baseline 85% positive</p>	Chief Nurse	Assistant Chief Nurse, Vulnerabilities
Patient Experience	<p>4. Complaints Management Achieve 90% of complaints response times on the date agreed with the patient. 60% by April 2015 80% by June 2015 Current baseline position: 46% of complaints</p> <p>Achieve 20% patient satisfaction rate with Trust complaint & concerns management processes above the base line. Current base line 46% (implementation of new survey commenced 01 April 2015)</p>	Chief Nurse	Deputy Chief Nurse

Operational Priorities

As described earlier, there is an urgent and on-going need to review NHS operating models. As an integrated provider of community and acute services, the Trust recognises it has the opportunity to make progress to out-of-hospital care and integration of pathways. The key focus areas to support operational sustainability are:

- Achieving quality outcome targets and standards
- Capability and capacity to deliver the plan
- Leadership development and succession planning
- Engaging colleagues
- Reducing sickness absence
- Introducing Service Line Management and enhancing performance management
- Delivering reductions to the acute bed base
- Launching phase two of the transformation programme
- Recruiting to key clinical and non-clinical posts
- Completing organisation divisional restructure and embed divisional structures
- Implementing IT and estates work programme for 2015/16
- Achievement of contractual targets (i.e. waiting times, A&E, C.difficile etc.)
- Local incentive schemes for acute and community transformation and introducing seven day working
- CQUIN requirements and local outcome framework incentives

In addition the Trust is committed to taking forward the findings of the Elective Care Intensive Support Team report to ensure best practice in terms of waiting list management across the Trust. In addition the cancer Intensive Support Team will be commissioned in quarter one of 2015/16 to undertake a review of our cancer pathways.

Key Supporting Strategies

The Trust's staff are its greatest asset and we rely on their continued support and engagement to deliver to the highest standards of care and service possible. Our workforce strategy will be shaped in line with the changing needs and increasing demands of healthcare provision, reflecting the scale of efficiencies and transformation that will need to be achieved. Such a level of service change will need to ensure that staff are appropriately supported at all times, effectively and regularly communicated with and engaged. In addition the Trust's systems and processes for managing organisational development will need to be clear, robust and successfully implemented and monitored. The Trust Board's Strategic Workforce Committee will be instrumental in providing the assurance that these objectives are achieved.

Service Line Management was formally launched in May of 2015, involves five work streams that focus on Organisational Structure, Finance, Information, Performance Management, and Human Resources and Organisational Development.

Our estates strategy has been clinically led and is intrinsically linked into delivering our plan and five year capital programme. The 2015/16 delivery plan is clearly defined, however, there is a need to review and re-assess this strategy against a more significant transformation programme. We will secure external expertise during 2015/16 to further review the estate requirements at a strategic level.

The Informatics Strategy is designed to ensure that information and information technology are used to improve patient care, access to care, the patient experience, delivery of clinical outcomes, health record keeping whilst delivering value for money. Our strategy is about harnessing IT for the benefit of our patients and staff.

The 2015/16 delivery plan is clearly defined, however there is a need to review the longer term IT requirements for the Trust as a whole linked to the significant transformation agenda. This will take place in 2015/16.

We will continue to evolve our communications and engagement strategy to provide us with a vehicle through which we will deliver consistent messaging to our staff and stakeholders and further develop techniques to facilitate effective engagement.

We will complete a refresh of our marketing strategy to ensure activity is focussed in the right areas to support the strategic business opportunities. It will be aligned to the organisational strategy and develop a work programme in conjunction with service leads that supports delivery of their objectives.

We will implement the NHS Procurement Strategy in order to reduce the Trust's non pay spend. This will involve work to standardise produce ranges and review joint

procurement opportunities to reduce purchase costs. The team will work closely with service leads to ensure maximum benefits are realised.

We will review and update the Trust's procedures where required to ensure compliance with legislation; in particular the new Public Contracts Regulations 2015. We will issue communications and provide training on the legislative requirements to relevant staff.

Financial Forecasts

The financial position for the Trust is set within the constraints of the outlook for the UK economy and its impact upon growth assumptions for the NHS for the future. The challenging position facing the NHS as a whole, and the Trust, will require significant efficiencies to be identified and delivered in order to support improved financial sustainability.

The Trust Board is committed to managing its financial resources prudently and effectively, to ensure continued provision of high quality services. Whilst recognising the pressure on NHS resources and the need to make efficiencies, the Trust will only make financial savings, which have been subject to a satisfactory quality impact assessment to ensure that we maintain and improve quality of care.

The Trust's 2015/16 financial plan is based upon:

- Adjusted 2014/15 out-turn for clinical income
- Recurrent budgets for non-clinical income
- Recurrent budgets for pay and non-pay adjusted for specifically agreed cost pressures, service developments and increases in clinical activity
- Non recurrent income relating to the Emergency Centre
- CIP, above the level of the implied efficiency rate

Budgets have been increased accordingly to support the delivery of over-performance on clinical income from 2014/15 and budgets for non-clinical income were similarly over-performing and therefore, the Trust does not anticipate any issues in delivering its overall level of income at this time.

Expenditure budgets have been adjusted to take account of over-spends driven by over-performance on clinical income as well as other specifically identified cost pressures and service developments. A major issue in 2014/15 was the level of over-spend on pay budgets linked to increased usage of bank and agency expenditure. The Trust has recognised this cost pressure in specific areas of the Trust e.g. A&E, etc. and still has funding of £2.2M for additional agency costs above substantive budgets to recognise the level of net over-spend incurred in 2014/15.

The Trust is actively pursuing initiatives to reduce overall agency expenditure e.g. centralised master vendor arrangements, direct employment, which together with substantive recruitment of overseas nurses should help to reduce both demand and premiums paid for temporary staffing during 2015/16.

In light of the above the Trust has set itself a stretching, challenging yet realistic financial plan for 2015/16. The Income and Expenditure summary is shown below;

Summary Income and Expenditure Account			
Operating income (inc in EBITDA)			
NHS Clinical income	£m	(+ve)	218.0
Non-NHS Clinical income	£m	(+ve)	1.4
Non-Clinical income	£m	(+ve)	16.7
Total	£m		236.1
Operating expenses (inc in EBITDA)			
Employee expense	£m	(-ve)	(155.9)
Non-Pay expense	£m	(-ve)	(72.3)
PFI / LIFT expense	£m	(-ve)	0.0
Total	£m		(228.2)
EBITDA	£m		7.9
Operating expenses (exc from EBITDA)			
Depreciation & Amortisation	£m	(-ve)	(6.7)
Impairment (Losses) / Reversals	£m	(+/-ve)	0.0
Restructuring costs	£m	(-ve)	(0.3)
Total	£m		(6.9)
Non-operating income			
Finance income	£m	(+ve)	0.1
Total	£m		0.1
Non-operating expenses			
Interest expense (non-PFI / LIFT)	£m	(-ve)	(0.5)
Interest expense (PFI / LIFT)	£m	(-ve)	0.0
PDC expense	£m	(-ve)	(2.5)
Total	£m		(3.0)
Surplus / (Deficit) after tax	£m		(1.9)

As shown above the Trust is planning for a £1.9M deficit in 2015/16, driven by the implied efficiency rate, stretching CIPs, and cost pressures above the level funded within national tariff

The following chart below shows the key movements between the 2014/15 year-end financial position and the 2015/16 financial plan. The key factors within this are driven by 2 categories, 2014/15 factors and 2015/16 factors;

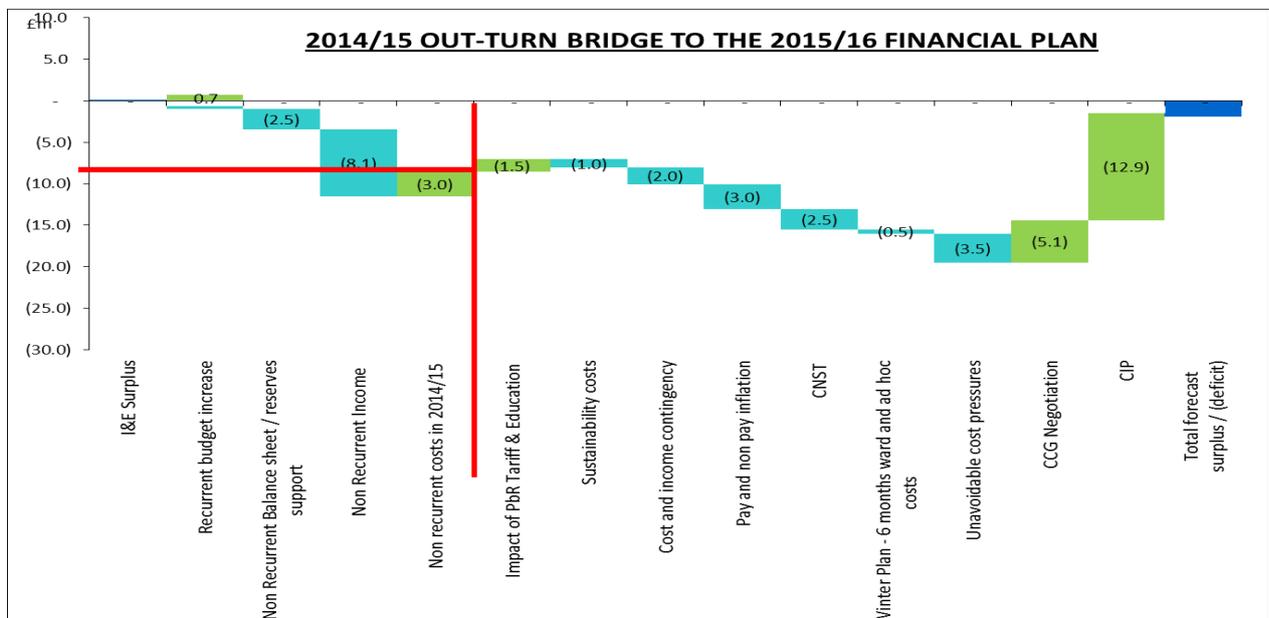
2014/15 (left of the vertical red line)

- Starting £139k surplus
- Adjustments for non-recurrent costs (£2.5M) and income (£8.1M) received in 2014/15 and any recurrent investment.

2015/16 (right of the vertical red line)

- Tariff changes, both patient care activity (Payment by Results) and Education and Training (transitional impact of changes to MADEL and SIFT). With regards to PbR the Trust has chosen the Enhanced Tariff Option, which when modelled at a HealthCare Resource Grouping (HRG) has shown a financial benefit for 2015/16.

- The Trust is planning for a general contingency of £2.0M, Transformation (Sustainability) and corporate service developments contingency £1.0M and Winter pressures contingency £0.5M. The general contingency is circa 1% of operational costs and is based on previous years' experience of being able to cover unforeseen in year cost pressures due to requirements to respond to in year pressures e.g. activity increases, qualitative investments
- Inflationary pressures (£3M) of both pay and non-pay (excluding CNST). The pay pressures include both the pay award and incremental drift, with non-pay covering pure inflationary price increases
- Clinical Negligence Scheme for Trusts (CNST) – the Trust has seen an increase of £2.5M in the premiums in 2015/16. This has been driven by the changes in the contribution methodology and the removal of discounts
- Unavoidable cost pressures, £3.5M – these are cost pressures being incurred by the Divisions and Directorates to deliver the contracted level of activity.
- CCG Negotiation – additional non- recurrent income above the contracted levels to support the development of the Emergency Centre
- CIP, £12.9M (6.45% of controllable costs) - Target set at 12.9M (including revenue generation schemes) in line with previous assumptions submitted 12 months previously and hence, higher than national tariff requirements. Revenue generation schemes are net of direct costs as well as a contribution to support costs and corporate overheads.



Activity

The contract with Rotherham CCG has been agreed and signed for 2015/16 with activity based on 2014/15 forecast out-turn. Figures for Barnsley CCG and South

Yorkshire & Bassetlaw Local Area Team, together with other contracted commissioners have been agreed in principle. The Trust is confident that the activity and income plans are aligned with main commissioners plans and do not believe there are any material variances at this time.

Within the Rotherham CCG contract there is underlying non-recurrent support to reflect the Local Outcome Framework Incentive and the Acute and Community Transformation Programme including 7 day working. The level of non-recurrent income in the 2015/16 plan is significantly lower than the 2014/15, although this in part reflects a positive move of RCCG income from non-recurrent to recurrent. There is no further non-recurrent income assumed in the plan.

Main Points of Delivery	Description	2014-15 Outturn (Activity)	2015-16 Plan (Activity)	Variance (Activity)	%age (Activity)
AandE	Accident and Emergency	76,951	78,167	1,216	1.6
ASSESS	Ambulatory Assessments	7,687	6,855	(832)	(10.8)
DC	Day Cases	36,957	35,453	(1,504)	(4.1)
DIRACC	Direct Access	1,988,105	1,975,917	(12,188)	(0.6)
EL	Elective	5,799	5,983	184	3.2
MATPA	Maternity Pathway	5,502	5,537	35	0.6
NEL	Non-Elective	26,104	25,481	(623)	(2.4)
OPFASPCL	Outpatient FA	92,556	93,485	929	1.0
OPFUPSPCL	Outpatient FUP	218,292	203,274	(15,019)	(6.9)

The table above shows the 2015/16 contracted activity levels compared to the 2014/15 out-turn values. The key points within the activity assumptions are;

- Starting point of 2014/15 out-turn activity
- Adjustments for QIPP e.g. New to Follow up ratios. (significant fall in follow up numbers)
- Ambulatory assessments based on a block activity contract
- Adjustments to out-turn based on local service knowledge e.g. full year effect of service changes

The process followed to arrive at the activity levels for 2015/16 involved “bottom up” activity forecasts by Divisions with appropriate challenge during the contracting round.

Capital

The Trust has set the 2015/16 capital programme at £14.1M. Schemes have been determined based upon a risk based approach by a multi-disciplinary team of senior managers across the Trust. Profiling of capital expenditure has been agreed in consultation with the relevant functional lead officer.

The significant categories within the capital programme are;

- Estates – backlog maintenance (£2.6M)
- Estates – strategic developments (£1.3M)

- IMT – (£1.3M)
- Replacement medical equipment (£2.2M)
- Emergency Centre - The capital programme includes £6.3M costs for the Emergency Centre, which has been approved jointly by Rotherham CCG with the Trust, in line with the business case
- Contingency (£0.5M)

Cash Flow and Liquidity

The cash profile of the 2015/16 financial plan creates an additional cash requirement to maintain the required levels of liquidity throughout the year. In order to address this issue the Trust has assumed a draw-down of a £5M long-term loan. This assumes the ability to repay both principal and interest elements of this debt over the life time of the loan. The Trust recognises that it is in a challenging financial position and work is currently under way to re-forecast the five-year financial outlook in order to assess the longer-term implications for cash-flow and inform financial sustainability.

It is likely that to deliver the strategic outcomes, including the Estate and IT Strategies, the Trust will need to secure additional loans and/or consolidate current loans. Further work and analysis will be undertaken by the Trust in conjunction with Monitor and representatives of the Independent Trust Financing Facility (ITFF) as required

The 2015/16 plan will need to be refreshed following receipt of any additional loans and/or consolidation of existing loans.

Cost Improvement Programme

Cost improvements targets have been deliberately set at £12.9M, which is a stretching target that has been agreed by the Board of Directors in 2014/15 as part of the Trust's original five year strategy. The breakdown of the target across the Divisions and Corporate Directorates is shown below:

2015/16 CIP Allocation

Area	Management Team	Total CIP target	CIP Percentage of adjusted spend
		£K	
Division	Medicine	3,367	6.45%
Division	Surgery	3,476	6.45%
Division	Family Health	1,835	6.45%
Division	Diagnostics & Support	2,233	6.45%
Division Total		10,911	6.45%
Corporate Divison	Corporate	2,030	6.45%
Corporate Total		2,030	6.45%
Total		12,942	6.45%

The successful delivery of the plan is predicated on having robust financial performance management arrangements throughout the Trust, which will be supported this year through the implementation of Service Line Management, to re-enforce financial accountability and performance.

Continuity of Service Risk Ratings (COSR)

The COSR rating is shown in the following table.

		2015/16
Metric	Weight	Plan
Liquidity Ratio	50%	1
Capital Servicing Capacity	50%	2
Overall Continuity of Service Risk Rating		2

Five Year Financial Plan – Financial Sustainability

The Trust is committed to achieving clinical, operational and financial sustainability.

To support delivery of the one year and 5 year strategy it is vital that the Trust continues to strengthen financial governance and reporting. During the 2014/15 the Trust has recruited a new Director of Finance, appointed new internal auditors and implemented a number of external reviews. These have ensured;

- Revised financial reporting to the Trust Management Committee, Finance Investment Committee and Board of Directors
- A clear and detailed financial governance action plan covering capacity and capability of staff, financial reporting, working capital and training and education
- A detailed review of the Trust’s underlying deficit position and monthly reporting of it to the Finance & Investment Committee. This review gives the organisation a clear and transparent understanding of the 2014/15 and 2015/16 year end underlying deficit positions for the first time, both in terms of income and expenditure. These will be the basis from which the organisation assesses future financial performance.

These improvements will be supplemented by the following areas of focus in the 2015/16 financial year to support the organisation in delivering its key strategic objectives;

(a) Enhanced and focused leadership

Increasing the infrastructure at lower levels within the overall hierarchical structure of the Finance & Procurement Directorate and holding those staff more effectively to account within clear objectives and revised job descriptions, the time of the most senior colleagues across the Finance Directorate will be freed up to focus upon planning and implementing high-level strategic initiatives to more appropriately support the Director of Finance. This ensures that the senior team will be using its skill sets more appropriately.

(b) Stronger Governance and Process Controls

Restructuring within the Financial Services team will bring together all transaction processing, including Staff Payments, under single managerial control. This together with the whole financial governance agenda and system management will ensure a much more integrated approach to processes, procedures and compliance with SFIs. This in turn will provide a much more outcome focused service managed against key performance metrics and lead to better management and control of the Trust's working capital resources.

(c) Costing Integration

There will still be two key experts who will lead upon the whole re-vamped costing agenda, including patient level costing (PLiCS), service line reporting and management , which are all still in the development stage within the Trust. The Finance Managers will play a key role in understanding the detailed workings that underpin existing reference costs as well as the developing service line and patient level costing agendas. They can then act as advocates in helping to promote these agendas within their respective services and help to refine data and information flows that improve the outputs being reported.

(d) Cost Improvement Programme

Achieving the magnitude of savings required by the Trust will require the continued level of rigour in execution that has been demonstrated in 2014/15. The Transformation Programme supported by a Project Management Office and approach is under new management with a revised focus on 4 major workstreams – Theatres, Outpatients, Beds and Workforce. These schemes provide a good base from which to develop future savings which will need to be achieved from transformational change within the Trust and across the Local Health Economy.

Independent benchmarking undertaken in 2014, indicated a £14M-£19M CIP opportunity which would take the Trust to upper quartile performance. The plan assumes that peer Trusts in the upper quartile continue to improve consistent with the efficiency expectations facing the acute sector year on year, and therefore that there is the opportunity to deliver the CIPs identified in the plan period by moving towards or matching upper quartile performance.

The implementation of PLiCS will improve the Trust's ability to target specific specialty areas for efficiency savings. It is important to note, that the achievement of the CIP levels required is dependent upon fundamental service redesign. This will be supported from the clinical specialty reviews as part of SLM and Working Together Programme workstreams and will include redesign of service provision in conjunction with external stakeholders across the local health economy.

(e) Stronger Budgetary Control and Monitoring

By increasing the number of Finance Managers together with the introduction of Senior Finance Managers the Financial Management will be more aligned with the

Trust's organisational structure and will be able to provide more direct engagement with budget holders at all levels of the Trust. This will lead to improved reporting, better and more transparent information together with greater involvement of budget holders within forecasting, budget setting, etc. as well as providing greater impetus and support to the Trust's challenging cost improvement targets.

Finance Managers will be assigned to directly support specific parts of the Trust, including research and development and capital expenditure. This will also help to provide greater resilience and understanding of commissioner related income.

(f) Improved Financial Awareness and Control

By having a dedicated training resource within one of the Finance Manager roles, the Finance Directorate can raise financial awareness with budget holders and other internal stakeholders, thus improving the whole financial culture within the Trust. This will include such areas as:

- (i) Induction for new budget holders
- (ii) Financial governance and SFIs
- (iii) Budgets and budgetary control
- (iv) Income from commissioners
 - Contracting/commissioning arrangements
 - Payment by results (PbR)
 - Non-PbR
- (v) Costing and pricing of services
 - Reference costs
 - Service Line Reporting
 - Service Line Management
 - Patient Level Costing
- (vi) VAT
- (vii) Capital expenditure and capital charges
- (viii) Business cases
- (ix) Clinical Coding

Conclusion

Based on the review of 2014/15 performance and consideration of the impact of national, regional and local changes we have outlined in this plan our key priorities for 2015/16. These are purposely designed to provide synergy with the strategic priorities of commissioners, partners and stakeholders based on the needs of the Local Health Community. Our over-arching principles remain in-situ for 2015/16.

In setting our objectives we consulted with a wide range of stakeholders and partners to ensure a cohesive strategic approach to meeting the needs of the community we serve with well triangulated plans to deliver services across the health community through the most effective and efficient means.

We have worked hard to bring our strategic objectives to life and give them a real sense of purpose throughout the organisation. All our stakeholders have a part to play in delivering our strategic plans and objectives, with our workforce being central.

We welcome feedback on our strategy to yourideas@rothgen.nhs.uk and look forward to working with our partners during 2015/16 to ensure that we further improve the quality of care for our patients, increase the resilience of our services and improve our ability to achieve clinical, financial and operational sustainability of services for the population we serve.