

Royal Berkshire NHS Foundation Trust

Summary of Strategic Plan

2014/2019

Strategic context and objectives

- Anticipate broadly the same range of services as we have today
- In later years anticipate significant changes in the health economy - integrated community-based systems of care.
- Recognition of the impact that these models of care could have on our sustainability.
- High degree of uncertainty exists currently as to what form these changes will take whether the changes are affordable for the health economy.
- In response to this uncertainty, individual services will continue to focus on achieving and sustaining the highest clinical standards, while also meeting target efficiency gains.

Our strategic objectives will be based on the following overarching aims:

- A commitment to **high quality care** that is safe, compassionate, effective and provides a positive experience for patients through **better integration**.
- Meeting the **needs** of the local population: a) by aligning and influencing **commissioner's intentions** and local developments; and b) improvement of our **capability, capacity and leadership**.
- Ensuring **financial stability, resilience and sustainability** in the longer term, allowing for **investment** in frontline services that are fit for the future

Summary aims:

- *Remain a major provider of A&E and medical and surgical emergency access services on the RBH site.*
- *Committed to development of more integrated care across both local hospital, community-based and primary health services.*
- *Focus on prevention, early intervention and keeping people healthy, as well as to provide excellent care for people who need treatment.*
- *Continue to develop as a centre of excellence for cancer, critical care, heart attack management, stroke, trauma, spinal surgery, paediatric and neonatal services.*
- *Retain and develop a range of planned diagnostic and treatment services (which are clinically and financially viable, and support the wider provision of services in the Trust).*

Key changes: IBP July 2013 to Strategic Plan June 2014

July 2013

Activity growth over 5 years:

- A&E - 20-33%
- Outpatients -11-17%
- Non-elective -10%
- Day case – 26%
- Inpatient – 8%
- Maternity – move to 8000 births, 1:32

Income:

- Grow to £380m

Capacity:

- 126 additional beds needed across the health economy by 2019

Focus:

- Expansion of the specialist centre and working towards integration

- Stakeholder consultation and feedback
- Alignment with CCG growth assumptions
- Greater quality emphasis
- Greater development of integration schemes
- Deterioration in RBFT financial position
- RBFT CIP programme
- Better care fund and CCG QIPP
- CQC Inspection
- Increase in uncertainty

June 2014

Activity growth over 5 years:

- A&E - 7%
- Outpatients -5%
- Non-elective -17%
- Day case – 7%
- Inpatient – 12%
- Maternity – stay at 6000 births; 1:28

Income:

- Grow to £380m

Capacity:

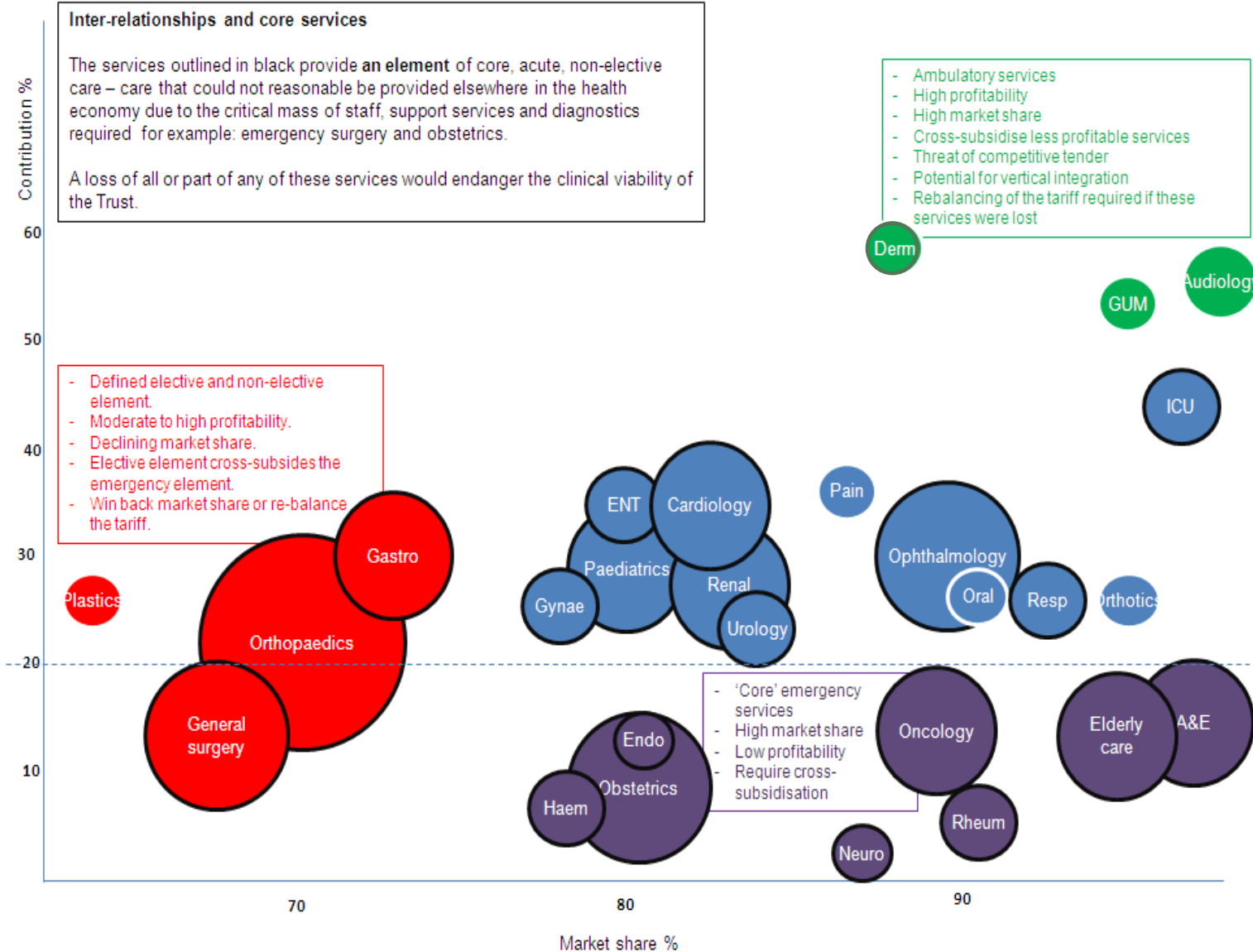
- 70 additional beds needed across the health economy by 2019

Focus:

- Consolidation of the specialist centre, improving quality of care and working towards integration.

Review of services

Matrix of RBFT services



- Small number of services could be considered 'non-core'.
- Small in terms of income so the loss of these services would not help the overall health economy financial situation (cost of re-provision).
- Substantial contribution to overall Trust overheads (subsidising less profitable specialities).
- Loss of these services would have a significant impact on the financial viability of the Trust.
- Trust would need to 'buy in' the proportion of these services that support the core services.
- **Downsizing not a viable option as it does not benefit patients, the Trust or the wider health economy.**

Service developments

Elective orthopaedic centre

- Aim: to improve safety, efficiency and productivity.
- 2 additional laminar flow theatres.
- Additional ward area.
- Will increase theatre and bed capacity across planned care.
- Will drive reduction in waiting list and increase in market share.
- Supporting marketing plan to be developed.
- £10.5m income projected with 43% surplus.

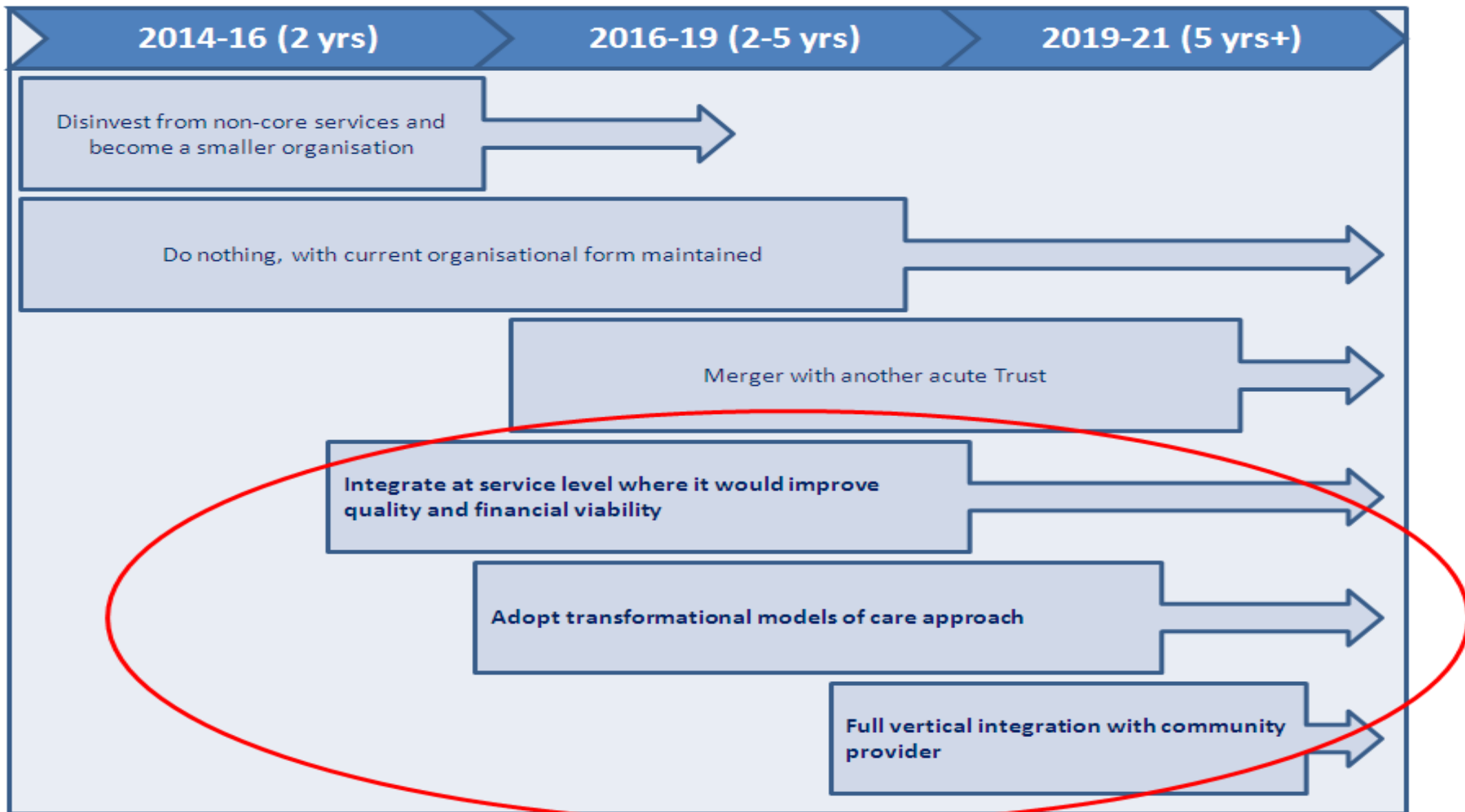
Urgent care floor

- Aim: to increase capacity in ED so current and future demand can be accommodated.
- Aim: to increase ICU capacity so all patients requiring ICU care can be cared for in appropriate area.
- Preferred option is a phased approach over 5 years costing circa £30m.
- Unclear how this will be funded at present.

Other plans

- Frail elderly pathway – integrated care
- Pathology consolidation
- Integrated eye service
- Potential endoscopy expansion – RBBC
- Potential for horizontal expansion in some service – therapies, audiology.
- Potential for inpatient plastic surgery

Strategic options – growth, integration, transformation



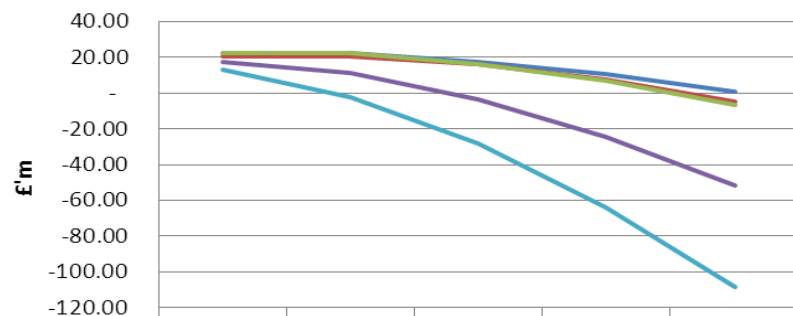
5 Year Financial Plan

	2014/15 IBP	2015/16 IBP	2016/17 IBP	2017/18 IBP	2018/19 IBP
Income					
PCT Activity	297.7	306.2	314.1	319.3	324.2
Drugs	28.0	29.7	31.4	33.3	35.2
Other	23.1	23.1	23.1	23.1	23.1
Total income	348.8	359.1	368.7	375.7	382.5
Pay	(202.3)	(203.1)	(216.2)	(226.8)	(237.4)
Drugs	(33.6)	(36.3)	(38.7)	(41.2)	(43.8)
Clinical Supplies	(44.4)	(46.6)	(48.6)	(50.9)	(53.3)
Non Clinical Supplies	(7.0)	(7.9)	(8.1)	(8.3)	(8.4)
Other Operating Exps	(38.5)	(40.1)	(35.4)	(30.5)	(25.5)
Total Costs	(325.8)	(334.0)	(346.9)	(357.7)	(368.4)
EBITDA	23.0	25.1	21.7	17.9	14.1
Depreciation	(17.7)	(17.9)	(17.9)	(17.9)	(18.0)
PDC	(5.1)	(5.1)	(5.1)	(5.1)	(5.1)
Interest	(1.0)	(1.0)	(1.0)	(0.9)	(0.9)
Surplus (pre impairment)	(0.9)	1.1	(2.3)	(6.1)	(9.9)
QIPPs	18.5	16.9	9.2	9.4	9.6
Year end cash	22.16	22.19	16.37	6.77	(6.63)
Capital expenditure	12.5	15.3	17.8	17.8	17.8

- Return to surplus in 2015/16, with cash broadly flat.
- Thereafter Trust QIPPs cover inflation only, so cash falls
- Planning assumptions reflect CCG guidance for 2.5 year on year growth (excl theatres business case)
- We assume CCG Qipps not delivered.
- Impact of CCG QIPP delivery evaluated as downside scenario.
- Trust QIPPs remain high and pose significant cash risk if not delivered.

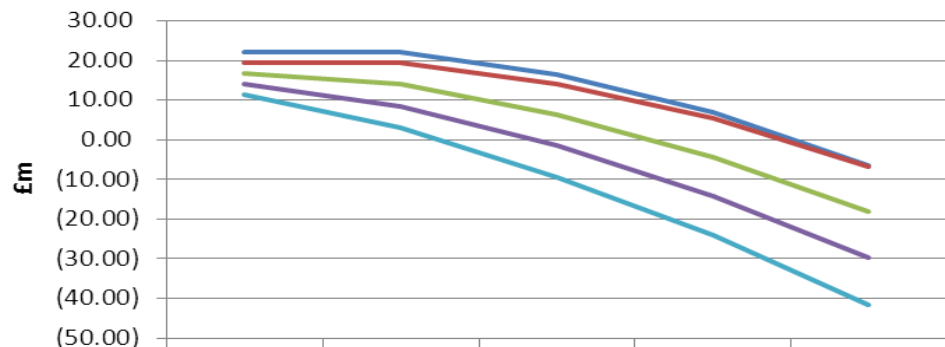
Downside scenarios

Year end cash - QIPP's within RBFT's control



	FY15	FY16	FY17	FY18	FY19
Market share +1.25%	22.16	22.19	17.57	10.37	0.60
Theatre BC delivery 50%	20.73	20.74	16.05	7.52	(4.86)
Baseline	22.16	22.19	16.37	6.77	-6.63
75% Delivery trust QIPPs	17.54	11.41	(3.24)	(24.30)	(51.93)
50% Delivery trust QIPPs	12.91	(2.16)	(28.45)	(63.78)	(108.42)

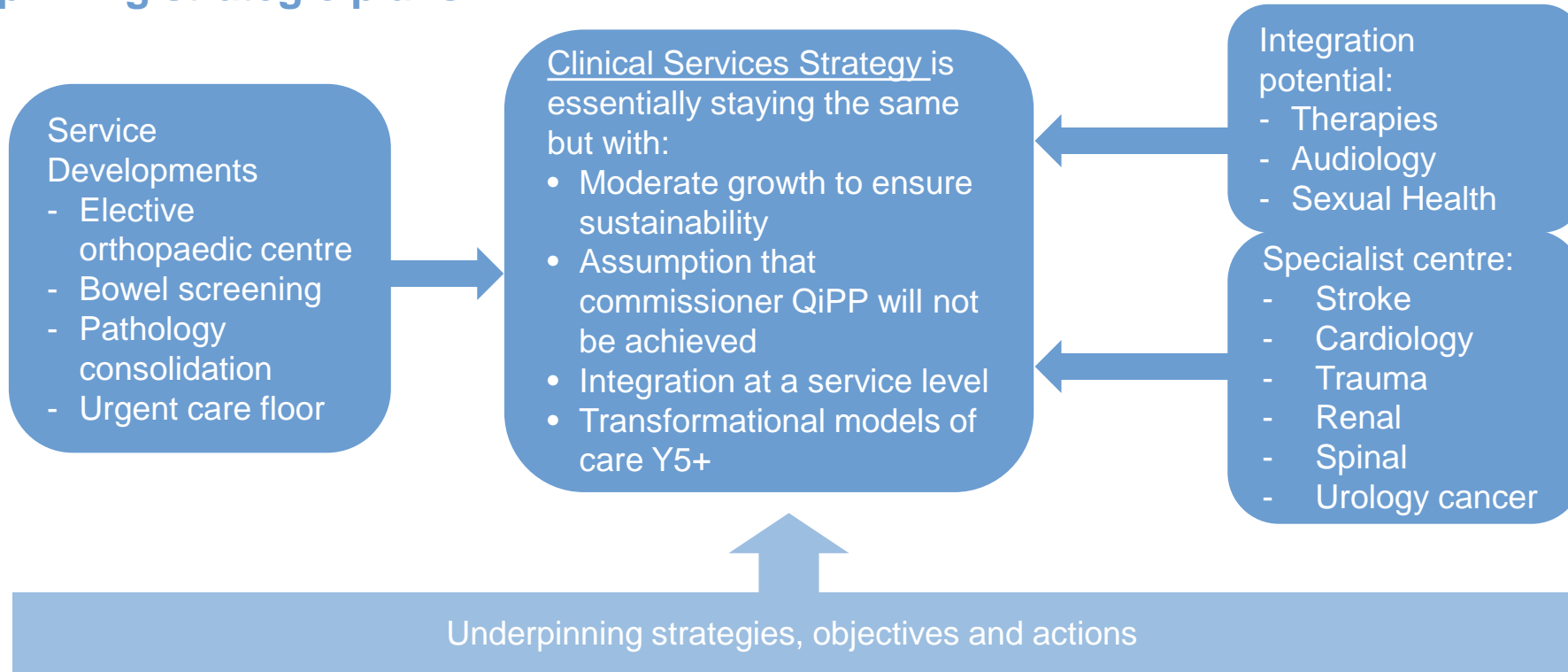
Year end cash - CCG Qipp delivery scenarios



	FY14	FY15	FY16	FY17	FY18
Baseline	22.16	22.19	16.37	6.77	(6.63)
25% delivery	19.46	19.50	14.18	5.44	-6.78
50% delivery	16.76	13.99	6.37	-4.35	-18.24
75% delivery	14.06	8.48	-1.48	-14.21	-29.82
100% delivery	11.36	2.97	-9.35	-24.13	-41.52

- Biggest risk is non delivery of Trust QIPPs
- To help mitigate on downside scenarios capex would be restricted to £12.5m in FY15 and FY16 and £15.0m thereafter.
- Cost of transition under CCG delivery of QIPP scenarios ranges from £11m to £44m

Underpinning strategic plans



- Service Developments**
- Elective orthopaedic centre
 - Bowel screening
 - Pathology consolidation
 - Urgent care floor

- Clinical Services Strategy is essentially staying the same but with:**
- Moderate growth to ensure sustainability
 - Assumption that commissioner QiPP will not be achieved
 - Integration at a service level
 - Transformational models of care Y5+

- Integration potential:**
- Therapies
 - Audiology
 - Sexual Health

- Specialist centre:**
- Stroke
 - Cardiology
 - Trauma
 - Renal
 - Spinal
 - Urology cancer

Underpinning strategies, objectives and actions

- Estates**
- Significant backlog maintenance
 - North Block and West Drive – decisions required over future
 - Maternity/South block/ eye block improvements
 - A&E/ICU works
 - Car park mgt plan (Long term – expansion into TEC)

- Informatics**
- Data quality
 - Data warehouse
 - Improve basic management information
 - Business intelligence
 - Information governance forum
 - Improved training on how to use information

- Quality**
- Patient safety thermometer – reducing harm
 - Reduction in c.diff
 - Improve weekend mortality
 - Improve medical records quality and availability
 - Improve complaint process
 - Staff attitude and behaviour

- Workforce**
- OD strategy
 - Workforce strategy
 - Appropriate staff levels
 - Leadership and governance
 - Performance and assessment
 - Development
 - Payroll costs
 - Improved governance and leadership