Croydon Health Services NHS Trust Operational Plan 2017 – 2019
Executive Summary

2016/17 Review

- Improving services through Listening into Action (LiA)

- Successes:
  - Quality planning
  - Workforce planning
  - Financial planning
  - Transformation and Sustainability planning

Operational plan

1- Activity planning

2- Quality planning

3- Workforce planning

4- Financial planning

5- Link to the local sustainability and transformation plan

Front cover photo: “Hospital heroes”. Some of our incredible staff who cared for victims of the Croydon tram derailment.
Executive Summary

This plan submitted to NHS Improvement on 31 December 2016 sets out the Croydon Health Services (CHS) NHS Trust Operational Plan for 2017-2019 which has been developed within the context of the Sustainability and Transformation Plans (STP) for South West London (SWL) and the developing sub-regional STP for Croydon. The Trust had a strong 2016/17, providing a safe and caring service that was recommended by more than 90% of patients. The Trust consistently met key operational waiting time targets for cancer and referral to treatment (RTT). CHS retained Listening into Action (LiA) accreditation and continued to use LiA methodology to improve patient care through 13 multidisciplinary teams working together to overcome identified clinical and operational challenges. The Trust will be looking to build on the strong performance, improvements and momentum of 16/17 in delivering our plans for 2017-19.

This operational plan sets out the actions the Trust is taking to support delivery of improved and sustainable services locally. Our key priorities are:

• A comprehensive Financial Recovery Plan and Transformation Programme to meet our financial control total and achieve sustainability.

• Plans that ensure continued achievement of the RTT and cancer targets and future achievement of the national A&E target.

• Developing new and innovative models of care in collaboration with partners. Examples include outcome based commissioning which brings together the Trust, primary care, mental health, social care and the third sector with commissioners to improve outcomes for older people and reduce health inequality in Croydon, and a new urgent and emergency care model in partnership with primary care and the independent sector.

• Quality objectives and plans that are designed to move the Trust towards achieving an outstanding CQC rating.

• A workforce strategy that will address the long term difficulties the Trust has faced in recruiting and retaining staff across all disciplines and staff groups, recognising new ways of working means some roles will change with fewer staff based in the hospital.

The Plan has been approved by the Trust Board and the Trust Regulator, NHS Improvement.
**2016/17 successes**
“CHS empowering staff to deliver improvements for patients and service users”

Improvements to patients care

CHS received Listening into Action (LiA) re-accreditation in 2016 for empowering frontline staff in delivering substantial improvements to patients and service users.

Building on the successes of the 2015 Wave 4 LiA teams, 13 Wave 5 teams focused on further improving the quality and safety of care provided at CHS through a valued, motivated and empowered workforce.

These include

- Establishing a shared learning and safety culture whereby staff learn from mistakes, share good practice in order to prevent patient harm and provide consistently good patient care.

- Reducing the use of catheters and catheter associated urinary tract infection across the acute and community sector.

- The Adult Community Therapy team focused on proactively working together to provide high quality individual care preventing the need for acute intervention.

- Improving the consent process for vulnerable patients who lack capacity in Endoscopy in line with Mental Capacity Act to raise awareness and practice in the appropriate use and documentation of Best Interest meetings for patients.

- Improving integration between agencies to support patients of all ages with mental health problems within our community.

Frontline staff continue to improve services through team led improvement actions. Some of the 190 plus improvement successes include;

- Shorter waiting times and increased accessibility for blood tests.

- Introduction of an multi-disciplinary team (MDT) group-based approach for rehab where patients undergo occupational therapy, neuropsychology, physiotherapy and speech therapy groups.

- An updated Learning Disability Team website, making the service more accessible and visible for our client group and other health and social care professionals.

- The introduction of multi-agency home visits with London Ambulance service to patients who frequently call out ambulances and attend the Emergency Department in Croydon, leading to fewer hospital visits and better outcomes for patients.
2016/17 successes as building block for the Trust delivering the 2017-19 plan

**Quality Planning**
- The Trust consistently met the targets and performed better than the national average for Referral To Treatment and Cancer waiting times.
- CHS falls admission rate is one of the lowest amongst all London Trusts. The length of stay for patients admitted with falls was 2nd only to St George’s hospital in London.
- The percentage of patients receiving harm free care remained higher than both the target 95% and the national average.
- More than 90% of surveyed patients across all services consistently recommended Croydon Health Services as a place to be cared for.
- Over the last year the mortality rate for the Trust was within the expected range.
- In 2016 there was an improvement in the staff survey. The number of staff who would recommend our care continues to grow – up by almost 10% from 2014.

**Workforce Planning**
- Staff flu vaccine uptake jumped from 44% in 2015 to 78% in 2016. CHS was second best in London.
- In the 2016 national staff survey, 55% of staff would recommend CHS as a place to work – up 6% from 2014.
- The Trust achieved LiA accreditation for 2016.
- There are 13 LiA Wave 5 teams working on various initiatives to improve patient care.
- 30 ambassadors were chosen to champion the use of LiA to resolve 30 identified problems in the Trust.

**Financial Planning**
- The Trust is on track to delivering its Financial Plan for 2016/17.
- The Trust was taken out of Financial Special Measures, after only 7 months. This was after the implementation of a robust financial recovery plan with support from NHSI.
- There was a significant reduction in agency spend on Non Clinical and Nursing staff.
- In 2016/17 the Trust was forecast to deliver 86% of its savings plan. This is a 5% improvement from 2015/16.

**Transformation and Sustainability Planning**
- CHS together with the Croydon GP Collaborative and AT Medics formed the Croydon Urgent Care Alliance (CUCA) which will be providing urgent care services starting 1 April 2017.
- From April 2017 CHS, SLAM, Croydon CGG, Croydon Council and Age UK Croydon will work collaboratively as the Health and Care Alliance delivering outcome based care to Croydon residents aged over 65.
- From April 2017 the Trust will be using EMIS electronic medical records for community services. This will allow for better integration with GP IT systems, improve outcomes reporting and support new ways of delivering services.
- Croydon Health Services worked jointly with Health and Social Care Commissioners, Primary Care, Mental Health Providers and the Third Sector to develop business cases to deliver improved health outcomes and quality of care within the available resources as part of the South West London Sustainability and Transformation Plan.
1. **Activity planning**

The Trust recognises the importance of being able to understand the likely effects of variations flowing through from both elective referral and non-elective driven demand. The Trust monitors historic patterns and uses these to model likely future demand as well as using intelligence obtained through working with our own clinical teams and stakeholders such as Commissioners, individual GPs and other trusts.

The Trust has worked with Four Eyes Insight to develop a demand and capacity tool that models demand and capacity across the whole pathway from outpatient referral to Theatres. As use of the model increases so the recognition of the benefits has begun to embed itself within the operational and clinical teams.

Forecasting non-elective demand has focused primarily on reviewing historic patterns and using current local knowledge to adjust for specific variations such as the introduction of new models of care and changes in flow between trusts. Understanding the drivers for recent increases has been a particular focus not least because of the development of the new A&E facility which is currently under construction. The Trust has agreed an A&E 4 hour trajectory to achieve 95% in 2017/18.

Wider changes in practice such as the development of diagnostics and direct access pathways as a replacement for traditional outpatient pathways has required additional sophistication to existing demand and capacity modelling.

The Trust flexes its capacity as needed to meet changes in demand. A recent extensive internal study has realigned the opportunity to reduce the bed base of the hospital significantly over the next three years, in line with the objectives set out in the SWL and Croydon Sub-regional STP. This reduction is deliverable through changes in pathways currently in place, improved utilisation and the planned development of initiatives such as dedicated Surgical and Pediatrics assessment pathways and wider partnership initiatives such as ‘locality teams’ to support people in the community to stay well.

The Trust recognizes the challenge to meeting all the key operational targets. Delivering the correct capacity into the system from the outset is vital to achieving compliance. Within services there is also the challenge that individual sub-specialisms can bring when planning capacity, therefore demand and capacity work is always done where possible at consultant level. This is particularly important when planning for achievement of both Cancer and RTT targets.

We will continue to work with referrers to identify and agree appropriate referral pathways to reduce demand where possible or to identify other requirements such as diagnostics prior to an appointment (straight to test), which will reduce additional appointment requirements. Work is on-going within service pathways to enable earlier discharge as appropriate and to reduce follow up rates where possible. Alternative models of care, such as nurse led clinics, outreach, treatment in outpatient clinics rather than an inpatient or daycase setting, are also being explored to improve flow. The development of a “Diagnostic village” is in the early planning stages as this has an opportunity to make a step change in the way patients access and flow through the services.

Some resilience funding has been allocated to the Trust. This will be used to both support pathways as well as to open additional capacity if required. The Trust already has the ability to flex its bed resource and has additional escalation beds it can open if necessary.

The Trust is committed to continuing with the model of care provided by the Edgecombe unit and Rapid Access Medical Unit (RAMU). This model provides a more efficient and clinically appropriate pathway for patients; avoiding more than twenty unnecessary hospital admissions every day.

The Trust is also focusing on reducing the length of stay for patients in order to improve flow through the hospital and reduce the bed base whilst still providing capacity to meet the peaks in activity that take place throughout the year. This combined with initiatives such as providing slow stream rehabilitation and Early Supported Discharge alongside access to intermediate care services, will initially prevent the unnecessary use of elective beds by emergency patients therefore freeing up capacity to both improve RTT waits and also allow for more efficient use of theatres through not cancelling surgical patients at the last minute for an unavailable bed. This will provide a more efficient, better quality service for the patient.
2. Quality planning

The Director of Nursing, Midwifery and Allied Health Professionals is the named Executive lead for Quality Improvement. The Trust’s Quality Strategy, was updated in 2016 and is the organisation’s plan to improve and enhance the quality of clinical care at the Trust.

In order for the Trust to be assured that it is delivering on its quality objectives, priorities have been identified to achieve a good or outstanding CQC rating. For the Strategy to be delivered, basic systems and processes must work properly and staff must be clear on their individual accountability and responsibility.

Quality report

The Trust produces a quality report which is presented monthly to the Executive Management Board, the Quality & Clinical Governance Committee and the Trust Board. The report provides information detailing progress against the key outcomes of quality as set out under the five Care Quality Commission (CQC) domains. Each Directorate produces a quality report which is discussed at their monthly Quality Boards. A quarterly quality report is also presented to the Executive Management Board and the Quality & Clinical Governance Committee for assurance. The Clinical Directors are responsible for the local delivery of the strategy through their quality governance structures and activities.

Quality reviews

Quality reviews are led by a team of people responsible for a particular ward or area which includes the senior management team. They aim to ensure a degree of consistency in the Trust’s assessment of individual areas which supports our approach to quality. Any areas of concern will be considered for inclusion in the QESP to ensure that there is a continual drive for improvement.

Engagement of staff

There is strong and growing research evidence supporting the crucial link between staff engagement, clinical outcomes and overall organisational performance. The Trust has in place a Listening into Action (LiA) programme which is the internal methodology to bring about change and drive continuous improvement. This approach engages staff in delivering the staff pledges and ‘Here for you’ values through continuous improvement.

Risk management

Structures and systems are in place to support the delivery of risk management across the Trust. The Risk Management Framework provides a practical guide to completing the risk register. The Risk Assurance & Policy Group meets monthly to review Directorate risk registers with each clinical and corporate directorate presenting a deep dive into their risks every 6 months.

Summary of the quality improvement plan (including compliance with national quality priorities)

The Trust has based its approach to improving quality around the five CQC domains of Safe, Effective, Caring, Responsive and well-led with associated goals and governance arrangements to ensure delivery and sustainability. The main priorities are agreed after extensive consultation and published in the Trust’s Quality account. The resulting Quality Improvement Plan is then tracked and monitored through the Trust’s Quality, Experience and Safety programme (QESP), the vehicle for quality improvement in the organisation. The aim of this programme is to put quality at the heart of the Trust’s business whilst recognising the value that staff have in enabling this to be achieved.
Quality improvement is seen as an integral part of the day to day operations of the Trust and it is through the Quality Improvement Plan that the Trust intends to embed the culture to support continuous improvement and provide high quality care. The Trust expects to see measurable improvements in the key indicators of quality throughout the whole organisation. It is particularly important to ensure that staff at every level understand the principles by which the Trust measures and improves quality.

The Quality Strategy does not sit in isolation but is integrally linked with the Trust’s Business Strategy. This includes identifying the diverse range of patients who use our services (in the form of patient profiles) which will help us to determine how best we can meet their needs. The Quality Strategy and improvement plan is monitored by the Executive Management Board (EMB) and reported to the Board via the Quality & Clinical Governance Committee.

The key improvement work streams are:

- **Staff at all levels of the organisation have a key role in delivering quality improvement.**
- **Key indicators of quality are published at service and ward/clinical level. Results are transparent and monitored constantly to identify variation and the need for prompt improvement.**
- **The Quality & Clinical Governance Committee provides the necessary assurance to the Trust Board that the strategy is delivering continuous improvement.**
- **The Clinical Directors are responsible for the local delivery of the Quality Improvement Plan through their quality governance structures and activities.**
- **The QESP programme will be the vehicle for quality improvement capability to be developed and integrated within the business as usual activities of the Trust.**
- **All staff are expected to be aware of opportunities to improve quality within their areas and as such, part of the annual appraisal process managers are expected to work with staff both individually and as wider teams to identify how opportunities are both identified and time made available to implement changes. Via the QESP programme staff have the opportunity to learn from others as well as access to improvement tools and techniques.**

Identified below are some of the key national and local priorities the Trust is addressing:

- **National clinical audits:** Participation in national clinical audits and confidential enquiries enables us to benchmark the quality of the services that we provide against other NHS Trusts, and highlight best practice in providing high quality patient care driving continuous improvement across our services.
- **The four priority standards for seven-day hospital services:** The Trust is progressing towards adopting the 10 evidence-based clinical standards with a key focus on the four priorities of Time to Consultant Review, Access to Diagnostics, Access to Consultant-directed Interventions and On-going Review.
- **London Quality Standards:** Work is intensifying within clinical directorates to strategically identify and prioritise resource gaps for achievement of the London Quality Standards (LQS) whilst continuing to provide the current safe level of service.
- **As part of the SWL STP, the clinical board for SWL is identifying how to increase the level of consultant cover, improving access for out of hours care in an affordable way as part of LQS and compliance with seven-day services strategically, both as an individual Trust and critically in partnership discussions with other Trusts in the SWL STP.**
- **Safe staffing:** CHS continues to display nurse staffing levels on each ward on a daily basis triangled against the acuity of the patients that day.
- **Improving the quality of mortality review and Serious Incident investigation and subsequent learning and action:** The Trust’s Hospital Standardised Mortality Ration (HSMR) is as expected within the London Peer group. A Trust mortality review group has been set up to monitor the reporting and review of all categories of in hospital deaths.
● **Infection prevention and control**: The Trust is active through the Infection Control Committee and Task Force in addressing any areas of concern and supporting operational delivery of services e.g. cleaning. Incidents of MRSA and CDIFF are regularly reported from Ward to Board.

● **Addressing the effects of Flu** is an ongoing challenge and the infection control team work closely with operational teams to optimize isolation and follow up contacts.

● **Harm Free Care including to reduce the number of patients who acquire pressure ulcers and have falls**: The Trust is actively involved in the Harm Free Care national programme that helps NHS teams to eliminate harm in patients. This is described in more detail below:

  ● **Sepsis**: A clinically-led sepsis taskforce, to improve diagnosis and treatment of this condition has been in place since 2015 and has seen performance improve from 25% to 51% over that time. The Trust recognises that Sepsis still requires significant work to improve further and this is a key focus for improvement over the next two years.

  ● **Falls and Pressure ulcers**: The Trust remains significantly below the national average for falls prevalence. National audit results show CHS out-performed most of the London Trusts against which we were benchmarked. The incidence of pressure ulcers continues to reduce in all areas with the biggest reduction demonstrated in nursing homes. The latest Trust incidence data shows a 45% reduction. Pressure ulcer prevalence data shows the Trust is out performing the national average by 40%.

● **Patient experience**: Following a LiA event with the people of Croydon we have produced a public engagement plan and continue to work with organisations such as Healthwatch. As a result we are involving the public in different ways, to both provide feedback and improve quality of services.

**Summary of the quality impact assessment process**

The Trust has in place a comprehensive Quality Impact Assessment (QIA) process that includes developments whether they are part of the Trust's Financial Recovery Plan (FRP) or sit as service developments in their own right. Schemes are encouraged from all staff and the same process followed to assess the impact on quality whether or not it has been developed by front line clinical staff or as part of an overarching financial or quality improvement scheme. The QIA is formally part of the development of any proposal that requires a Project Initiation Document (PID) to be completed prior to agreement to proceed.

**2.1 Summary of triangulation of quality with workforce and finance.**

The Trust has an integrated performance dashboard at Trust Board level. This is being developed into an integrated performance framework which starts to align the Trust's overarching scorecard metrics with those in the quality report as well as the finance and HR reports at each level within the organization. The next stage will be to bring these metrics together into one consolidated report. This triangulated reporting is also the basis of the discussion with the CCG in the monthly Contract Quality Review Group (CQRG) meeting. These indicators are also discussed monthly with commissioners at the Clinical Quality Review Group.

Key indicators used in this triangulation are:

- Friends and Family Test (patients and staff)
- Complaints received
- Harm Free Care
- Incidents
- Midwife birth ratio
- Workforce turnover
- Sickness absence
- Vacancy rate
- Temporary costs as a % of total payroll
- Stability index
- Staff Core Skills Training and appraisal compliance
3. Workforce planning

The Trust recognises that its workforce is not only its greatest asset in terms of delivering sustainable change but also is the primary driver of future costs, and in the context of financial special measures – cost control. Our workforce plans have therefore been designed to consider specific local pressures but also to meet sector wide considerations and finally to support national strategy. The overriding outcome of all planning is to ensure that our approach to workforce ensures that we are recruiting the right numbers of staff with the right skills and behaviours to meet the needs of our patients, recognizing that the way we deliver services will change through the lifetime of the Plan.

The Trust continues to work closely with partners to determine the best shape for health and care provision in Croydon, within resources available. To this extent the CHS workforce strategy has four key aims:

1. To recruit and retain the best staff with the right range of skills, experience and qualities to meet the demands of an integrated care organisation based on high quality services.
2. To develop and promote a range of employment models, policies and excellent practice that support the values and vision of the Trust, including a greater emphasis on flexible employment, excellent HR Management practice, high performing employees, quality, personal ownership and accountability.
3. To become an employer of choice by improving the quality of the work experience and enhance employee well-being.
4. To underpin the above with strong, inspirational leadership and performance management.

Our strategic aims are fully integrated with delivery of performance and quality standards and targets and are monitored via various sub committees of the Board. Specific workforce agendas are discussed at the Trust’s People and Organisational Development Committee before seeking final ratification from the Trust Board.

In supporting the Trust to meet its strategic aims, the following programmes are priorities for 2017 -19:

- Continue the implementation and continuous improvement of the Trust’s recruitment and retention strategy. The Trust, as per many London trusts, has great difficulty in attracting and retaining hard to recruit posts such as Nurses, Allied Health Professions and Medics.
- Supporting our workforce through change.
- Health and wellbeing of our workforce
- Transformation of Care and implementation of new models of care such as our Associate Nurse Practitioners pilot and development of Physician’s Associates (PA’s)
- Building on the success of LiA.
- Supporting staff to collaborate across organisational and professional boundaries – with reference notably to supporting a South West London Temporary Staffing Solution.
- Continue our rollout of e-rostering whilst maintaining our rostering quality – our current roster system and controls has been externally applauded, the focus in the coming year will be to continue the rollout for all staff.
- Imbed the apprentice levy into the workforce establishment.
4. Financial planning

Financial planning

The Operational Plan brings together the key underpinning strands which will deliver safe, effective and sustainable services over the next two years.

4.1 Financial forecasts and modelling

The Trust was placed in Financial Special Measures (FSM) in July 2016. This process facilitated the Trust in delivering a Financial Recovery Plan (FRP) which has allowed it to accept its 2016/17 centrally determined control total of £25.482m deficit including £7.35m STF (£32.832m forecast deficit prior to STF). The Trust’s FRP and the forecast within that plan subsequently resulted in the Trust being removed from financial special measures 7 months later on 20 February 2017 and forms the basis of the 2017-19 Plan.

For 2017-19 planning, the NHS centrally set the control totals for all trusts and CCGs. The 2017/18 control total is £10.447m deficit including £8.688m STF (£19.135m forecast deficit prior to STF). The control total for 2018/19 is £2.137m deficit including £8.688m STF (£10.825m forecast deficit prior to STF). The Plan has been completed based on the Trust accepting both the 2017/18 and 2018/19 control totals at the December 2016 Trust Board.

The FSM process also facilitated the development of the 2 year financial plan and this was subject to a review process by NHSI as part of the Trust’s FSM process.

Table 2: Summary financial plan

<table>
<thead>
<tr>
<th>Financial Summary</th>
<th>£'000s 2016/17</th>
<th>£'000s 2017/18</th>
<th>£'000s 2018/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>NHS Clinical Income</td>
<td>231,941</td>
<td>249,568</td>
<td>255,637</td>
</tr>
<tr>
<td>Non NHS Clinical Income</td>
<td>15,814</td>
<td>13,080</td>
<td>13,733</td>
</tr>
<tr>
<td>Other Income</td>
<td>16,812</td>
<td>14,746</td>
<td>14,710</td>
</tr>
<tr>
<td>STF Funding</td>
<td>7,350</td>
<td>8,688</td>
<td>8,688</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td><strong>271,917</strong></td>
<td><strong>286,082</strong></td>
<td><strong>292,768</strong></td>
</tr>
<tr>
<td>Pay</td>
<td>(187,668)</td>
<td>(180,477)</td>
<td>(177,873)</td>
</tr>
<tr>
<td>Non Pay</td>
<td>(94,034)</td>
<td>(101,798)</td>
<td>(102,625)</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td><strong>(281,702)</strong></td>
<td><strong>(282,275)</strong></td>
<td><strong>(280,498)</strong></td>
</tr>
<tr>
<td>EBITDA as per Accounts</td>
<td>(9,785)</td>
<td>3,807</td>
<td>12,270</td>
</tr>
<tr>
<td>Depreciation, Amortisation and Impairments</td>
<td>(8,400)</td>
<td>(8,625)</td>
<td>(8,755)</td>
</tr>
<tr>
<td>Finance Costs</td>
<td>(1,369)</td>
<td>(1,698)</td>
<td>(1,807)</td>
</tr>
<tr>
<td>Dividends Payable</td>
<td>(4,668)</td>
<td>(4,200)</td>
<td>(4,100)</td>
</tr>
<tr>
<td>Impairments</td>
<td>(6,423)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Surplus/ (Deficit) as per Accounts</strong></td>
<td><strong>(24,222)</strong></td>
<td><strong>(17,139)</strong></td>
<td><strong>(2,392)</strong></td>
</tr>
<tr>
<td>Donated/ Govern’t grant Asset Adjustment</td>
<td>(858)</td>
<td>6,692</td>
<td>255</td>
</tr>
<tr>
<td><strong>Adjusted Surplus/ (Deficit)</strong></td>
<td><strong>(25,080)</strong></td>
<td><strong>(10,447)</strong></td>
<td><strong>(2,137)</strong></td>
</tr>
</tbody>
</table>
4.1.1 Income

The Trust total income increases by £14.165m in 17/18 and a further £6.686m in 2018/19.

NHS Clinical Income

The Trust’s clinical income for acute and community services increases by £17.6m in 2017/18 and reflects:

- National change in tariffs,
- Activity figures and growth envelope agreed with Croydon CCG (1.1% demographic and 2.66% non-demographic) and 1.21% demographic growth on the NHSE contract.
- Running the Urgent Care Centre (UCC) from 1 April 2017, currently operated by Virgin Care, The Trust will deliver the prime contract in conjunction with AT Medics and the GP Collaborative.
- A total CQUIN value of 2.5% agreed with CCCG. From the total allocation, 1.5% will be applied to National Schemes, 0.5% will support engagement with STPs based on the joint development and delivery of transformational business cases, and 0.5% linked to risk reserves payable in 17/18 based on delivery of the 16/17 control total.

Non-NHS Clinical Income & Other Income

Non-NHS clinical income will reduce by £2m over the life of the plan. Other income will also reduce by a similar amount.

STF Funding

The NHS is providing additional funding to support Trusts to deliver the required transformation as part of the wider STP and sub-regional plans. The STF funding supports the Trust to reduce its deficit from £25m in 16/17 down to £2m by 2018/19.

4.1.2 Expenditure

Overall Trust expenditure reduces by £1.2m over the life of the Plan from £281.7m in 16/17 to £280.5m in 18/19.

Key assumptions

- £3.9m cost inflation for pay and Incremental drift as per national guidance
- £2.0m Non pay spend and Drug inflation as per national guidance
- £0.3m increase in financial charges due to the loan agreement and Trust being in FSM i.e. difference of interest
- £1.2m currently identified for Apprenticeship Levy
- Clinical Negligence Scheme for Trusts cost pressure £1.33m
- FYE of the Junior Doctors contract of £0.4m to be funded in year
- £2.0m Contingency - this is currently less than 1% of Trust turnover
- Given the Trust’s financial position it is anticipated that all business cases will need to be self-funding in year or be offset by higher savings or income elsewhere.

Pay

The total spend on pay is reducing by £9.8m over the 2 year plan from £187.7m in 2016/17 to £177.9m in 18/19. This reduction in spend reflects the net impact of cost inflation offset by the level of cost savings that the Trust needs to deliver in order to reduce its deficit and meet the agreed control totals for 17/18 and 18/19.
**Non-Pay**

The spend on non-pay will increase by £8.6m over the life of the plan from £94m in 2016/17 to £102.6m in 2018/19.

**4.1.3 Savings programme for 2017/18 to 2018/19**

The 2017/18 savings plan to deliver the deficit plan control total of £19.1m is £22.2m. This is made up of £16.2m internal trust efficiency savings and £6m of joint demand management schemes with the CCG.

**Cost Improvement Plans of £16.2m**

The cost improvement plan for 2017/18 focuses on the following key themes which collectively will deliver the required cost efficiencies:

- **Productivity**: a focus on doing things better, more quickly and reducing unnecessary delays thus optimising the way we work.
- **Service Redesign and new models of care**: to better deliver services that patients want and need whilst improving the income to cost ratio using available benchmarking tools to identify opportunities.
- **Workforce**: a focus on recruiting and retaining a permanent workforce which reduces the need to spend on agency staffing, use systems and processes to tighten controls on spend in areas of expenses, on call etc and focusing on specific staff groups where we are an outlier when looking at benchmarking eg admin and clerical spend and nursing costs.
- **Enabling**: a focus on looking at Trust wide developments or cost efficiencies that ensure we are: paying the best price for equipment and consumables, making the most of technology to reduce waste and supporting staff to do their jobs well, utilising our estate and maximising income by providing patients with services they want and understand to be amongst the best in quality.

To deliver these changes we are using the Trust Listening into Action (LiA) internal change management methodology to innovate and deliver a step change in efficiency and achieve an overall reduction in our cost base. This includes the identification of a number of big ticket opportunities for transformation as well as business as usual. To embed the approach further we have identified 30 LiA coaches with the aim of delivering 30 service improvements.

We are also developing an income plan with our CCG which sits outside of the cost improvement plan but is focusing on the repatriation of patients that are currently attending hospitals outside of the area for care that could be provided by Croydon Health Services as part of the wider sustainability plan. This includes a number of workstreams at specialty level, as well as referral information optimisation and collaborative working with Primary Care. Business development opportunities are also being explored for commercial income with a focus on Obstetrics and Gynaecology in the first instance. Our business strategy identifies there is scope for further opportunities which will be taken forward as part of the financial sustainability plan.

**CCG Joint Savings £6m**

The Trust has agreed with the CCG a number of schemes to reduce the demand on hospitals in order to deliver services within the financial envelope of the Croydon sub-regional STP. To support these schemes the Trust has worked with the CCG and other partners in the Croydon Health and Care Alliance to develop transformation business cases for Out of Hospital services and Planned Care. These savings require the Trust to reduce its cost base in line with the reduced levels of demand for services.
4.3 Capital planning

The Trust has a capital loan in place for the redevelopment of its Emergency Department (ED) which was required following CQC recommendations. This work started in 2015/16 and is due to complete in 2017/18. The last CQC inspection in 2015 identified the need to refurbish the theatre and ITU departments in relation to estates and the Trust is progressing the development of a business case for this area. The Trust has a robust process in place for assessing any new capital requirements which takes into account strategic need, statutory health & safety issues, operational requirements e.g. breakdown of facilities or equipment and VFM i.e. cost versus benefit analysis.

The Trust has always had to handle its capital requirements carefully as needs have exceeded funds. The Trust therefore looks at estates, IT, medical equipment and directorate requirements aligned with strategic objectives together in order to ensure that prioritisation looks at the most essential items across all categories. The Trust reviewed its entire 2016/17 capital programme when it was put into FSM to ensure that no discretionary spend was being incurred and this process has continued. A review of the capital estate is updated on an annual basis and a full 5 year plan is reviewed by the capital planning group as part of the planning process. This looks at all of our community bases as well as the Trust acute sites.

The Trust needs to repay £0.8m per year on the Emergency Department capital loan and this leaves approximately £7.8m of internally generated funds for prioritisation.

The Trust priorities including estates backlog maintenance and IT infrastructure to support integrated community services and mobile working are set out in Table 5 below.

Table 5: Summary Capital

<table>
<thead>
<tr>
<th>Capital Plan</th>
<th>2016/17</th>
<th>2017/18</th>
<th>2018/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT Dept</td>
<td>941</td>
<td>1,725</td>
<td>1,725</td>
</tr>
<tr>
<td>Medical Equipment</td>
<td>1,313</td>
<td>1,665</td>
<td>1,797</td>
</tr>
<tr>
<td>Estates &amp; Facilities</td>
<td>2,691</td>
<td>3,826</td>
<td>4,419</td>
</tr>
<tr>
<td>Emergency Department</td>
<td>8,125</td>
<td>5,955</td>
<td>0</td>
</tr>
<tr>
<td>Child Development Centre</td>
<td>1,462</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Croydon Heart Centre Phase 3</td>
<td>1,603</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Forecast Total Spend</strong></td>
<td><strong>16,135</strong></td>
<td><strong>13,171</strong></td>
<td><strong>7,941</strong></td>
</tr>
</tbody>
</table>
5. **Link to the local sustainability and transformation plan**

Croydon Health Services NHS Trust is part of the SWL Sustainability and Transformation Plan (STP) and the Croydon sub regional STP. The Trust strategy is fully aligned with the vision set out in the STP as articulated in the Trust’s current priorities:

- The role in the Croydon Alliance (a partnership comprising the Acute Trust, Croydon GP Collaborative, Mental Health Trust, Adult Social Care and Age Uk Croydon, along with both the CCG and Council as commissioners) to deliver new service models that result in more integrated, person centred, value added care in an ‘out of hospital’ setting and, specifically for the over 65s in response to outcome based commissioning for this population group.

- To work with partners across SWL to identify and deliver sustainable hospital services and reconfigure acute care.

**The key transformation programmes that impact on the Trust’s Operational Plan are:**

**Transforming access to outpatients**

CHS is committed to preventing unnecessary outpatient attendances. It is not just important to reduce the number of unnecessary appointments but to ensure that the pathway is designed to ensure maximum benefit for the patient.

**Transforming Community – New Models of Care:**

The Croydon Alliance will undertake the service transformation to deliver the new care model for the outcomes based contract for over 65s (see Diagram A). The new model has three key strands:

- Prevention and self-care
- Integrated care networks
- Intermediate care and crisis response

**Transforming acute hospital services**

The Trust recognizes the need to change acute services in SWL and that CHS has an important part to play in their eventual configuration. CHS is committed to continue to provide A&E, Consultant led Obstetric and Paediatric services from the main hospital site.

The Trust will continue to develop the one stop diagnostic pathway with more resource being focused in this area. This will support local GPs to take active management of patients and help reduce unnecessary appointments.

To support the transformation plans the Trust is working with the CCG and other key stakeholders to develop the sub-regional plan for Croydon. This includes the development of a new governance and delivery framework reporting through a multi-agency Transformation Care Board and the co-production of two transformation business cases for Out of Hospital and Planned Care that support the implementation of new models of care and assist in the delivery of the 2017 -19 control totals: These include bids to support the SWL STP priorities and include:

- Funding for the Trust to support long term and sustainable enhancements to downstream flow by implementing Slow Stream rehabilitation, Early Assisted Discharge, and an Older Persons Assessment and Liaison service.

- A proposal working with our Croydon Alliance partners for the over 65s- schemes co-produced with our Croydon Alliance partners to support the realignment of existing out of hospital resources as well as supporting the Trust’s bed reduction and remodelling through; Complex care Hub, Electronic Care Plans and Domiciliary care for early discharge.
Diagram A: New Croydon Alliance model of care for Over 65’s

Since January 2016 CHS has recruited more than 100 nurses.