Southport & Ormskirk Hospital NHS Trust

Providing Safe, Clean and Friendly Care

Corporate Strategy

2011 – 2014

Author	Trust Board
Issue Date	April 2011
Review Date	April 2012

Final Version

INTRODUCTION

The Southport and Ormskirk Hospital NHS Trust was formed in 1999 by the amalgamation of acute hospital services in West Lancashire and Southport & Formby. The Shields Report, approved by the Minister, reorganised acute services between both major sites and subsequent changes in Royal College guidelines further changed the location of services. The Trust invested upwards of £50million in new purpose-designed buildings on the Ormskirk site and invested in ensuring that there was no post code medicine in the hospital service. Women's and Children's services, including a 24-hour paediatric A&E were housed in new buildings on the Ormskirk site and a new Treatment Centre to cope with procedures and day case surgery was opened. At Southport adult A&E, medicine and inpatient surgery was opened. The Trust fulfilled all of its promises on merger and Shields, but despite that sections of the population still campaign for a return to the location of clinical services prior to 1999.

The Trust faced severe financial problems due to the costs of dual site running and the failure of the SHA to approve action that the Trust wanted to take. Once the Trust was free to take the required action to resolve its financial problems by the sale of assets, manpower reductions and aggressive Cost Improvement Programmes, the Trust returned to financial stability and has made a surplus for the last four years and its final ALE (audit Local Evaluation) score was 4. Despite the concentration on financial management, the Trust has continued to ensure that its quality and performance achievements did not diminish, with the Trust being rated as Top Performer with the SHA in Advancing Quality.

On 1st April 2011, the Trust began a new era as an Integrated Care Organisation (ICO), acquiring Community health services from North Sefton and West Lancashire. The objectives of the ICO can be read under Strategic Domain N°.1 later in this strategy, which describes in more detail the opportunity provided in an integrated care model of health delivery and the intrinsic relationship between the other five domains and the first. The Trust wishes to embed the integrated care model and the changes that will bring to the way we work and to drive towards the achievement of financial, quality performance and organizational development targets that will make us a Foundation Trust by April 2013.

The previous Corporate Strategy was written to last five years, starting in 2009. In fact it lasted less than two years due to a change in Government, which in turn has produced a new NHS and Social Care Bill. The previous Strategy still makes many pertinent points for the

present and the future, but the lesson has to be that Strategy is only relevant against a legislative framework and the passing of the Health and Social Care Bill will mean that NHS Strategy will only have relevance for a maximum of three years (and perhaps less) and will need constant adjustment as the impact of the Bill, the Operating Framework, the new Quality regime, Competition law, 'any qualified provider' and new commissioning arrangements are experienced.

These are turbulent times in the NHS with a number of commentators predicting that the NHS will collapse and be unable to treat everyone according to need and for free at the point of use. Other commentators predict exactly the opposite. In such untested circumstances it would be foolish to say that we are absolutely sure that the Strategy will be sufficient to adequately navigate our way through a plethora of radical changes to the fundamental nature of the NHS. However, a review of the Trust's strategies since merger in 1999 reveals key strategic lessons that have stood the test of time.

LEARNING DEVELOPMENT & TRAINING – No matter what the future holds, the previous strategies have always placed a high priority on an investment in staff development to allow people to cope with future challenges and to grow as individuals and professionals. Whether that be formal medical teaching, mandatory training such as Health and Safety or development opportunities for managers and clinicians within the Trust or in more formal academic environments, we have never regretted undertaking such activities, but we have, on occasion, bemoaned the lack of resources for such learning opportunities. In the future we should, wherever possible, reaffirm our commitment as a Trust to the ongoing provision of education, training and learning opportunities and we should strive to free up additional resources to make that commitment a reality. This is described in Strategic Domain 5.

PLANNING AND STABILITY – It is perhaps obvious, but worth repetition, that the pace of change and its consistency with stated aims has a huge bearing on the relevance of strategy. Looking back over the last ten years, it is clear that the Trust has undergone huge cultural, market, financial and structural change, not all of which was predicted by the three year strategic documents that cover that era. Despite that, the Trust has managed that change and is well placed to deal with the challenges ahead. Strategy works best when the pace of change is not fraught, policy is consistent and planning is stable – a description that does not appear to encompass the next three years. Given that fact, experience teaches that we need to return often to the strategic plan, not for wholesale renewal, but in order to reassure

ourselves that the Domains are specifically appropriate at all times to the changing environment in which we work and plan.

OPERATIONAL PERFORMANCE – The tendency to assume that operational management and strategic planning are separate activities performed by different sets of managers is a fallacy that persists in the health service. It is impossible to produce meaningful strategies if you do not understand the operational parameters of your business and it is everyone's responsibility to manage the operational aspects of the organization and to devise their own strategies to enhance the performance of their area of responsibility. If you haven't gripped the operational detail and outcome, the strategy will not be judged a success. One of the leading 'strategy' gurus, Henry Mintzberg, professor of Management Studies, McGill University, summarises what he terms as *'fallacy of detachment'* in the simplest terms,

> ***'Effective strategists are not people who abstract themselves from the daily detail but quite the opposite: they are the ones who IMMERSE themselves in it, while being able to abstract the STRATEGIC MESSAGES from it.'***
>
> *Mintzberg, H. (1994)The Rise and Fall of Strategic Planning (his emphasis))*

INFORMATION – in the previous strategy we emphasised the importance of 'soft' data for the decision making process. In this strategy we are investing in a system that will serve the need for real time data, integrate information from hospital, community, GP practice and hopefully, Social Services. We believe that in a relatively short time, we should be able to produce a combined Electronic Patient Record that will be a significant step forward in providing integrated information.

QUALITY – A consistent theme in all of the last ten years strategies is the predominance of the emphasis upon Quality and outcome of the patient and staff experience. It is strongly argued in previous strategies that on a number of key indicators the Trust can demonstrate a market leadership over other hospitals in quality of service, safety and cleanliness. However, it should be noted that competitive advantage in this area does not necessarily translate into increased market share. This strategy again places a premium on delivery against the quality strategy objectives and although we are hopeful that patients may in the future choose their hospital according to quality and outcomes, investment in these areas is currently altruistic, although from a patient viewpoint, an essential prerequisite for choice.

STRATEGIC ALLIANCES – currently, alliances between this Trust and neighbouring acute Trusts exist because of clinical necessity rather than a desire to reduce costs or to seek meaningful strategic alliances. There are currently a number of factors within the local health economy of North Mersey which might lead Trusts to re-examine the benefits of full strategic cooperation. These factors are:-

- The need to take £400million out of the local health economy
- The failure of QIPP, so far, to deliver the above
- The requirement of CIPs, year on year, of 5% or greater
- The unaffordability, medium term, of many Trusts in the local health economy, providing the same clinical services as neighbours
- The unaffordability, medium term, of the overhead costs of twelve separate Trusts

Of course, the irony of the need for cooperation to achieve financial viability at a time of increased competition scrutiny and the 'must do' of Foundation Trust status, will not be lost on anyone. Nonetheless, it would be sensible for this Trust to pursue a dual strategy, which would encompass, at the same time, the pursuit of a highly successful Integrated Care Organisation, that reduced demand for hospital treatment by working in tandem with GP's and elaborating pathways to treat more patients at home and in the community AND pursuing further clinical partnerships together with strategic alliances with neighbouring Trusts. This dual strategic approach would, in the opinion of the Trust Board, provide the optimum environment for the success of the Southport and Ormskirk Trust in whatever clinical form is most viable, into the future.

FINANCE – like love and marriage, quality and finance go together: you can't have one without the other (apologies to Sammy Cahn). The equilibrium between high quality treatment and care and the ability to meet your financial targets and make a surplus remains the fundamental test of health service management and rightly so. All Trusts face an incredible difficult task removing 20% of the operating budget over the next four years without anyone experiencing a reduction in the quality of experience or outcome.

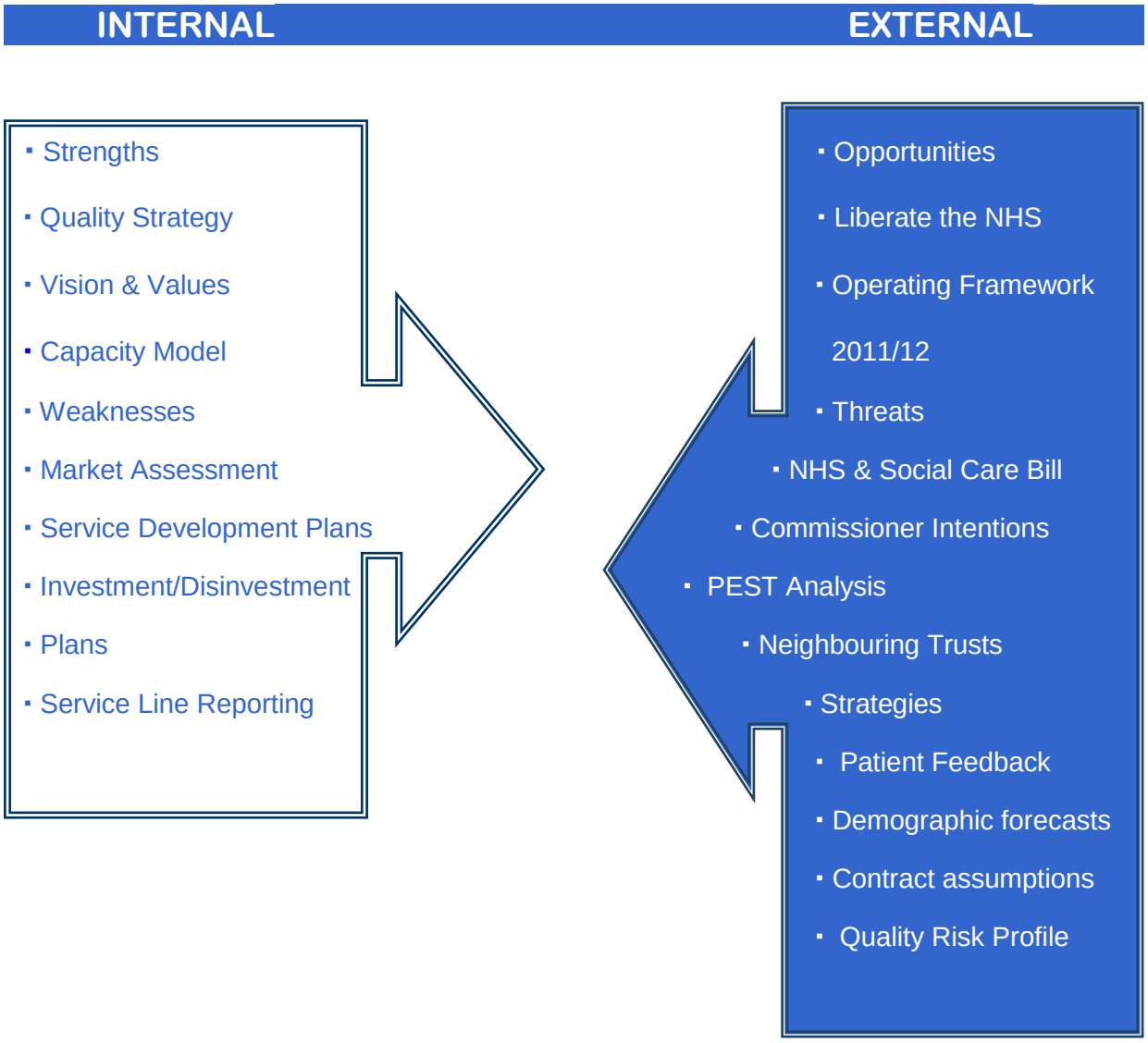
FOUNDATION TRUST STATUS – this is no longer a choice but a must-do. The Trust has signed a tripartite agreement to become an F.T. by April 2013 and the entire strategy is predicated upon that presumption.

The Corporate Strategy is the distillation of a great amount of work; if you prefer, it is the visible part of an immense iceberg, the submerged part incorporating market analysis, financial analysis, an honest appraisal of our strengths and weaknesses and an assessment of the commissioning intentions of our Commissioners.

This document is designed to give the reader an overview of some of the issues that contributed to the strategy, but is primarily concerned with detailing the Strategic Domains and their consequences that will drive the organization for the next three years. The latter point cannot be over-emphasised: all future decisions about investment, disinvestment, market opportunities and the objectives of senior managers and clinicians will be determined by and consistent with, the Strategic Domains.

STRATEGY FORMATION

The strategy has been formed from a number of influences, both internal to the Trust and external, which can be summarised by the following diagram:-



- With regard to the external parameters that shape our Strategy there are, at least, two points to note. The first is that the combination of the NHS Bill, Liberating the NHS and the Operating Framework equal the paradigm shift in how the NHS is run. The corollary to this part is that as argument rages over the nature of the paradigm shift proposed, no-one is sure at this stage what the intended and unintended consequences of such major change may be to the running of an NHS Trust.

OUR VALUES

Our values have been expressed explicitly for a number of years in terms of our slogan **'PROVIDING SAFE, CLEAN AND FRIENDLY CARE'**. This is not just a statement that adorns our stationary: it is based on what patients and visitors tell us is most important to them when they attend the hospital. Thus, we ensure that the statement is measurable, is clearly enunciated in our objectives, business plans and annual reports and is evident to patients and staff from our investment of time, energy and resources. In addition to Safe, Clean and Friendly we believe that patients have a right to expect treatment and care to be provided in a professional manner.

PROVIDING SAFE, CLEAN AND FRIENDLY CARE

The Trust is passionate about ensuring that it not only retains its current patient base but seeks to expand it. Our Philosophy of 'Providing Safe, Clean and Friendly Care' represents the values and achievements of our staff which determines the principles upon which the Trust is managed and the qualities and standards that our patients and their relatives have a right to expect from us at all times, whether in hospital, or being cared for at home or in the community.

The Trust places the same high priority on meeting its financial targets as it does on responding to patients needs in terms of standards of treatment and care. Financial balance, quality services and a safe and clean environment are not mutually exclusive and the Trust pledges to deliver all to the highest achievable standard within the resources available to us.

SAFE

You have an absolute right to expect that in visiting the Trust or being treated by us, you will be free from harm. In pursuing this objective the Trust promises:-

To achieve the highest possible Clinical Negligence Scheme for Trusts (CNST) rating in all areas of its operation which ensures clinical risks are reduced to a minimum by the way in which we deliver care to you;

- To work hard to minimize the amount of time you have to spend in hospital or under our care, in line with best practice benchmarks.
- To comply fully with the requirements of the Healthcare Commission and the HSE.
- To possess a robust risk management system that responds to complaints and incidents, and actively learns from its mistakes.

- To provide the highest levels of security within the resources available.
- To provide you with staff who are qualified, professional, caring and who are aware of the Trust's policies and procedures.

CLEAN

- You have an absolute right to expect to be treated and cared for in accommodation that is modern, fit for purpose and clean. You should have no worries about the cleanliness of equipment, wards, departments, clinics or staff. In pursuing this objective the Trust promises:-
- To convey to all staff the importance of hygiene and the following of protocol in relation to cleanliness.
- To retain our market leadership amongst District General Hospitals in England for the lowest MRSA figures.
- To maintain our buildings and equipment in an excellent state as measured by the annual PEAT scores.
- To respond promptly to feedback from patients and visitors regarding cleanliness.
- To continue to regard all staff, but in particular domestic staff, as essential and trained members at the front line of combating infection.
- To ensure that the Control of Infection Team continually update the action plan to reduce infection.
- To adopt the same standard of cleanliness in community settings as we do in hospital

FRIENDLY

- You have an absolute right to expect all staff at the Trust to be polite, courteous, helpful and approachable at all times. In pursuing this objective the Trust promises:-
- To treat patients and relatives with respect and expect a similar level in return.
- To develop systems of patient and visitor feedback and to publish the action we are taking in response to this feedback
- To train front line staff, in customer care methods.
- To maintain our reputation for friendliness in all our patient contacts
- To provide information honestly, openly and from a variety of different sources. To deal swiftly with instances where you feel we have not met this standard.

PROFESSIONAL

- You have an absolute right, no matter what setting you are treated in, for our staff to comply with the professional standards set by their regulatory body, the Trust or by the standards that you as a patient have a right to expect.
- On the rare occasion when staff fail in the above, we will tell you what option we are pursuing, to rectify the matter and what redress is open to you for our failure,

OUR VISION

In three years time, the successful integrated care Trust will have the following discernable features;

- A thriving and vibrant Community health service, treating and advising more patients in the community, backed up by
- A call centre contacting patients on a regular basis to confirm their wellbeing and receiving telemetry relating to patients life sign readings at home
- The integrated care will be seen by patients, staff and GP's as an exemplar of how to reduce costs whilst improving health care.
- The hospital will have a reduced number of beds, but will treat people when they can't, according to agreed pathways, be treated in the community or their home across a range of specialties. Length of stay, new to follow up outpatient ratios and inappropriate admissions will all have improved to 'Top Ten in the NHS.
- An integrated IT system across the local health community will provide real time management and clinical information to its users and will also provide an electronic patient record.
- Patients, relations and carers will be empowered to become active participants in their own health and the health of those they care for.
- Payments, incentives and contracting mechanisms are aligned with clinical pathways to drive positive change and reward excellence.
- A clear method of understanding what the patient wants, rather that what we think the patients should want and where feasible, delivering that.
- Its success will amply demonstrate our contention at staff and public engagement events that integrated care is '**THE RIGHT THING TO DO'**.

Our vision follows directly from our values and is further defined in the STRATEGIC DOMAINS that follow:-

''To become an exemplar ICO and F.T. compared to our peers and to provide a stable financial and quality foundation in the face of competition and change".

BUSINESS REQUIREMENTS

Overlain on the values and vision of the Trust are the business requirements that we judge will form our commercial intent over the next five years. There are two fundamental business requirements of quality and sustainability, which are further split into specific areas of business relevance.

The Trust's Quality Strategy ('Care as Care should be') emphasises the following values and beliefs:-

- **Patient Focus**
- **Effective and Efficient Care**
- **Workforce Development**
- **Professional Standards**

Furthermore, the strategy is founded on a definition of quality based on:-

- **Safety**
- **Effectiveness**
- **Efficiency**

The operational excellence system of efficiency and effectiveness delivery described in Domain 2 is also a Business requirement.

STRATEGIC DOMAINS

As described earlier, the Board have taken a broad view of the internal factors and the external possibilities that will shape our future for the next three years. From that detailed view, combined with our values and vision, spring the Strategic Domains which will form the basis of our business and clinical intentions for the future.

There are six Strategic Domains, as described below. We will;

- **EMBED AN INTEGRATED CARE MODEL THAT DELIVERS OPERATIONAL EXCELLENCE AND SAFETY**

- **STRIVE FOR EXCELLENCE IN TREATMENT AND CARE AND IN ALL ACTIVITIES THAT SUPPORT THAT ENDEAVOUR**

- **ENSURE THAT 'TOP TEN' PERFORMANCE IS ACHIEVED IN EVERY REACH OF THE TRUST'S ACTIVITIES**

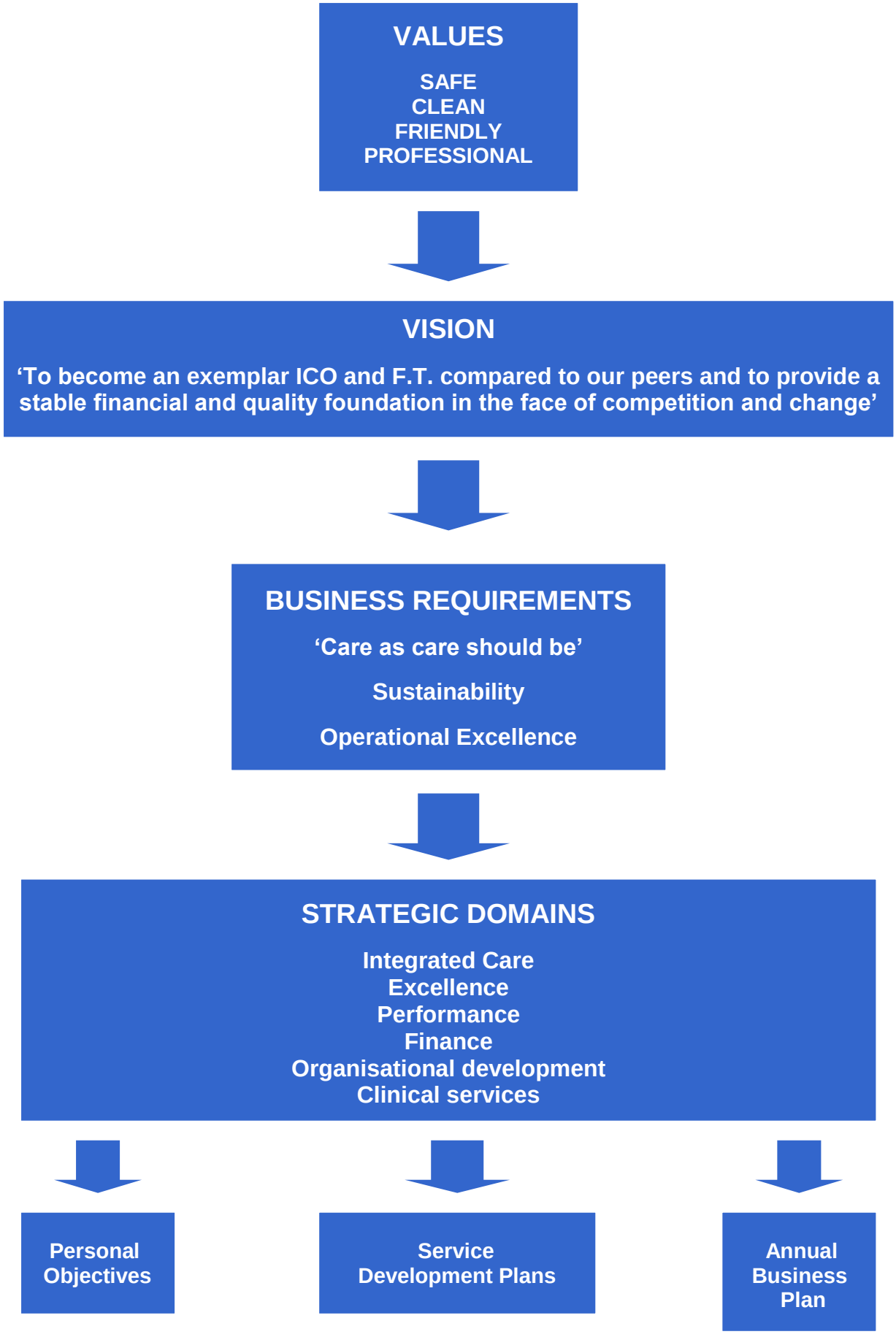
- **DELIVER SUSTAINTABLE LONG TERM FINANCIAL VIABILITY**

- **DEVELOP THE ORGANISATION TO ALLOW EVERYONE TO ACHIEVE THEIR BUSINESS AND PERSONAL OBJECTIVES**

- **ENSURE THAT EVERY SPECIALTY IS ABLE TO COMPETE, BOTH IN OUTCOMES AND FINANCES, WITH EVERY QUALIFIED PROVIDER**

THE GOLDEN THREAD

To summarise what has been said so far and to link this with the next section of the strategy, it is necessary to consider what is often referred to as the 'Golden Thread' of strategy. The 'Golden Thread' essentially demonstrates how the organisation's values and vision are translated through the business requirements and on into the next section of this document, the Strategic Domains, eventually emerging as discrete, measurable plans and objectives that shape the decisions, investments, divestments and destiny of the organisation. This should be evident throughout the organisation, but can be presented diagrammatically as overleaf;


VALUES
SAFE
CLEAN
FRIENDLY
PROFESSIONAL
VISION
'To become an exemplar ICO and F.T. compared to our peers and to provide a stable financial and quality foundation in the face of competition and change'
BUSINESS REQUIREMENTS
'Care as care should be'
Sustainability
Operational Excellence
STRATEGIC DOMAINS
Integrated Care
Excellence
Performance
Finance
Organisational development
Clinical services
Personal Objectives
Service Development Plans
Annual Business Plan

STRATEGIC DOMAIN 1

EMBED AN INTEGRATED CARE MODEL THAT DELIVERS OPERATIONAL EXCELLENCE AND SAFETY

At the heart of our strategy for the future is the integration of acute hospital services with the majority of community health services in West Lancashire and North Sefton from 01.04.11. We undertake this fundamental change to who we are and how we provide healthcare for a number of reasons:-

- We want to improve patient's healthcare at a time of diminishing resources. An Integrated Care Model provides the optimum means of securing that aim.
- Integrated Care will always, from a patient and managerial perspective, trump un-integrated care.
- It is more cost effective to treat patients at home or in the community where that is appropriate, than it is to admit to hospital.
- One organisation managing hospital and community services can provide uniform services and standards of treatment and care.
- Integration provides the opportunity for the local health economy to jointly redesign clinical pathways to prioritise treatment and care for those most in need.
- Integrated care is a more efficient system because it will reduce dependency on hospital beds, lower length of stay and waiting times and empower patients and carers.
- Integrated care contains the opportunity to empower patients and carers to take responsibility for their own care and the effective management of their condition. For all of these reasons we believe that integrated care is 'THE RIGHT THING TO DO'.

A CULTURE OF SAFETY AND EXCELLENCE

The combination of the Health and Social Care Bill with an aging population and thus an increasing prevalence of chronic illness at a time when £20billion is to be removed from hospital and community budgets could prove to be the perfect storm. We need a clear vision to ensure that this combination of factors does not diminish the quality of our services but that different, affordable solutions are developed to treat and care for patients in a manner appropriate to their needs.

The bringing together of acute and community services in one Trust will allow us to redefine chronic care pathways to ensure that less patients require hospitalisation and that more patients are treated in their home and in the community. Thus the ICO will both invest in hospital services, but also reduce dependence upon hospital services in order to develop community health services through the following changes:-

- **Reduce the number of medical beds**
- **Prioritise keeping chronic illness patients out of hospital**
- **Reduce follow up outpatient attendances**
- **Increase new patient to follow up patient ratios**
- **Reduce average length of stay in hospital**
- **Prevent inappropriate admissions**
- **Reduce waiting time for planned hospital admission**
- **Examine the feasibility of telemedicine and call centre monitoring**

This is a bold vision of cultural change which is necessary given the factors above and the pace at which change will need to occur. In summary, commissioners will not be able to pay for current demand in a hospital setting. Efficiencies in hospital process and cost will be necessary, but not sufficient to allow commissioners to buy what they are currently purchasing, therefore, new effective, efficient and cheaper but appropriate models of treatment and care need to be rapidly implemented.

At the heart of that vision is the assurance to ourselves, public and patients, that a culture of safety and excellence is engineered into the Trust so that new pathways and models of care are at least equivalent to previous outcomes and can be pursued with vigour. We would define a health system that privileges safety and operational excellence as one that is:-

- **SAFE** – avoiding causing harm from treatment and care intended to improve the health and wellbeing of patients.
- **EFFECTIVE** – evidence based best practice that meets the needs of patients at the right time and place.
- **EFFICIENT** – treatment and care where cost effectiveness and the avoidance of waste are synonymous.
- **RESPECTFUL** – asking the views of patients and meeting their needs with respect and dignity.

- **TIMELY** - Reducing waits and delays.
- **EQUITABLE** – consistent treatment and care regardless of gender, ethnicity, geography, socio-economic status or disability.
- **LEARNT** – continuous learning and seeking to improve.

COLLABORTATIVE

We firmly believe that, in the face of a paradigm shift in the way in which health services will be organised and financed, the optimum maxim for the future is 'united we stand, divided we fall'. The health economy may be peopled by ostensibly different players – hospitals, community, GP's and so on – but we are one system.

In order to encapsulate that view, we want to see hospital, community and GP's working together to deliver the aims of the ICO. We intend to achieve this in at least two ways:-

1. **THE ESTABLISHMENT OF A COLLABORATIVE TRUST BOARD COMMITTEE, THE CLINICAL SENATE**

2. **JOINT INVESTMENT IN AN INTEGRATED I.T. SYSTEM**

The Clinical Senate is a new formal committee of the Board, which will consist of Trust staff, GP's, patient representatives and Local Authority staff. It will be chaired by the Trust Medical Director. Its aim is threefold:-

- To provide a forum for discussion on future issues concerning commissioning and providing.

- To recommend action relating to clinical service development to the Trust Board and the Executive Commissioning Boards.

- To monitor progress in the design of chronic care pathways and other specific projects.

Its remit may develop further, dependent upon the views of its members. However, we believe that the Clinical Senate will be an essential addition to the collaborative work of the Trust, bringing together commissioners and providers in one forum where debate and decisions can be had about how the health system can be redesigned to meet the needs of

patients against a background of diminishing resource and new ways commissioning and providing.

In the discussions that have taken place as part of the engagement activities for the establishment of the Integrated Care Trust, General Practitioners have identified one of the major barriers to integrated care as the lack of an I.T. system that links hospitals and GP practice. Accordingly, we have established a small working group of hospital staff and GP's to look at the solutions. We have identified a system, currently in use in the U.S. health system, that implements a low cost file sharing system to link different networks. This would provide, in a relatively short timescale, the opportunity to link hospital and GP systems and might even extend to social service systems.

The benefit of an integrated I.T. system would be immediate and far-reaching. For example, one of the problems, when patients are admitted to hospital as an emergency is that the hospital is often unable to receive a full drug history from the patient. Similarly, GP's often complain about the tardiness of discharge information from the hospital. The IT system would provide for the hospital an up to date medication history of the patient. Also, GP's would be alerted by their system to the discharge of their patient and an up to date discharge summary would be available immediately. It would be possible for a patient electronic record to be produced with input from hospital, community health services, GP practices and perhaps Social Services that was up to date and held detailed, comprehensive health data on the patient, accessible to those who need to know.

INTEGRATED CARE GOALS

As the Trust develops into an integrated care provider we will have three specific goals, thus:-

- **PROACTIVE HEALTH AND SOCIAL CARE SYSTEM:** proactive health care systems deliver better health outcomes and value for money. The Integrated Care Organisation will proactively manage health risk factors as well as patients with chronic conditions. A key enabler for this transformation will be the alignment of financial incentives to keep patients healthy rather than care for them in acute care settings.
- **EXCELLENCE THROUGH RESPONSIBLE & ACCOUNTABLE CLINCIANS, STAFF AND MANAGEMENT**: we will set high standards and be relentless in our pursuit of excellence. Striving for exemplary performance, we will establish a culture of mutual respect and transparency, supportive of our front-line staff as we work together to continuously learn and improve.

- **ENGAGED, MOTIVATED AND CAPABLE PATIENTS, CARERS AND COMMUNITIES**: informed, motivated consumers who understand their responsibilities and contribution to health, who demand and choose higher quality health care and who work constructively with our integrated health system to improve health in Southport and Ormskirk.

The delivery of these goals will ensure the ICO's ability to meet the challenges facing the NHS and provide optimal healthcare services to our community in the most cost-effective way. While each goal targets a specific transformation agenda, they are inter-related and mutually dependent upon each other.

These goals will require Southport and Ormskirk to embrace, facilitate and implement fundamental changes, in order to deliver the high level of performance our aspiration demands. Attaining each goal will require specific strategies with related operational tactics and performance enablers. These have been arranged into logical, functional groups to create five high level operational strategies. Foundational work has already begun in the areas of clinical engagement and governance resulting in tangible progress with supportive GPs, an integrated clinical governance model and new communication channels.

FIVE STRATEGIES TO DELIVER WORLD CLASS INTEGRATED CARE

The lessons from other systems that have attempted to deliver world class integrated care are that we, in order to deliver optimal population health within the predicted resources available, will need to improve our effectiveness in the following five areas:-

1. **COMMUNITY-WIDE ENGAGEMENT AND TRANSPARENCY** - engaging stakeholders, GP's, our doctors, staff and our patients and community, in a transparent dialogue about integrated care, excellence and the need for continuous improvement.
2. **EMPOWERED PATIENTS, CARERS AND COMMUNITY** – empowering patients and families to become active participants in health and well-being.
3. **SUPPORT OF INTEGRATED OPERATIONAL AND CLINICAL EXCELLENCE:** developing a culture and capacity for continuous improvement.
4. **ALIGNMENT OF STAKEHOLDERS AND PAYMENT INCENTIVES:** Aligning commissioning and payment incentives with integrated, proactive care.

5. **INTEGRATED INFORMATION AND DECISION SUPPORT:** Creating an information infrastructure to support best practice and proactive care co-ordination, create insight and enable transparency.

1. Community – Wide Engagement and Transparency

In terms of the goals of integrated care, the change associated with QIPP and the Health and Social Care Bill, it is clear that much work in engaging staff, GP's, stakeholders and the community needs to be done. This work has already begun across all groups with the 'State of the Nation' talks to staff, introductions to the aims of the nascent ICO and the engagement process with GPs and public about ICO goals. This is a good start, but in terms of the transparency required, this needs to be a continual, well planned process whereby our actions and our words reinforce our vision and allow wholesale cultural change to occur which reduces dependence upon hospital admissions and begins to deliver our integrated care strategies. A brief meditation on the position of each group, if full engagement and transparency were achieved, would look like this:-

Staff – the boundary between hospital-based and community-based staff would be more blurred, with staff moving seamlessly between both settings and new posts in existence to reinforce the objective of treating more patients in their home and in the community. Staff would embrace the objective of fewer hospital beds, and would be ambassadors for the ICO both in the excellence of treatment and care they deliver and their advocacy for the new model of care with patients, stakeholders and the community served.

GPs – commissioning and provision would be joined in the same aims with GP's and in particular the Commissioning Boards embracing the ICO strategy and working with the ICO to assist in the delivery of its aims. Equally, the Clinical Senate would become a vehicle for positive change, redesigning pathways to allow patients to be treated more cost effectively in the community, debating contracting strategy, recommending investment and disinvestment opportunities to commissioners and Trust Board alike and ensuring that commissioning and provision are working together in a joint vision of what needs to be achieved for the delivery of improved healthcare amid diminishing resources.

Community – leaders will embrace the ICO vision and support it in the face of dissent as the hospital closes beds and moves investment into the community. Patients would be empowered and would understand their responsibilities in terms of managing their own health. There would be a general consensus that the ICO had delivered what it said it would and there would be a broad understanding in the community that the ICO was a huge improvement on what existed previously and had been the right model of treatment and care at the right time.

This would not be utopia, but it would be a realistic aspiration against which to monitor the success of the ICO and the desire for engagement and transparency.

2. Empowered Patients, Carers and Communities

There are a number of facets to this strategy, which would enable patients, carers and communities to become active participants in health and supporters of the rationale of an ICO. These facets are:-

- **ADVOCACY** – particular groups such as Alzheimer's, British Heart Foundation and Help the Aged will be invited to act as patient advocates to help remove barriers to care, ensure their research findings are incorporated into service redesign and to speak on behalf of the patient in pathway redesign.
- **PATIENT INPUT TO PATHWAY REDESIGN** – to ensure pathways are patient – centred we will endeavour to involve individual patients, in addition to patient advocacy groups, to instigate against parochial redesign that doesn't meet patient need.
- **TRANSPARENCY** – we believe it is essential that we go beyond what is officially encouraged in giving patient's quality and outcome results to motivate continuous improvement. Information will be available on the ICO website to give greater evidence to our desire to continuously improve. This will also aid informed choice.
- **SELF-CARE –** self care enables patients to manage their condition and to be more self-reliant on understanding the parameters of their disease. The opportunity for telemedicine will further enhance self-care. Learning from regional and international best practice, we are planning to augment the expert patient programme to improve its effectiveness and further reduce the need for acute care intervention:

- Patients and Communities share responsibilities for health: our communication efforts will strive to develop a sense of "shared responsibility for health". This approach increases options available for people to exercise more control over their

health and their environments. A complementary approach includes legislation, fiscal measures, taxation and organisational changes with an aim to make the healthier choice the easier choice, not only for individuals but for companies, organisations and governments as well.

3. **SUPPORT OF INTEGRATED OPERATIONAL AND CLINICAL EXCELLENCE; developing a culture and capacity for continuous improvement –** in addition to high-performing integrated care organisations, communities at the leading edge of quality improvement have been able to overcome the challenges of provider organisational boundaries and resultant pathway fragmentation by joining forces to create virtual health care "systems" and regional improvement initiatives that behave in a more co-ordinated and comprehensive fashion. This **virtual integration** , in the interest of quality improvement, enables stakeholders to set common goals, share performance data, connect and support providers, engage consumers and promote better health care quality and community health outcomes.

   The ultimate goal of our ICO strategy is to foster a culture of continuous improvement along with the capacity to deliver it across Southport and Ormskirk. This goal will involve a variety of activities including the Integrated Service Teams adopting, for local use, evidence-based guidelines from NICE. The ICO will play a central and ongoing role in supporting the skills and infrastructure development for these teams as well as serving as a bridge across the continuum of care for patients and their carers. In this context, we will pursue an ongoing, developmental approach involving coaching and mentoring of clinicians and managers to enhance their effectiveness as leaders and change agents.

4. **ALIGNING STAKEHOLDERS AND PAYMENT INCENTIVES; Aligning Commissioning and payment incentives with integrated, proactive care:** moving from a reactive, PBR, care delivery and reimbursement model to a proactive model will require deliberate discussions with commissioners. As progress is made on pathway redesign, we hope to be able to foster the acceleration of implementation by aligning commissioning and payment incentives. PCT and GP Commissioners will be deeply involved in the Service Line pathway redesign work. Hopefully, as pathway specifications and quality measures evolve, these will inform the procurement and contracting processes enabling the ICO to effectively redirect resources from the acute setting into community-based services to enable proactive care management.

The intent of this element in our strategy is to stimulate debate with commissioners such that payment, incentives and contracting mechanisms are aligned with pathway initiatives to improve population health. We will be intentional about linking commissioning functions into the integrated 'service teams' care management and monitoring functions such that our commissioning colleagues gain the needed insight into those things critical to achieving world class health improvement.

Our approach to performance management will be like-minded. We have a responsibility to work collaboratively with our stakeholders and as such, wherever possible, we will promote incentives and funded organisational development initiatives rather than financial penalties and withholds.

In terms of gaining greater value for money, the Finance Department will be developing a clear view of budgets within each Integrated Service Team. With this insight, we will begin to clarify existing expenditures, highlight opportunities for greater efficiency and enable feedback mechanisms for frontline decision makers to raise the visibility of their decision making on the context of both quality and value for money.

5. INTEGRATED INFORMATION AND DECISION SUPPORT

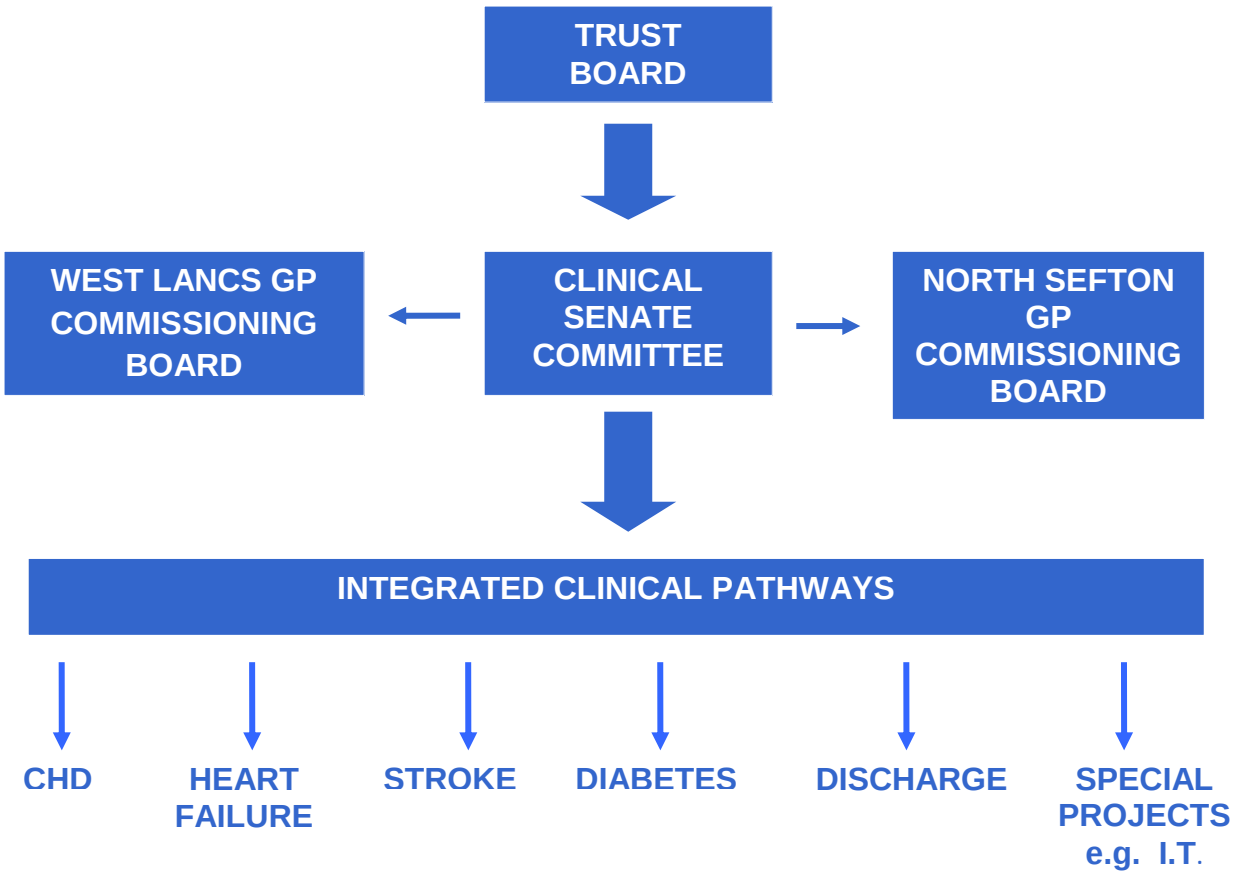
This strategy will be a critical enabler for the other four strategies. Experience from other health systems has demonstrated that a well conceived and executed informatics plan received widespread support from doctors, staff and patients. The ICO has begun an assessment of the information needs to support Integrated Care within Southport and Ormskirk with a view to deploying an infrastructure that will enable it to more effectively manage our population's health.

The ICO will agree, with our GP colleagues, the overall approach to sharing information as well as measures intended to stimulate continuous improvement. To support the monitoring and optimisation of these measures, the information infrastructure will need to deliver several critical functional requirements. At a high level, these requirements include information sharing amongst providers of administrative, clinical, operational and cost data to enable identification and prioritisation of population health needs. Additionally, care pathway automation, clinical knowledge management, proactive case and disease management support and cascading dashboards will also be necessary.

Southport and Ormskirk has a solid network with connectivity within the acute hospitals. Work to improve information sharing with GP practices is a high priority for our GP colleagues. Expanding connectivity to enable data exchange with GP's and other providers will enable all members of a multi-disciplinary team (MDT) to deliver safer, more effective and efficient care. All staff and GP's will benefit from the elimination of non-value added work for example searching for information, repetition of laboratory tests and redundant documentation procedures.

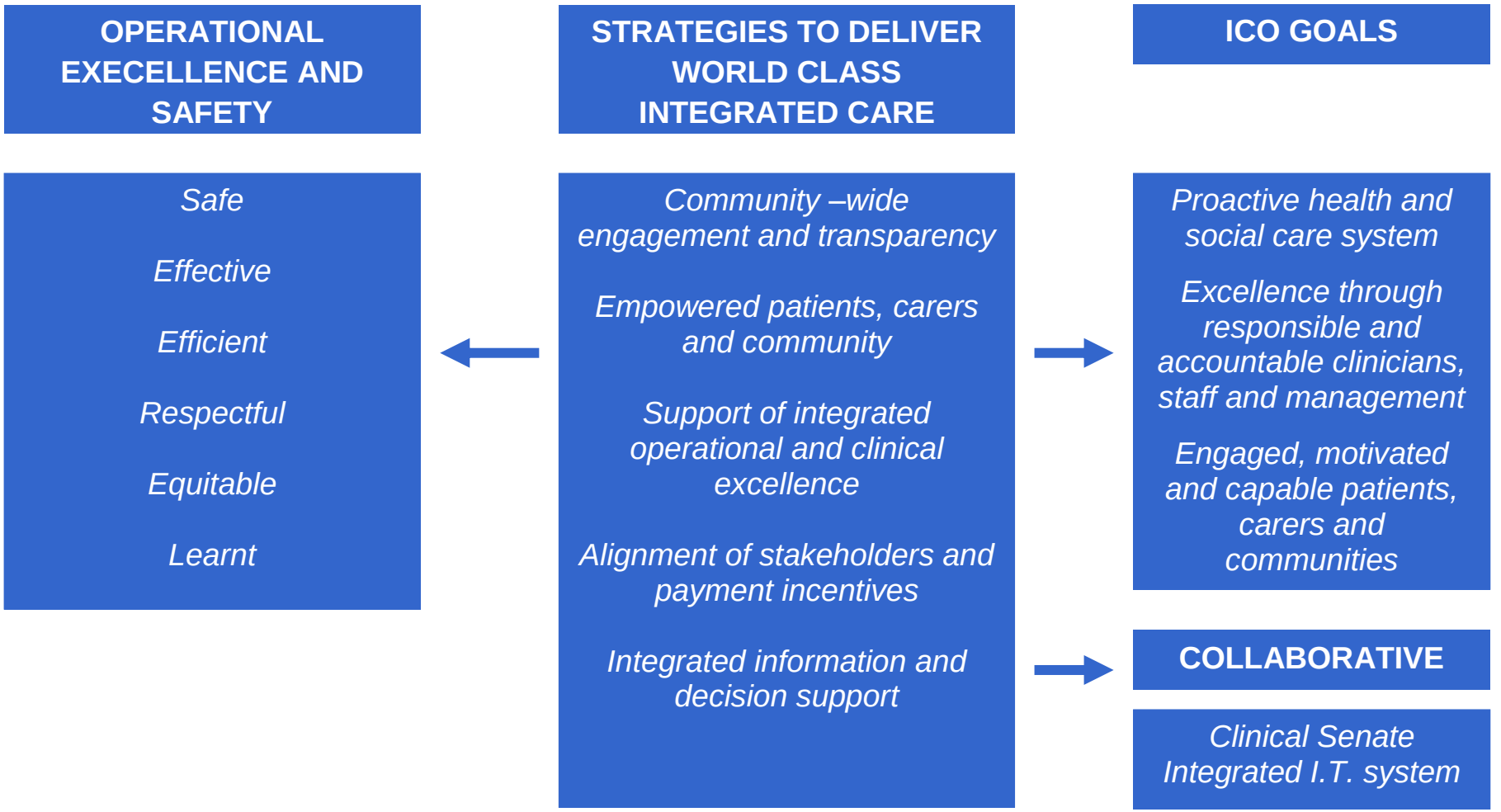
CONCLUSION

The delivery of Strategic Domain 4 is fundamental to the delivery of our overall strategy. The need to redesign chronic care pathways will stimulate a number of other actions, which, as described above, allow the Trust to deliver excellent outcomes against a background of diminishing resources and a competitive market. The corporate governance arrangements of this crucial change can be represented thus;



SUMMARY OF THE DELIVERY OF STRATEGIC DOMAIN 1

EMBED AN INTEGRATED CARE MODEL THAT DELIVERS OPERATIONAL EXCELLENCE AND SAFETY



STRATEGIC DOMAIN 2

TO STRIVE FOR EXCELLENCE IN TREATMENT AND CARE AND IN ALL ACTIVITIES THAT SUPPORT THAT ENDEAVOUR

The Trust has previously commented in its strategy on our pedigree in terms of various measures over the last 20 years, of the quality of our outcomes for patients. Given the requirements to remove £20billion from the NHS budget over the next four years, the major challenge facing all NHS Trusts will be the ability to cope with diminishing revenue, whilst at the same time driving quality, as perceived by ourselves and the patient, upwards. The requirement to deliver a surplus, to change the way we work so that we can reduce the number of hospital beds, meet our CIP targets year on year and drive up the quality of our services will be a difficult balance to strike. Unfortunately, in a healthcare market, the consumer's view of quality often differs from that of the referrer and the provider. For example, it is difficult to reconcile why many potential patients 'choose' to access services that do not have our quality credentials: clearly the factors that motivate a patient to chose a particular provider are multifaceted and investments in improved outcomes does not necessarily produce more customers. Nonetheless, given the opportunity of 'any qualified provider' to compete in the market, it is important and vital that the Trust's reputation is founded upon an understanding amongst GP's and patients that our quality of outcome trumps competitor outcomes.

Now that the Trust is an Integrated Care Organisation, the quality of services and the outcomes for patients with regard to Community Service provision will be at least as important as hospital outcomes. Outcome measurement in Community Service provision is less well developed than in acute hospitals so we will want to quickly establish a quality culture in community services and to prioritise change in that sector in terms of quality improvement. It is imperative that chronic care pathways are mutually redesigned and that those pathways prioritise which patients are cared for in the Community, with the intent of keeping patients out of hospital. Our desire will be to redesign pathways so that it is clear where resources will be invested, what quality standards are expected of community services and how outcomes will be measured and improved. This information will be transparent and openly available to the public to allow our stakeholders to judge where we are good and where we need to improve.

The way in which we will monitor our outcomes will also change as we adopt the new quality regime. The Board will receive a new dashboard in April that will reflect the quality

requirements of the CQC and allow the Board a greater degree of assurance about our outcomes and the action we are taking to improve. This will incorporate the nascent CQC Quality Risk Profile, which will become the standard barometer of a Trust's quality performance. In particular, the Trust's Quality Strategy will incorporate the key features of the QRP and will place an emphasis upon the following key quality issues:-

- **Hospital Standardised Mortality Rate**
- **Safe, clean, friendly and professional culture**
- **Marketing our quality achievements to GP's and potential patients**
- **NHSLA and CNST ratings**
- **Community Health Standards**
- **Risk mitigation associated with CIP delivery**
- **Improvement against QRP**
- **Improved performance and Quality Dashboard at Board**

In order to facilitate the change required to drive forward the ICO and the CIP, we intend to buy in training in quality and efficiency techniques, which will equip a large group of staff to analyse, improve and redesign services, both clinical and non-clinical, and to affect change that is beneficial to patients and the organisation. This training will begin in March 2011 and will be based on three proven methodologies from industry that will improve our costs, efficiencies and effectiveness through the application of:-

- **Theory of constraints**
- **Lean methodology**
- **Six sigma**

We have given the title of Operational Excellence to the process of staff using TLS techniques to improve efficiency and effectiveness and this is included as a business requirement.

STRATEGIC DOMAIN 3

TO ENSURE THAT 'TOP TEN' PERFORMANCE IS ACHIEVED IN EVERY REACH OF THE TRUST'S ACTIVITIES

Given the equation described in the previous domain of balancing achievements of CIPs with the maintenance and improvement of outcomes for patients, it is also a vital part of that equation that the Trust is able to demonstrate high performance in comparison with our peers. We have chosen top decile performance as an aspirational target and as something that is usually easily defined and remembered.

In order to support the informational and benchmarking requirements to demonstrate 'Top Ten' performance, we have moved from CHKS Ltd, which provided only a comparison with Trust's within the CHKS ambit, to Dr. Foster, which enables comparison with the entire NHS provider market. Thus, 'Top Ten' performance equates to the top 10% of performance in different spheres within the NHS.

There are a number of reasons why 'Top Ten' performance has been chosen as a specific strategic domain; these are:-

- An ethical and managerial duty to assure the Board and patients that the Trust has a desire to perform at the highest level in comparison with others and to utilise public resources efficiently and effectively.
- In terms of the Long Term Financial Model it will be necessary to achieve 'Top Ten' performance if we are to continue to release resources both for the CIP and for reinvestment primarily in Community Services.
- In a Competitive market, a high level of performance across a range of areas and across a period of time should produce a competitive advantage that, combined with high quality services, might produce increased demand from patients who currently obtain treatment elsewhere.
- If other Trusts fail, strong performance in finance, quality and performance may persuade commissioners to consider this Trust as a future host for their patients' treatment and care.

- In keeping with the principles of Advancing Quality, in which this Trust is, to date, the top performing hospital in the North West SHA, higher levels of performance and efficiency will increase margins and may perhaps attract premium tariffs in the future.

As part of our branding of the organisation, we would want to be recognised as a high quality, high performing Trust to differentiate ourselves from alternative providers on 'Choose and Book'. The research we have undertaken with patients and patient relatives and carers suggests that the customer privileges safety, cleanliness and friendliness as key performance areas and also that the customer discerns a positive difference, on the whole, in these key areas between us and neighbouring Trusts. That is why our values include these three key performance areas and they provide a 'strap line' on all publications. We have also chosen to add professionalism to our values as we perceive it to be an essential component of the treatment and care we provide.

Performance management will be a very important area for avoiding financial penalties in relation to the following areas:-

- **Legal claims**
- **Never events**
- **Length of stay restricted tariff**
- **Readmissions**
- **Privacy and dignity**

Therefore, both through the Performance Dashboard, through the Performance Management framework and objectives, the Trust intends to hold to account managers and clinical managers using real time information for the performance of their area of responsibility.

STRATEGIC DOMAIN 4

TO DELIVER SUSTAINABLE LONG TERM FINANCIAL STABILITY

The Trust has an enviable track record in its recent history of both maintaining and improving quality of the services that it provides, whilst delivering its financial targets.

At the end of 2010/11 the Trust will have delivered four consecutive years of surplus and is now rated “excellent” under the Auditors Local Evaluation scheme (ALE). This level 4 ALE achievement builds upon the hard work of previous years in delivering in full the cost improvement targets set for the Trust. In the rapidly changing financial environment, however, there is no time to procrastinate as the whole of the Public Sector, including the NHS, can only look forward to operating in an environment of ever-reducing resources. This, in itself, will produce an ever more challenging scenario where innovation and change will have to be embraced. The Trust must deliver a financial risk rating score of 3 or better in order to move forward as an aspirant F.T. Fundamental to this is the delivery of a robust EBITDA position to signal to all, including the financial regulator, Monitor, that the Trust has good control of its financial position and by default is positioned well to manage all risks and eventualities.

Whilst limited resources will be available during the next planning period to support capital expenditure the Trust’s asset base is in good condition and as such this will limit the call on resources overall.

Having reviewed the historic position of the Trust and the new, more challenging environment in which it will have to operate and thrive, it is fundamental that future years cost improvement schemes are planned, project-managed and delivered in full. Underpinning this approach the Trust has engaged two key external companies to reinforce CIP delivery, but also at the same time embed new ways of thinking into the corporate culture. This approach to efficiency (operational excellence) is key to the ‘seismic shift’ required in the NHS overall where more must be delivered for less without negatively impacting on quality.

The Trust needs to work in partnership in 2011/12 with commissioner colleagues to track the overall movement away from acute care into more localised settings to ensure that resources are appropriately allocated to where they will be consumed.

STRATEGIC DOMAIN 5

DEVELOP THE ORGANISATION TO ALLOW EVERYONE TO ACHIEVE THEIR BUSINESS AND PERSONAL OBJECTIVES

Given the centrality of becoming a Foundation Trust in 2013 and the desire to drive the changing culture and model of care described in the previous domain, the requirement for a new approach to organisational and individual development takes on an increased priority; this is further reflected in the cultural and business change that is presaged in the Health and Social Care Bill. In short, the Trust and its staff have to equip themselves with new skill sets to be ready for a paradigm shift in the way in which the Trust operates to allow us to prosper in the new health care market that is being established.

The key facets of Organisational Development will change over time, but from the current vantage point the major issues would appear to be:-

- **LEADSHIP DEVELOPMENT** – although work has been undertaken and is ongoing in terms of senior managers' leadership development, the next phase needs to equip middle managers with the skills necessary for the challenges ahead. There is also growing evidence that we require the Assistant Medical Directors and Clinical Directors to have different management skills than we have given them in the past and that there is a need for detailed succession planning.
- **BOARD DEVELOPMENT** – in order to be fit for purpose in the future, both as an ICO and F.T., the Trust Board needs to continue its development work to ensure that, in corporate governance terms, the Board is able to adequately discharge its functions. At present our intent is for all Non Executive Directors to attend the Monitor development programme at Manchester Business School and for all Board members to take part in the Organisational Development programme currently being designed for us by two companies.
- **OPERATIONAL EXCELLENCE** – as described in Domain 2 a large group of staff will be taught techniques associated with Theory of Constraints, Lean and Six Sigma, which will enable them to carry out efficiency and effectiveness reviews within the Trust. This in turn will assist in delivering the CIP and pathway redesign.

- **NEW ROLES** – as part of the senior management leadership course, a project was undertaken to examine new roles in the Trust that would allow us to drive extra value from our establishment. This work needs to be brought to fruition.
- **MEMBERSHIP RECRUITMENT FOR F.T**. – this has begun through the ICO public engagement events, so that, by the beginning of 2012, we will be in a position to report solid progress.

STRATEGIC DOMAIN 6

ENSURE THAT EVERY SPECIALTY IS ABLE TO COMPETE, BOTH IN OUTCOME AND FINANCE, WITH ANY QUALIFIEDPROVIDER

The existing Service Line Reporting (SLR) system demonstrates that not all clinical specialties, having made a contribution towards their overhead costs, make a profit. Whilst in the past we have accepted that the concept of a District General Hospital requires a range of services to meet the population's needs, the continued cross- subsidisation by a profitable clinical specialty to another may not be viable into the future. On 1st April, we are responsible for a range of Community Services in West Lancashire and North Sefton, none of which have been subject to SLR.

There are a number of key pressures within the Trust that will need to be reviewed in the light of the Health and Social Care Bill to ensure that the Trust is able to compete in the market and is able to provide financial assurance that it can continue as a viable entity. These are:-

- Applying SLR to community services
- Applying Service Line Management to all clinical activities
- Clear Business Development Plans that reflect the current and future position of each clinical service
- Annual Business Plans that reflect the market and internal profitability.
- Demonstration of a clear understanding of the SWOT analysis relating to the Trust and the health market
- Understanding of the Competition rules
- A direct link between the SWOT analysis and the financial viability of each clinical specialty and the market assessment and plan

The requirement will be to convert all losses to profit and to extend profits wherever possible. If the preceding processes are made more overt and robust, it should provide us with a greater knowledge of the 'tipping point' of each clinical specialty.

At the time of writing there appears to be, both through the QIPP process and in response to the health market, an increased interest in health groups and strategic alliances. We would

not at this stage rule out any collaboration, if that were in the interests of patients and the organisation.

CORPORATE STRATEGY CONCLUSION

There are opportunities and threats galore in a health system undergoing the largest change since the formation of the NHS in 1948. It is not possible at this stage for anybody to accurately predict the fully panoply of effects that such change will usher in, but such uncertainty places a primacy in the flexibility of strategic approaches to such change and a dexterity in responding to opportunities and threats.

The backdrop of ICO and aspirant F.T. status, combined with a very challenging cost improvement programme over the next five years, merely adds spice to the mix. Our values and our vision will remain central to our task: we have explained to the public, who are rightly concerned at a reduction of £20billion in the NHS budget over the next four years, that we have no intention of being responsible for services that are not safe and effective. We intend to adapt and change the way we deliver services and to reduce the cost of those services in order to remain competitive and the provider of choice to the majority of local residents. If we fail in that endeavour then we cannot guarantee what services will be provided locally, but we intend to succeed by following the clear path outlined in this strategy.

Trust Board

March 2011