Southport & Ormskirk Hospital NHS Trust

Providing safe, clean and friendly care

Corporate Strategy

2012 – 2017

Author: Trust Board

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SOME QUOTES ON STRATEGY

"A Strategy delineates a territory in which a company seeks to be unique"
Michael Porter

"A satisfied customer is the best strategy of all"
Michael Le Boeuf

"However beautiful the Strategy, you should occasionally look at the results"
Winston Churchill

"Do not repeat the tactics which have gained you one victory, but let your methods be regulated by the infinite variety of circumstances"
Sun Tzu

"Perception is strong and sight weak. In Strategy, it is important to see distant things as if they were close and to take a distanced view of close things"
Mijamoto Musashi

"The processes used to arrive at the total strategy are typically fragmented, evolutionary and largely intuitive"
James Quinn

"There is always a better strategy than the one you have; you just haven't thought of it yet"
Sir Brian Pitman

"We don't like their sound and guitar music is on the way out"
Decca Recording Company rejecting the Beatles in 1962

"You have to be fast on your feet and adaptive or else a Strategy is useless"
Charles De Gaulle

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1 Introduction

1.1 The Southport & Ormskirk Hospital NHS Trust was formed in 1999 by the merger of Southport and Formby District General Hospital (DGH) and Southport General Infirmary (SGI) with Ormskirk and District General Hospital. Since then, clinical services have been relocated between Southport and Formby DGH and Ormskirk DGH and the SGI has been sold. In order to facilitate the redesign and relocation of acute clinical services, approximately £60million has been invested in new capital assets on both sites from which clinical services are now provided.

1.2 The broad disposition of acute services by site is as follows:-

Ormskirk	Southport
Women's Services	Accident and Emergency
Children's Services	Intensive Treatment Unit
Day Case Treatment Centre	Surgery
Elective Orthopaedics	Medicine
Radiography	Pathology
Operating Theatres	Critical Care Unit
West Lancashire Health Centre	Orthopaedics
Outpatients	Outpatients
	Operating Theatres
	Radiography

1.3 In 2011 the Trust acquired a range of community services previously run by Central Lancashire Primary Care Trust (PCT) and Sefton PCT. The combined acute and community services now run by the Trust has been renamed an Integrated Care Organisation (ICO) and there are specific plans, outlined in this Strategy, to radically alter the priorities of the ICO to the benefit of patients, carers, staff and the Trust.

1.4 The Trust serves a population of 224,000, employs 2,800 whole time equivalent staff and has an income base of £178million.

1.5 The Trust is currently pursuing two high level objectives in addition to the requirement to provide excellent treatment and care to our patients. These high level objectives are:-

(a) To establish and embed an exemplar Integrated Care Organisation

(b) To attain NHS Foundation Trust status.

Because all three objectives are interdependent, the challenge is to deliver all three objectives simultaneously. This is a greater challenge than most other Trusts face and will require a clear strategic vision and firm leadership if we are to be successful.

1.6 Because of the turbulence in the NHS and the need to make the Strategy as relevant as possible against a backdrop of rapidly changing structures, objectives and policies, the previous Strategy was written for a period of three years. Whilst we still live in interesting times, the Board has chosen to revert to a five year Corporate Strategy to ensure that the Strategy is coterminous with the Integrated Business Plan that forms the basis of our application to become an NHS Foundation Trust. However, in recognition of the impending impact of the Health and Social Care Act 2012, the Board will continue to formally review the Corporate Strategy annually and will review progress at Board on a six monthly basis.

1.7 A review of our strategic intent since 1999 reveals fundamental truths that, despite a rapidly changing environment, have stood the test of time and are consistent lessons in our evolving Strategy. These lessons are, in no particular order:-

- INVESTMENT IN DEVELOPMENT, LEARNING AND TRAINING is usually money, time and effort well spent. As the area's biggest employer, we rarely if ever regret such investment and the range of opportunities to develop, learn and resource specific training is immense, although there are always opportunities to improve that range.

- STRATEGIC VISION AND OPERATIONAL GRIP are dependent upon each other. If you can't manage the day to day delivery of targets and operational detail, no one will have faith in your strategic vision. Equally, if you concern yourself with operational detail, without reference to the broader plan, you are unlikely to succeed. As Mintzberg (1994) has said in describing the "fallacy of detachment":-

  > "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 extract the STRATEGIC MESSAGES from it."

- THE BEST LAID PLANS OF MICE AND MEN OFTEN GO AWRY. Despite our best intentions, strategies are sometimes wrong or overtaken by a rapidly changing environment. To counter this effect we review the Corporate Strategy itself annually and our progress to deliver the Vision twice yearly. We also have devised alternative strategies which specifically address different ways of acting in the event that our original strategy is not working. This is discussed in more detail in Chapter 5.

- REAL TIME INFORMATION.As a healthcare business we require real time information in terms of clinical, finance and activity. We have invested in a new IT and Information Strategy, new leadership and new hardware and software to make this a reality.

- THE EQUILIBRIUM BETWEEN FINANCIAL targets and the improvement of QUALITY OUTCOMES is a delicate balance. Fundamental to the success or failure of the ICO is the ability to ensure that the Trust is able to deliver a consistent financial performance whilst delivering increased safety and improving clinical outcomes to patients. Get the equilibrium wrong and either patients suffer or the organisation is unable to meet its contractual obligations.

- SIZE MATTERS. Whilst an annual income of £177million officially classifies the Trust as a medium sized organisation, there are key risks, both in acute services and community services, associated with a Trust of our size. Amongst the mitigating actions we have taken to offset the risk that our Trust might face, due perhaps to the loss of a key individual or the need for a relatively large investment in staffing or equipment is the

development of strategic and clinical alliances with neighbouring Trusts. As an illustration, we currently have clinical alliances with the following Trusts:-

- Renacres Hall Hospital
- Royal Liverpool and Broadgreen University Hospitals NHS Trust
- Aintree University Hospitals NHS Foundation Trust
- Liverpool Chest and Heart Hospital NHS Trust
- The Walton Centre NHS Foundation Trust
- Lancashire Care NHS Foundation Trust
- Mersey Care NHS Trust

We would expect these alliances to expand over time.

1.8 The purpose of this document is to give staff, public, patients and stakeholders an insight into our strategic thinking over the next five years.

1.9 The Trust has developed this Strategy based upon the views of patients, commissioners, staff and the Board's perspective. This is a document which gives a high level description of the elements that form our Strategy and the main thrusts of the Strategy itself.

2 Strategy Formulation

2.1 The formulation of the Trust's Strategy is a process led by the Board that subsumes a number of different influences and opinions, both internal and external to the Trust, that are summarised in the diagram below:-

2.2 The strategic domains are informed by a combination of internal and external assessment combined with the business requirements of the Trust and the opinions and experience of others. This Chapter examines each of the areas in the diagram above in more detail.

2.3 The internal assessment consists of a range of methods to determine what the Trust can contribute to the strategic domains. This would usually start with the strengths and weaknesses of the organisation as determined through the SWOT analysis. This will be collaborated by the downside model, contained in the Integrated Business Plan and in part determined by the Monitor financial forecast. The Trust has always developed its own capacity plan to assess the requirements to deliver its performance objectives. The assessment is further elaborated by the

Service Line Reporting and business analysis that gives a profit and loss account of each clinical specialty and the QEP target and individual schemes to deliver up to 5% cost savings. There is also an assessment of the service developments we wish to make each year, which is intrinsically linked to the contract settlement. The strategic posture and portfolio are described in Chapter 6

2.4 The values of the organisation are stated as:-

PROVIDING SAFE, CLEAN, FRIENDLY and PROFESSIONAL CARE

The Trust has invested time, energy and resources in ensuring that our values are not just a strap line on our letter head and website, but that they actively embody what we would want if we were a patient of the Trust. The values are reinforced at every induction session and in particular we have recently been revisiting with staff the expectations in respect of professionalism.

2.5 Through the Board and in conjunctions with staff side representatives, we have drawn up a list of mandatory requirements for staff. We believe that whilst there are many incentives for staff to work and act professionally, it is also helpful to explicitly state what the Trust considers to be mandatory requirements of its staff and the sanctions that will be imposed if the requirements are not met. This view is supported by the Staff Side and we are currently defining the Mandatory requirements and sanctions in the following areas:-

- PATIENT OBSERVATIONS (eg Early Warning Score recorded and fluid balance noted);
- ESTIMATED DATE OF DISCHARGE recorded for every patient;
- CARE PLANS are clear and followed and intravenous cannulation is sited appropriately and reviewed regularly;
- ANTIMICROBIAL STOP DATES are recorded and adhered to;
- DOCUMENTATION is properly recorded;
- DRESS CODES are adhered to;
- CALL BELLS are within reach and NUTRITION is documented and delivered appropriate to the patient needs;
- DISCHARGE is planned from admission and appropriately achieved;
- TIME KEEPING is observed;
- APPRAISAL AND TRAINING are up to date;
- HAND HYGIENE rules are fully complied with;
- Wherever CHECKLISTS exist, they are followed.

2.6 Upon the formation of the ICO we employed a company to work with all our staff in an exercise called "The Big Conversation", which was designed to elicit the views of staff about the culture and values that they wished the new ICO to espouse. In summary form, the behaviours the staff wished to see were:-

VALUE STATEMENT Staff of Southport & Ormskirk Hospital NHS Trust must be:-	DESCRIPTORS	BEHAVIOURS and OUTCOMES
SUPPORTIVE	Teamwork, Fairness, Helpful attitude, Respectful to Colleagues, Tactfulness.	Working together and valuing each other for the benefit of patients.
CARING	Compassionate, Desire for Best Care, Responsiveness, Sensitivity, Empathy, Thoughtfulness, Understanding	Caring for our patients as individuals, safely and with compassion.
OPEN AND HONEST	Positivity, Honesty, Frankness, Informative and Knowledgeable, Transparency, Learning from mistakes, Encouraging.	Acting with the highest standards of integrity, behaviour and accountability.
PROFESSIONAL	Recognition that working in Healthcare and undertaking Clinical Practice are a privilege. Good communication, Supportive to Colleagues, Desirous of High Standards, Smartness, Well Mannered, Happy, Interested, Friendly, Helpful, Innovative	Aspiring to be the best in everything we do.
EFFICIENT	Effectiveness, Timeliness, Willingness to look at new ways of working, Joined up working, Questioning, Desire for Improvement, Clean and Safe.	The best quality care within the resource available.

2.7 These values will be known as SCOPE values and we are currently working to incorporate them into our Value Statement.

2.8 Our vision is simply stated as:-

"TO BECOME AN EXEMPLAR ICO AND FT COMPARED TO OUR PEERS AND TO PROVIDE A STABLE FINANCIAL AND QUALITY FOUNDATION IN THE FACE OF COMPETITION AND CHANGE"

2.9 In five years'time we would wish to measure the success of our vision against the following criteria:-

- A thriving organisation with truly integrated acute and community services providing seamless treatment and care against agreed, best practice clinical pathways.

- An exemplar Foundation Trust that can demonstrate the advantages to patients of the new freedoms and governance arrangements that FT provides.

- An exemplar ICO dedicated to keeping patients out of hospital, where appropriate and recognised as an innovative solution that produces higher quality treatment and care at lower cost.

- Patients, relatives and carers will feel empowered to be active participants in their own health and well being and that of those for whom they care.

- In performance terms, the Trust will be a "top ten" performer, in comparison with the rest of the NHS, but in particular will have:-

    - Low levels of admissions for chronic illness patients.
    - Low levels of readmissions for all.
    - Reduced length of stays.
    - Reduced new to follow up ratios in outpatient attendances.
    - Reduced number of hospital beds.

- The aims of the Trust and the commissioners will be aligned and our strategies will be complementary.

- Payments, incentives and contracting mechanisms will be aligned to drive positive change and reward excellence.

- Patient harm will be amongst the lowest in the NHS.

- Clinical outcomes will be amongst the highest in the NHS.

- An integrated IT System will operate across the local health and social services community which will provide real time management and clinical information to users that ultimately provides an electronic patient record.

- Patient and staff satisfaction will be high.

- The Trust will have a ten year due diligence record of meeting its financial targets.

Whilst these are highly ambitious measurements of the intended success of the organisation, from a patient perspective you would not wish to be treated or cared for in a Trust that had lower ambitions.

3 Strategic Domains

3.1 The combination of the internal and external assessment together with the opinions and experience of a range of people and the business requirements of the Trust has resulted in the generation of six high level Strategic Domains which inform all Trust activity and plans. These Strategic Domains, in no particular order as they are all equal, are:-

DOMAIN 1
Embed an Integrated Care Model that delivers operational excellence and safety

DOMAIN 2
Strive for excellence in treatment and care and in all activities that support that endeavour

DOMAIN 3
To ensure that performance, in terms of effectiveness, productivity, timeliness and efficiency, is comparable with the best in the NHS

DOMAIN 4
Deliver sustainable long term financial viability

DOMAIN 5
Develop the organisation to allow everyone to achieve their business and personal objectives

DOMAIN 6
Ensure that every specialty is able to compete, both in outcomes and finance, with any qualified provider

3.2 **Strategic Domain 1: Embed an Integrated Care Model that delivers Operational Excellence Safely**

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 1st April 2011. 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.

- Seamless care removes the bureaucratic barriers that frustrate patients in moving from one system to another.

- Integration provides the opportunity for the local health economy to jointly redesign clinical pathways to prioritise treatment and care for those most in need and to meet best practice.

- 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'.

3.3 A Culture of Safety and Excellence

The combination of the Health and Social Care Act 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 are 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 fewer patients require hospitalisation and that more patients are treated in their home and in the community. Thus, the ICO will retain hospital services, but also reduce dependence upon hospital services in order to develop and invest in 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, particularly readmissions of chronic illness patients**

- **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 processes 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. We have shared this vision with our Clinical Commissioning Groups and they have confirmed their support for its implementation.

At the heart of that vision is the assurance to ourselves, public, patients and commissioners 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.

3.4 Collaborative

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 have achieved this in at least three ways:-

(1) THE ESTABLISHMENT OF A COLLABORATIVE TRUST BOARD COMMITTEE, THE CLINICAL SENATE

(2) JOINT INVESTMENT IN AN INTEGRATED I.T. SYSTEM

(3) COMMISSIONING PLANS THAT MIRROR OUR ICO VISION

The Clinical Senate is a Sub-Committee of the Board, consisting of Trust staff, GP's, patient representatives and Local Authority staff. It is chaired by the Trust Medical Director with a GP as Vice Chair. 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.

It has also developed working groups on operational matters and I.T. development. We believe that the Clinical Senate is an essential addition to the collaborative work of the Trust, bringing together commissioners and providers in one forum where debate and decisions can be made about how the health system can be redesigned to meet the needs of patients against a background of diminishing resource and new ways of commissioning and providing.

In the discussions that took place as part of the engagement activities for the establishment of the Integrated Care Trust, General Practitioners 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 formed 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. It is our aim to 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 sometimes 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.

3.5 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.

3.6 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 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. The intent is to create an electronic patient record that can be accessed by ICO staff, social Service staff and GPs

3.7 COMMUNITY-WIDE ENGAGEMENT AND TRANSPARENCY

We believe that the attainment of NHS Foundation Trust status will accelerate our achievement of these strategies we have taken the vision of the ICO to the public, GPs and staff of this Trust. 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.

3.8 EMPOWERED PATIENTS, CARERS AND COMUNITIES

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 charities such as The Alzheimer's Society, 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.

3.9 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.

3.10 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.

3.11 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 receives widespread support from doctors, staff and patients. The ICO has carried out 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.

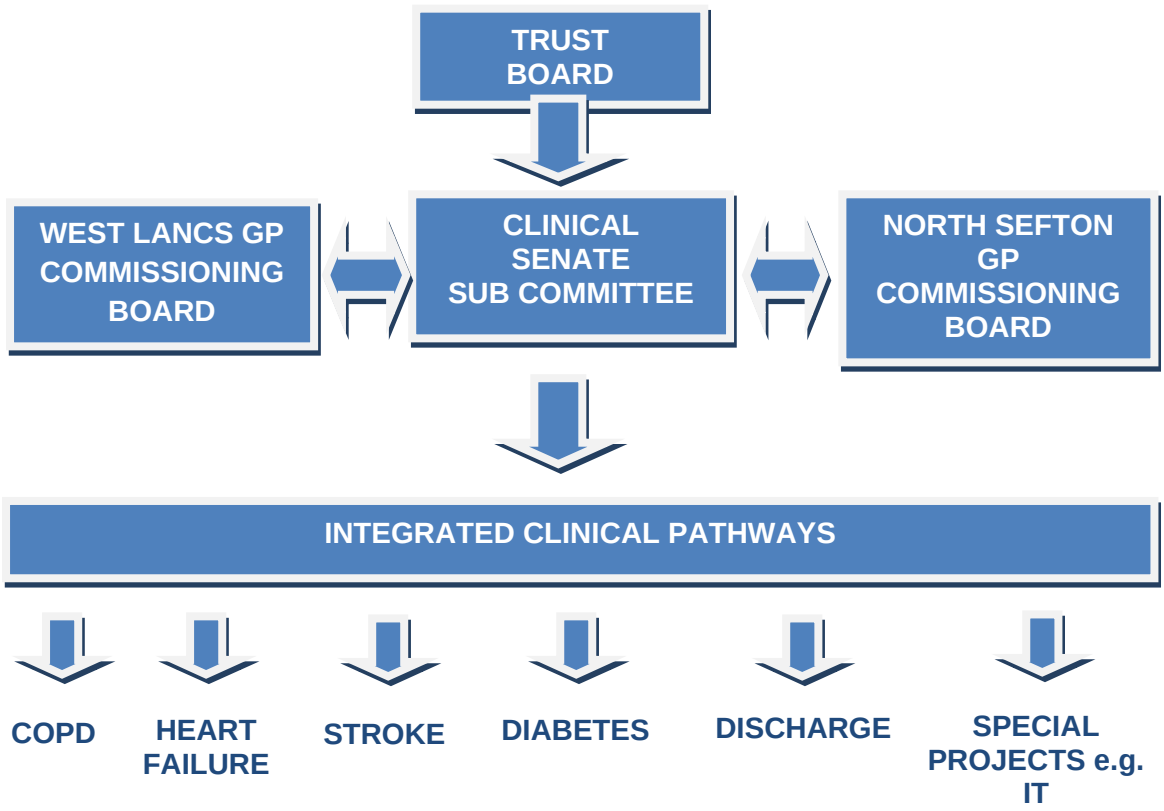
The ICO will agree, with our GP colleagues, the overall approach to sharing information as well as measures intended to stimulate continuous improvement. To support the monitoring and optimisation of these measures, the information infrastructure will need to deliver several critical functional requirements. 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.

3.12 CONCLUSION

The delivery of Strategic Domain 1 is fundamental to the delivery of our overall strategy and for this reason we have described our vision for an exemplar ICO in more detail than the other domains. 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:-



3.13 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, 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 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 CQC Quality Risk Profile (QRP), which will become the standard barometer of a Trust's quality performance. In particular, the Trust's Quality Strategy, "Right First Time, Every Time", incorporates the key features of the QRP and places 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**
- **Improved patient experience and feedback**

We have trained a wide range of clinicians and managers in the following business techniques:-

- **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.

3.14 Strategic Domain 3 – To ensure that performance, in terms of effectiveness, productivity, timeliness and efficiency, is comparable with the best in the NHS

Given the equation described in the previous domain of balancing achievements of Quality and Efficiency Plans (QEPs) 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 patients, the Board and commissioners 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 QEP 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, for the last three years, 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.

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**
- **CQUINS**

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.

3.15 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 2011/12 the Trust will have delivered five 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 is working closely with Clinical Commissioning Groups to ensure their financial support for our aspirations, particularly in forward investment in community services to reduce the number of acute beds we require.

3.16 Strategic Domain 5 – Develop the organisation to allow ever 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 Act. 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:-

- LEADERSHIP 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 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 delivered by a combination of in-house seminars, coaching and management consultancy led development.

- OPERATIONAL EXCELLENCE – as described in Domain 2 a large group of staff have been taught techniques associated with Theory of Constraints, Lean and Six Sigma, which has enabled them to carry out efficiency and effectiveness reviews within the Trust. This in turn will assist in delivering the QEP and pathway redesign.

- NEW ROLES – the Trust, with the support of commissioners, is starting to recruit to new roles which span acute and community spheres.

- MEMBERSHIP RECRUITMENT FOR F.T. – this has begun through the ICO public engagement events and has been carried on through the FT consultation process. We expect to have 5000 members participating with us and contributing to our development.

3.17 Strategic Domain 6 – Ensure that every specialty is able to compete, both in outcome and financewithany qualified provider

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. 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 Act 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.

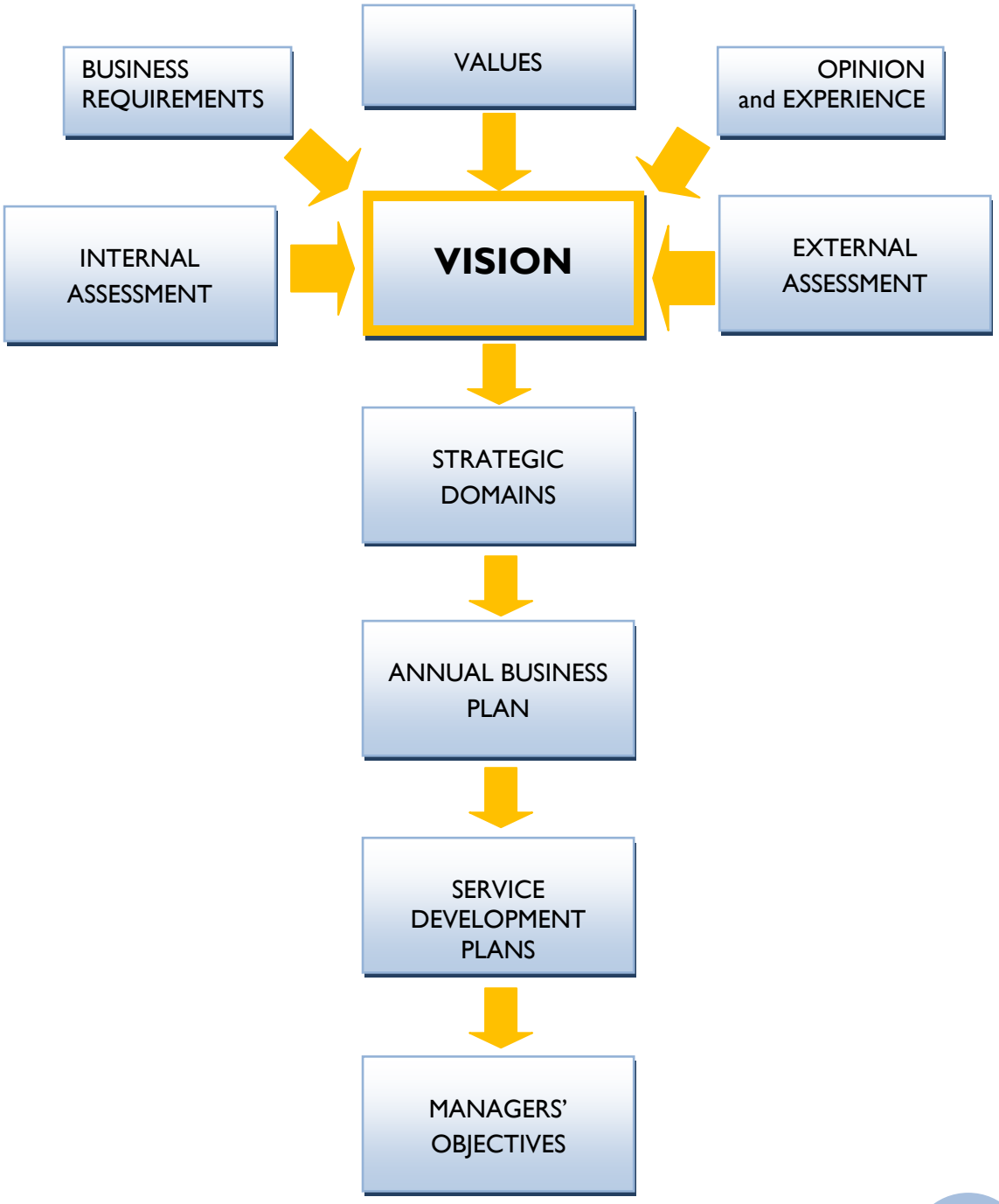
The requirement will be to convert all losses to profit and to extend profits wherever possible. If the preceding processes are made more overt and robust, it will provide us with a greater

knowledge of the 'tipping point' of each clinical specialty. This work is the responsibility of managers and clinicians and is monitored by the Project Management Office (PMO).

4 Delivering the Strategy

4.1 In Chapter 1 we described how the Trust Board monitors both the progress of the Corporate Strategy and its ongoing relevance to the environment in which we work. Without a link between the Strategy and its execution or performance management, all we are left with is a pile of written papers. The strategic "Golden Thread" aligns corporate strategy to operational performance and can best be represented diagrammatically thus:-

The Southport & Ormskirk Strategic "Golden Thread"



4.2 The six Strategic Domains form a rubric of what we expect managers and clinicians to deliver in their day to day work. It also provides a template for other documents; for example, the Clinical Strategy reviews the contribution made by clinicians to the Trust's development, organised around the six Strategic Domains.

4.3 The Strategic "Golden Thread" translates the Trust's Strategic Domains into SMART objectives for every manager and onto the Annual Business Plan and Service Developments for each year. Put simply, if an objective, plan or development cannot be directly related to a Strategic Domain, it will not be appropriate for the committal of resources. In this manner all strategies and plans must directly relate back to the six Strategic Domains to be approved and the "Golden Thread" ensures that formal operational performance management is always directly relevant to our Corporate Strategy.

4.4 The delivery of objectives, plans and projects that are the operational delivery of the Corporate Strategy, are managed and monitored in a number of different ways. In relation to Quality and Efficiency plans, they are monitored by the Project Management Office (PMO). Objectives are monitored through their delivery by appraisal and performance monitoring and Project Directors review the progress of specific projects.

4.5 The "Golden Thread" therefore provides a review mechanism for ensuring only those plans relevant to the Strategic Domains reach fruition and that the translation of broad strategic intent into measurable operational performance completes the strategic cycle annually.

5 PREPARING FOR THE UNEXPECTED

5.1 Within any five year strategy there is likely to be more confidence in predicting the future for the first two or three years than for the last two. In order to mitigate that fact, the Trust Board reviews the Corporate Strategy annually so that we actually have a five year strategy that rolls forward each year. That does not however mean that there can't be paradigm changes within the lifespan of the strategy that could not reasonably be predicted until they were practically upon us. For example, the current economic recession, which has had such an impact, both now and into the future, in the provision of healthcare was not foretold until it arrived. Five years ago we would not have predicted the current level of austerity, despite the relatively beneficial settlements for health in comparison with other public sector budgets. Similarly, the advent into being of the Health and Social Care Act 2012 was similarly unpredicted, even once the new coalition government took office.

5.2 In recognising that the Corporate Strategy is only as good as the information available at the time of writing it and that the healthcare market environment is changing at an alarming pace, the Trust Board has adopted a range of alternative strategies to be implemented were the current strategy unable to deliver at a pace determined by wider environmental change.

5.3 It would not be appropriate within this document to outline all of the mitigating actions that the Board have agreed to implement in the unlikely event of a major failure to deliver our objectives, or a sudden loss of income. Suffice it to say, that the Board has prudently planned for such eventualities.

5.4 The current Strategy in April 2011 was further defined in terms of actions to ensure that we deliver our 5% CIP scheme for the financial year 2011/12. The key elements in what was described as **OPTION A** were:-

- Grow the business in a range of specialties where it made financial and clinical sense to do so;
- Adopt a plan for moving specialties making a loss into breakeven or profit. Failing that outcome, consider disinvestment;
- Rationalise the estate;
- Stop duplication of clinical service at both hospital sites;
- Continue pathway redesign and relocate services, where possible, into the community;
- Pursue strategic partnerships and clinical alliances, where that will reduce costs;
- Deliver the QEP targets without fail;
- Maximise voluntary redundancies, where that poses no risk to patient safety.

6 STRATEGIC POSTURE and PORTFOLIO OF ACTIONS

6.1 Together with our Board Development partner Prospect, the Board looked at new ways of viewing strategy and a paper was produced, based on that work at February Board 2012. The paper examined the Trust's adopted strategic posture and our portfolio of action, based on the work of Hugh Courtney, Jane Kirkland and Patrick Viguerie.

6.2 Strategic posture is defined as "… the intent of a strategy relative to the current and future state of the industry. A posture is not a strategy, rather it clarifies strategic intent." The authors believe that there are essentially three strategic postures that an organisation can adopt, these being:-

- SHAPING THE FUTURE – that is playing a leading role in determining how the industry operates.
- ADAPTING TO THE FUTURE – recognising and capturing opportunities in existing markets through speed, agility and flexibility.
- RESERVING THE RIGHT TO PLAY – investing sufficiently to stay in the game, but avoiding premature commitments.

6.3 In terms of the Trust's strategic posture, it could be argued that we have elements of all three currently in play in relation to different domains of our strategy, however, our overriding aim has been to shape the future by becoming an Integrated Care Organisation as both a USP and an opportunity to deliver benefits to patients against a background of diminishing resources. Whilst there are other examples of ICOs in the country, there are none locally. We believe that our posture of shaping the future could bring dividends if we are able to produce an exemplar organisation.

6.4 The portfolio of actions also proposes three pay off profiles thus:-

- BIG BETS – this involves large commitments that can result in large payoffs in some scenarios and large losses in others.
- OPTIONS – these are decisions that yield, for the most part, significant positive payoffs, but can in some situations produce a small negative effect.
- NO REGRETS MOVES – decisions that will pay off no matter what the outcome.

6.5 We believe we have examples of all three portfolios of action in play at present. In terms of "big bets", the ICO is a big bet decision. We don't believe it will necessarily produce a big payoff, but we do believe it is the best way to continue to deliver the healthcare and to mitigate the losses we would face if we were just an acute Trust.

6.6 In terms of option decisions we have invested heavily in partnerships and clinical alliances which provide enhanced services for patients and we have invested in a new IT Strategy which gives the opportunity to improve real time investment for the health economy.

6.7 The no regrets moves are the QEP schemes, the estate rationalisation, the alternative strategies mentioned in Chapter 5 and the investments in quality initiatives, front line nursing staffing and performance improvements.

6.8 The new strategic postures and portfolios is a valuable new analysis of our strategy at a time of rapid change and uncertainty which allows us to ensure that the strategic intent of the Trust and its fulfilment is maximised.

7 CONCLUSION

7.1 This Corporate Strategy document describes a number of processes to form the Strategy. It begins with a potted history of the Trust and suggests, through experience, a number of underlying truths in respect of the Trust and the strategy formation.

7.2 The document explains the formation of our Strategy through the amalgamation of four distinct analyses, these being:-

- TRUST BUSINESS REQUIREMENTS
- INTERNAL ASSESSMENT
- EXTERNAL ASSESSMENT and
- OPINION and EXPERIENCE

7.3 The four analyses above, when combined, produce a set of six strategic statements called domains, which provide a foundation for the clear enunciation of our Strategy via both the domains and a description of what the delivery of each domain would mean for the Trust, our patients, carers and the population we serve.

7.4 Chapter 4 describes how the Strategy is translated from a theoretical set of Strategic Domains into operational performance management objectives that conform to a SMART model in allowing the Trust to monitor the delivery of the Strategy. This process is referred to as the Strategic "Golden Thread".

7.5 Chapter 5 outlines the plans that the Trust has developed to cope with a changing external environment or the inability to deliver our financial plans. These downside scenarios provide a "belt and braces" approach to our plans in dealing with the unexpected and demonstrating that we are prepared and our strategy can cope with a worsening situation.

7.6 Chapter 6 outlines the latest work of the Trust Board in examining ways of analysing our Strategy to ensure that, in a rapidly changing external environment, the Corporate Strategy remains relevant. The Chapter briefly looks at our strategic posture and portfolio of actions.

7.7 Returning to the Strategy quotes at the beginning of this document, we believe it might be beneficial to conclude by paraphrasing the quotes we have used to demonstrate the range of thinking about strategy and some of the key lessons these quotes impart.

"A Strategy delineates a territory in which a company seeks to be unique."
Michael Porter

Porter suggests, in line with his theories of competitive advantage, that strategy is about the company's unique selling point

"A satisfied customer is the best strategy of all."
Michael Le Boeuf

For Le Boeuf it would appear that the most effective strategy is to ensure that the customer is satisfied with the product or service

"However beautiful the Strategy, you should occasionally look at the results."
Winston Churchill

Churchill reminds us that the proof of the strategy is whether it delivers measurable results

"Do not repeat the tactics which have gained you one victory, but let your methods be regulated by the infinite variety of circumstances."
Sun Tzu

Although Sun Tzu's strategies and tactics were learnt on the battlefield in 6th Century China, they have influenced many military strategists. This quote suggests that circumstances drive the strategy and that they vary to a great degree.

"Perception is strong and sight weak. In Strategy, it is important to see distant things as if they were close and to take a distanced view of close things."
Mijamoto Musashi

Musashi contends that strategy is about the future, not the present. A similar but less elegant sentiment is attributed to General Colin Powell in his statement that strategy is about looking through the windscreen, not the rear view mirror.

"The processes used to arrive at the total strategy are typically fragmented, evolutionary and largely intuitive."
James Quinn

This quote suggests that, from experience, the formulation of the Corporate Strategy is perhaps not as organised, planned and rational as the text books would have us believe.

"There is always a better strategy than the one you have; you just haven't thought of it yet."
Sir Brian Pitman

The Chairman of Lloyds TSB suggests that strategy is an evolutionary and iterative process that can always be improved upon.

"We don't like their sound and guitar music is on the way out."
Decca Recording Company rejecting the Beatles in 1962

This quote reminds us that strategies often fail.

You have to be fast on your feet and adaptive or else a Strategy is useless.
Charles De Gaulle

De Gaulle reminds us that in a fast changing environment the strategy needs to change quickly if it is not to become redundant.