

Southport and Ormskirk Hospital



Safe, Clean and Friendly NHS Trust



CORPORATE STRATEGY

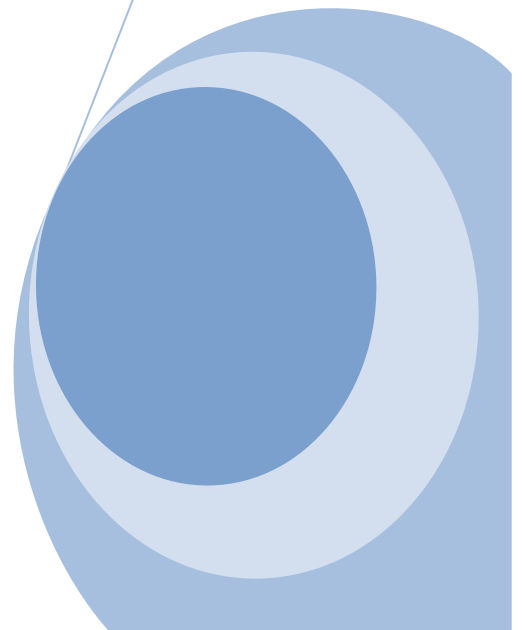
2009 to 2014

Final Version

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INTRODUCTION TO THE STRATEGIC PLANNING PROCESS

The Corporate Strategy is the distillation of a great deal of work; if you prefer, it is the visible part of the iceberg, the submerged part incorporating market analysis, financial analysis, an honest appraisal of our strengths and weaknesses, an assessment of the commissioning intentions of our PCTs and a view of the external environment in which we operate.

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

A look back at the Trust Strategies since merger in 1999 reveals a concise history of the Trust's development since that time. However, a closer reading reveals certain lessons that should be heeded in terms of the external influences on strategy, its meaning and its efficiency.

PACE 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 five 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 Thrusts are specifically appropriate at all times to the changing environment in which we work.

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 the

operational parameters of your business are not understood 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 the operational detail and outcome isn't tightly grasped the strategy will not be judged a success. Perhaps Henry Mintzberg 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.'

INFORMATION – All strategy textbooks emphasise the importance of hard, timely and relevant information to the strategy process. Whilst hard data is essential for planning, the rational management model tends to underestimate or ignore the role that soft data plays in the same process. Gossip, stories, hunches, rumours and intuition are equally important weapons and tools in a manager's armoury.

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. The latest Healthcare Commission rating of 'excellent' for quality of services reinforces that leadership but 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. Nonetheless, as Maidstone, Mid Staffordshire et al teaches, high quality services should *be sine qua non* within all health service strategies.

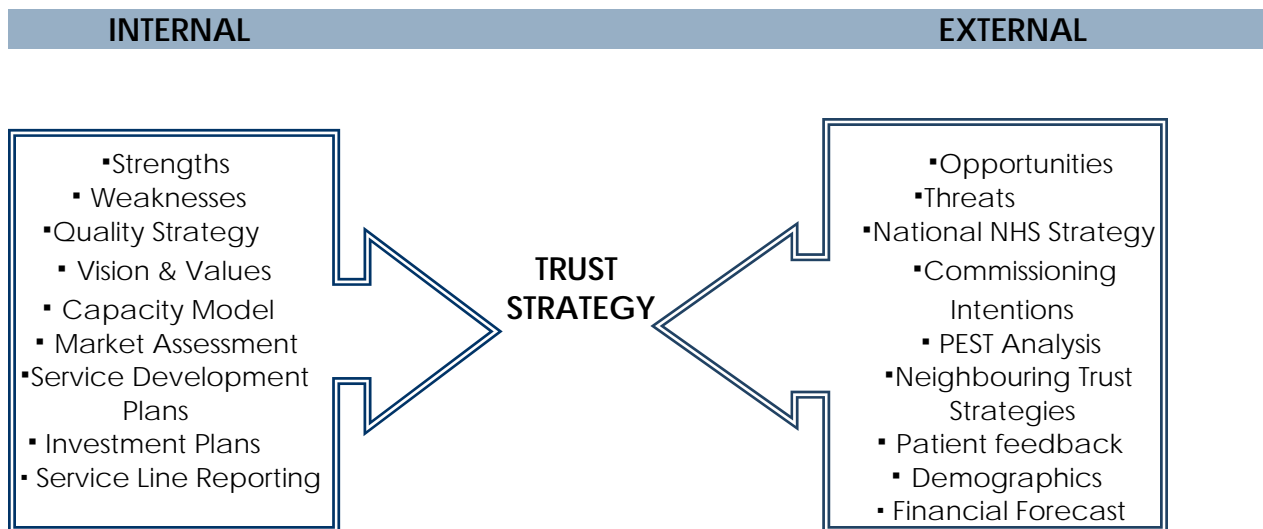
THE MEANING OF 'STRATEGY'

When we use the term 'strategy' we want to be clear what is meant. Again, turning to Mintzberg, whose concept of the four Ps encompasses a number of different concepts of strategy, all of which are appropriate to our own definition of the meaning of strategy, the following is evident;

'PLAN introduces the notion of intention and emphasises the role of conscious leadership; PATTERN focuses on action...and introduces the notion that strategies can emerge; POSITION introduces context, rooting strategy in external situation and encouraging us to consider competition and cooperation; and PERSPECTIVE reminds us that strategy is nothing more than a concept and focuses our attention on the collective aspect of strategy.'

STRATEGY FORMATION

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



These influences are converted by the Board into the Strategic Thrusts which are described later in this document.

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 from our investment of time, energy and resources. We are rightly proud of our achievement in these areas to date, but recognise that in order to maintain our leadership we need, over the next five years, to consolidate our achievements as others seek to catch up and move to the next level of performance in all three indicators. As an example of our endeavour, we have worked for the last 18 months to research what our staff regard as the definition of and major impediments to PROFESSIONALISM which is now incorporated into our purpose statement.

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.

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 environment are not mutually exclusive and the Trusts pledges to deliver both 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 here, 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 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 and departments 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.

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 to expect all staff to be professional at all times. In addition to the professional codes of conduct statutorily required of individuals dependent upon their role, the staff in this Trust regard professionalism as:-

- Right first time
- Responding positively to complaints
- Being empowered to use our initiative
- Communicating with patients and staff clearly and honestly
- Providing advocacy for others
- Being respectful, dignified, effective and fair
- Working in partnership as a team

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 values and vision are translated through the business requirements and on into the next section of this document, the Strategic Thrusts, eventually emerging as discrete, measurable plans and objectives that shape the decisions, investments, disinvestments and destiny of the organisation. This should be evident throughout the organisation, but can be presented diagrammatically thus;

VALUES
SAFE
CLEAN
FRIENDLY
PROFESSIONAL



VISION

'To ensure that Southport and Ormskirk Hospital NHS Trust thrives by attracting more patients to seek to use our clinical services through the elaboration of our values, making us a higher quality choice than neighbouring Trusts?'



BUSINESS REQUIREMENTS

'Care as care should be'



BUSINESS REQUIREMENTS

Sustainability



STRATEGIC THRUSTS

EXCELLENCE
PERFORMANCE
FINANCE
COMMERCIAL
ORGANISATIONAL DEVELOPMENT
CLINICAL SERVICES



PERSONAL OBJECTIVES



SERVICE DEVELOPMENT PLANS



ANNUAL BUSINESS PLAN

OUR VISION

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

'To ensure that the Southport and Ormskirk Hospital NHS Trust thrives by attracting more patients to use our clinical services through the elaboration of our values, making us a higher quality choice than neighbouring Trusts.'

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 Quality Strategy gives a detailed description of the priorities for action against all three of the above domains.

SUSTAINABILITY

There is little point in delivering high quality services, as defined in the Quality Strategy, if the services themselves are not sustainable over the period of the strategy. There are currently at least five elements to our business sustainability plan.

- **GROWTH** – to repatriate patients from our locality who currently receive treatments available in Southport and Ormskirk from neighbouring Trusts. This has the explicit support of our host PCT as it is not predicated on an unrealistic expectation of overall revenue growth.
- **PERFORMANCE** – Current performance levels must be sustained and, in certain areas, improved to maintain our reputation and leadership over neighbours.
- **ESTATE** – The Estate Strategy needs to continue to meet the needs of staff, patients and legislation such that the estate provides an efficient and cost effective solution to the delivery of healthcare.
- **TECHNOLOGY** – The Trust will continue to invest in safe and effective technology where that assists us in delivering our objectives.
- **CLINICAL SERVICE CONSOLIDATION** – We will consolidate and invest in those clinical services that are needed and demanded by patients, affordable, high-performing and staffable within current legislative frameworks.

STRATEGIC THRUSTS

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

There are six Strategic Thrusts, as described below. They are numbered, but not in any priority order. We will,

- 1. STRIVE FOR EXCELLENCE IN TREATMENT AND CARE AND IN ALL ACTIVITIES THAT SUPPORT THAT ENDEAVOUR**
- 2. ENSURE THAT 'TOP TEN' PERFORMANCE IS ACHIEVED IN EVERY REACH OF THE TRUST'S ACTIVITIES**
- 3. DELIVER SUSTAINABLE LONG TERM FINANCIAL VIABILITY**
- 4. ACHIEVE A COMMERCIAL UNDERSTANDING AND APPROACH TO THE MARKETS WE CAN SERVE**
- 5. DEVELOP THE ORGANISATION TO ALLOW EVERYONE TO ACHIEVE THEIR BUSINESS AND PERSONAL OBJECTIVES**
- 6. SUSTAIN AND DEVELOP SERVICES WHERE NEED, QUALITY AND ECONOMICS DICTATE**

Each of the six Strategic Thrusts will be described and a number of objectives against each will also be delineated. Whilst the Thrusts will remain constant throughout the five years, the objectives will form each year's business plan and as such will be reviewed annually to take account of internal and external changes. In addition, each Strategic Thrust will be related to key documents within the Trust and to key performance indicators (KPIs).

STRATEGIC THRUST N^o. 1

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

The Trust has a strong history of delivering clinical and non clinical standards to a higher level than those provided by neighbouring Trusts. From Kings Fund HQS accreditation, where we were a founder member, through patient charter stars and up to date with our current HCC 'Excellent' rating and our CNST and CHKS ratings, the Trust has an organizational memory of its ability to meet and exceed quality standards. As mentioned in the introduction, our quality leadership has not necessarily led to an increase in patients from further afield beating a path to our door, possibly for a number of reasons. Geography is one limiting factor as is customer awareness of choice and quality. Finally, there are limitations on how we could market our quality advantage. Local access has, by and large, trumped quality of service. However, there is evidence that this might be changing, with new competition rules, improvements to Choose and Book and Maidstone and Mid Staffordshire uppermost in people's minds. Nonetheless, as an acute provider of healthcare in a competitive market, the provision of high quality services, has to be a necessity.

KEY ISSUES TO BE DEVELOPED IN ANNUAL BUSINESS PLANS

- Elaboration of the QUALITY STRATEGY to include:-
 - = IHI Standards on Slips, Trips and Falls
 - = Emphasis on Standardised Mortality Rate
 - = Further detail on Safe and Clean
- Elaborate the 'Renewed Culture of Professionalism' standards
- Deliver the CQUIN Standards and the Advancing Quality benchmarks
- Maintain 'Excellent' service ratings with CQC
- All services, Clinical and Non Clinical to publish their Quality outcomes and outputs
- Maintain highest NHSLA rating

- Develop specific patient feedback mechanisms for each Division
- Divisional Business Plan to include Quality Agenda
- Maintain CHKS top 40 position

KEY DOCUMENTS

- Quality Strategy
- Performance Strategy
- Annual Quality Report
- Annual Business Plan
- Service Development Plans

KPIs

- Infection Rates
- SMR
- NHSLA Level
- CHKS Benchmarks
- ALE Score
- HCC Quality of Service Rating

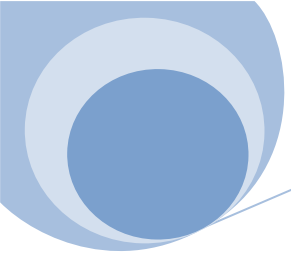
STRATEGIC THRUST No. 2

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

Hand in hand with Quality goes performance. We have set an exacting target of 'Top Ten' performance across a range of indicators. We have been driving towards 'Top Ten' performance in comparison with our peer group in the CHKS database and in many areas have achieved or exceeded this benchmark. However, we have decided that we need to redefine 'Top Ten' performance in relation to the entire NHS if we are to retain our leadership in this area and we have begun that process by setting length of stay for each speciality within NHS Top Ten, regardless of the size of the comparative hospital or the resources at its command. It will be important over the next five years that we can demonstrate not only that our services are of a higher quality than potential patients can choose from neighbouring acute Trusts, but also that we can guarantee our performance is comparable with that delivered by the very best hospitals in the NHS across a whole range of indicators. This is fundamentally the right approach for our patients and should be the aim of all Trusts in terms of their ethical and managerial duty. However, it will be our intention to retain our current market share and attract new patients through the attraction of high quality and Top Ten performance.

KEY THEMES TO BE DEVELOPED IN ANNUAL BUSINESS PLANS

- Development of the PERFORMANCE STRATEGY to include
 - = Control of Infection
 - = Best Care Practice
 - = LEAN
 - = NHSLA Standards
- Annual Report on Performance by each Director and Division
- Meet and Exceed CQC Standards
- Improve ALE score



KEY DOCUMENTS	KPIs
<ul style="list-style-type: none">• Performance Strategy• Service Development Plans• Annual Business Plans	<ul style="list-style-type: none">• Rate of MRSA and C.Diff infection• ALOS• CHKS Clinical Benchmarks• CQC rating

STRATEGIC THRUST N^o.3

TO DELIVER SUSTAINABLE, LONG TERM FINANCIAL VIABILITY

Whilst we have placed an emphasis upon quality services combined with a high performing organization, it is not always possible to deliver those two aims if the financial underpinning of the Trust is not secure. In the past there have been key elements of our service and funding which have particularly mitigated against a strong financial performance, but in the last two years we have eliminated all historical debt and produced a surplus. In most realms we can show that we are an efficient and cost effective Trust, despite the fact that our composition of 'one hospital on two sites' adds considerable costs for our size. If we are to achieve our aim of becoming an NHS Foundation Trust, we must achieve an overall ALE score of at least three and inspire confidence that our long term Financial Model can successfully deal with the challenging Cost Improvement Programmes required from all Trusts over the next five years. Our financial viability is therefore inextricably linked to our aspirations and forms the bedrock of their stability over the lifespan of this strategy. Although all of the Strategic Thrusts are interdependent, there is a particular and close affinity between this Thrust and No.4, the commercial understanding and application of the markets we serve.

KEY ISSUES THAT WILL BE DELIVERED THROUGH THE ANNUAL BUSINESS PLANS

- Develop the Financial Strategy to deliver the long term financial model (LTFM)
- Meet the financial and activity ratios for FT status
- Develop Service Line Reporting into Service Line Management
- Deliver an ALE score of 3 or above
- Align the Capital Programme with the LTFM and the other Strategic Thrusts
- Deliver recurring CIP targets

KEY DOCUMENTS

- Finance Strategy
- Long Term Financial Model
- Cost Improvement Programmes
- Marketing Strategy
- Capital Programme
- Commissioner Strategies
- Contract
- Annual Business Plans
- Service Development Plans

KPIs

- ALE Score
- Ratios
- Efficiency Metrics
- CIP Achievement
- CQC Financial Rating

STRATEGIC THRUST N^o.4

TO ACHIEVE A COMMERCIAL UNDERSTANDING AND APPROACH TO THE MARKETS WE CAN SERVE

The Trust has a detailed analysis of our market place, segmented into three zones which are concentric circles based on distance from the Trust's two hospital sites. Within these zones we have a clear picture of the patients who choose to come to our hospitals and those who choose to attend other hospitals and we further divide those patients by percentage referrals by General Practitioner. However, the analysis of the market is only the first step in understanding our patient's and GP needs and priorities; the analysis shows considerable variation in choice which is not solely accounted for by distance (or ease of access) to our hospital sites. We are the hospital of choice for the majority of local residents, but within that statement are a number of variations by specialty where we need to better understand the motivations of our customers and the attractions of neighbouring Trusts. Overlain on the market analysis is the contribution that our clinical specialties make to our overhead costs and their overall profitability. The Divisions are charged with understanding the market for their specialties, devising strategies to increase market share and to ensure that the financial contribution of each clinical specialty to the financial health of the Trust is maximized.

KEY ISSUES THAT WILL BE DELIVERED THROUGH THE ANNUAL BUSINESS PLANS

- Development and Review of the Marketing Strategy
- Development of Divisional Market Plans
- New Management Structure within the Strategic and Commercial Division
- Publication of Service Development Plans
- Growth of Brand Recognition
- The application of competition rules to our advertising campaign
- Translation of Service Line Reporting to Service Line Management
- Focus Group work with patients

KEY DOCUMENTS

- Marketing Strategy
- Commissioning Strategy
- Service Development Plans
- Competition Rules
- Contract
- Annual Business Plan

KPIs

- Market share
- Brand Recognition
- Service Line Reporting
- Boston Matrix
- Demographics

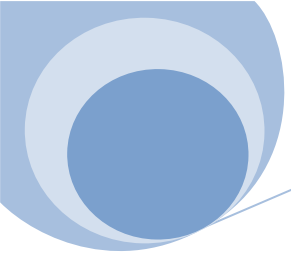
STRATEGIC THRUST N^o.5

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

The Trust had reduced its management costs (despite having comparatively low costs in the first place) in order to contribute to the eradication of historical debt and return to the generation of surpluses. Having recognized that after leaving turnaround behind we needed to invest in Organizational Development, the Trust has over the last twelve months begun a wholesale review of structures, capability, leadership and learning needs. The aim is to develop a plan that meets the changing needs of individual staff and the organization in order that professionally and commercially the people we employ have the skills to ensure that patients receive exemplary care and the Trust is able to use its clinical and commercial skills to maximize the benefits of the healthcare market. This is an iterative process that will change and grow over the next five years.

KEY ISSUES THAT WILL BE DELIVERED THROUGH THE ANNUAL BUSINESS PLANS

- Achieve NHS Foundation Trust Status
- Produce the Organizational Development Strategy
- Undertake further work on 'a renewed Culture of Professionalism' document
- Produce a policy on Corporate Responsibility
- Develop Workforce Plan
- Embed the managerial and clinical managerial changes
- Undertake a Leadership Development Programme
- Use IIP and IMD work to ensure Board functions in accordance with highest performer benchmarks and 'The Intelligent Board' document
- Continuously review the training and development function for efficiency and effectiveness
- Improve markedly the KSF score



KEY DOCUMENTS

- Organizational Development Strategy
- Workforce Plan
- A Renewed Culture of Professionalism
- Service Development Plans
- Corporate Responsibility Policy

KPIs

- HR Metrics
- Success in all other objectives

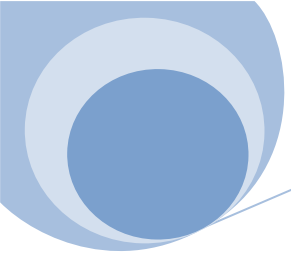
STRATEGIC THRUST N^o.6

TO SUSTAIN AND DEVELOP SERVICES WHERE NEED, QUALITY AND ECONOMICS DICTATE

This Thrust concerns the alignment between our clinical services, their scope, capacity and outcomes and the need, quality and economics of providing what the patient, the local health economy and National NHS policy demand. It will be impossible to have an exact 'fit' between these two parameters, but the objective remains to ensure that our clinical and supporting services are as closely aligned to external requirements, both as a means of guaranteeing their continuation and to support the essential aims of the other Thrusts.

KEY ISSUES THAT WILL BE DELIVERED THROUGH THE ANNUAL BUSINESS PLANS

- Seek to respond and win services offered for contract by the PCTs where that improves services and /or retains or grows our income base
- Comply with the ethos and specifics of the operating framework 'High Quality Care for All'
- Develop a strategy in response to Transforming Community Services'
- Begin to proactively suggest community solutions to acute problems
- Produce costed Service Development Plans by Division that respond to and deliver this agenda, particularly in regard to clinical skill sets and market opportunities
- Develop the following Business Cases and others as need and opportunity arise
 - = Maternity
 - = Urgent Care
 - = Paediatrics
 - = Stroke
 - = Relocation of Services into the Community



KEY DOCUMENTS	KPIs
<ul style="list-style-type: none">• Operating Framework• Commissioner Strategies• Service Development Plan• Annual Business Plan• Transforming Community Services• Quality Strategy• Performance Strategy	<ul style="list-style-type: none">• Maintenance of CQC 'Excellent rating• Financial viability

CONCLUSION

The next five years in NHS planning terms will be extremely volatile with the possibility of major policy changes and the probability of an extremely difficult financial backdrop. Despite these restrictions, or maybe because of them, it is essential that the Trust has firm plans to navigate through these external factors whilst ensuring that we meet our obligations to the people we serve. As a previous Chairman used to say, our primary aim is 'making poorly people better', but in order to do that to the highest standard within a harsh climate, we need to maintain our values and vision and deliver our Business Requirements and our Strategic Thrusts to the best of our ability to ensure that we continue to attract patients and the hospital thrives.

TRUST BOARD

April 2009