

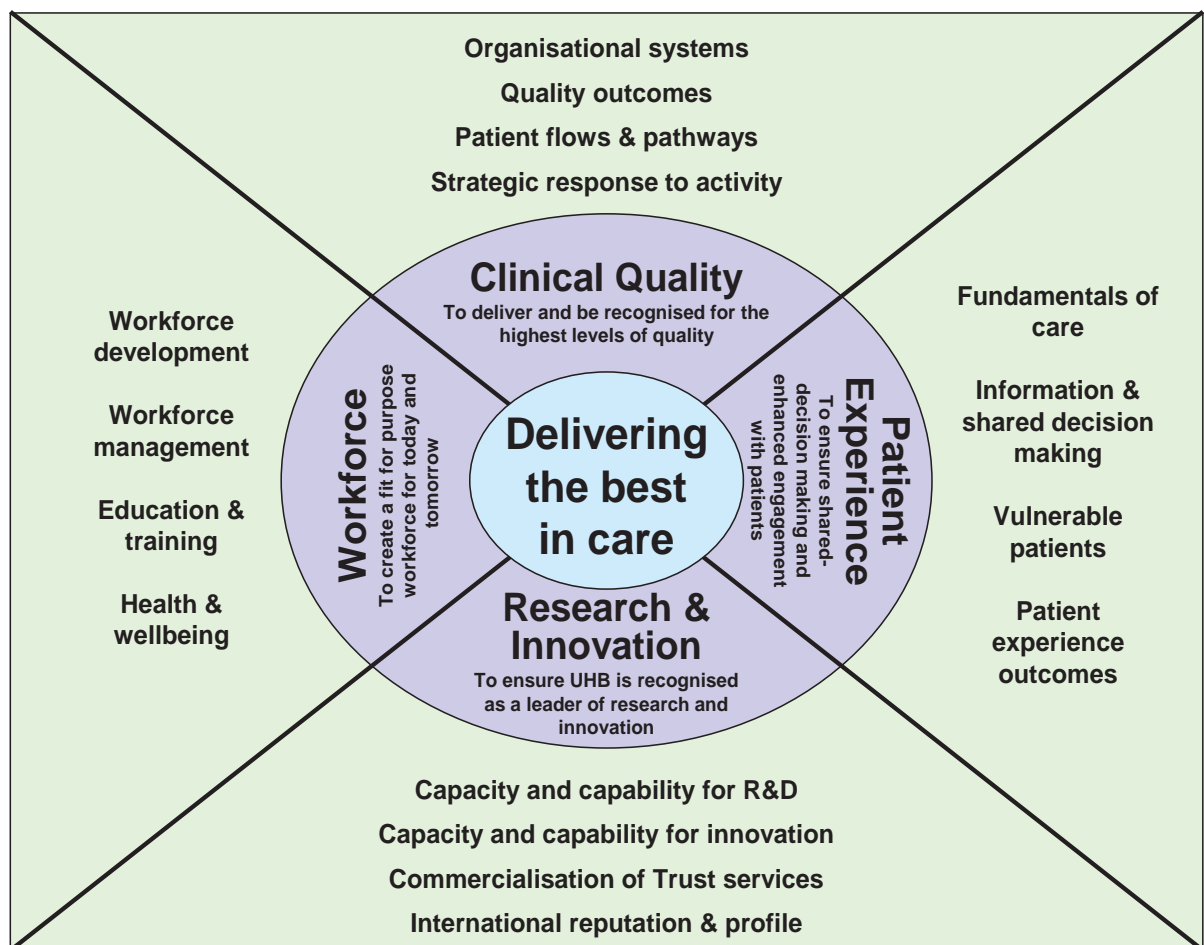
Operational Plan 2017 – 2019

1. Introduction

This narrative supports the finance, activity and workforce return elements of University Hospitals Birmingham NHS Foundation Trust's Operational Plan for 2017-19. In September 2016 the Trust announced its intention to form a single organisation with Heart of England NHS Foundation Trust during the period of this plan, subject to the relevant approvals. Should this transaction occur, as planned, the Post-Transaction Integration Plan for the new organisation will cover all of the areas included and this plan will be superseded. This plan will therefore cover the period prior to the transaction or, should the transaction not occur during the period, the full period. Although the plan itself will be superseded many of the initiatives included will, of course, continue.

The Trust's approach continues to evolve and will continue to do so over the period, building on the Trust's strong record of offering high quality, safe care for patients whilst addressing the continuing challenges of increasing levels of demand for its services in the current challenging financial environment to allow it to achieve the triple aim set out in the Five Year Forward View.

The Trust submitted details of its 5 Year Strategy to Monitor in June 2014 and has reviewed and recommitted to this as part of the Annual Plan Review. As part of the annual planning process UHB undertakes a review of its vision, values, and core purposes. This review takes into account key factors such as the external environment, commissioning intentions and changes in national policy and includes a review of the Trust's overall strategy. The Board of Directors and Council of Governors will discuss the objectives contained in the outline annual plan for 2017/18 at their joint seminar in December 2016 and the final plan will be agreed at the beginning of 2017/18. It is expected that there will be only minor changes to the existing structure shown below:



2. Activity Planning

2.1 Operational Planning

The Trust has experienced a year-on-year increase in GP and Tertiary referrals since the opening of the new Queen Elizabeth Hospital Birmingham in 2010. In 2016/17 it has seen further growth in emergency and elective activity, and this is expected to grow further in 2017/18.

For the past two years the Trust has been undertaking detailed demand and capacity analysis to identify the additional capacity required to deliver both recurrently sustainable and compliant RTT pathways, the existing non-recurrent backlog, and a timeframe for backlog clearance. Key staff involved in demand and capacity planning attended training put on by NHS England in January 2016 and this has influenced the Trust's approach.

For each specialty the Trust has identified an optimum and sustainable waiting time for outpatient and elective (day-case and inpatient) activity. It has then developed its own "Equilibrium Model" (influenced by NHS Interim Management and Support's Advanced Flow Capacity and Demand Model) for each service which identifies the additional activity (or reduction) that it needs to deliver to ensure that the removals from a waiting list equals the additions going onto a list over an 18 month period (the equilibrium point). Additionally the outpatient and elective backlog clearance required to deliver the sustainable pathways previously identified, has also been quantified. Further non-recurrent adjustments to allow for day case and elective activity that would be expected to be converted from an increase in outpatient activity and the non-recurrent activity generated from clearing the inpatient waiting list.

All additional recurrent (equilibrium) or non-recurrent (backlog clearance) activity is then multiplied by bed lengths of stay, and average theatre time, to identify the changes in capacity required for both beds and theatre sessions. Length of stay and theatre time is benchmarked against peer group data to assess the potential for internal productivity improvement and targeted utilisation rates are agreed. Operational divisions are then tasked with creating the operational plans needed to deliver the activity within the agreed resources.

A similar process quantifies the additional outpatient capacity required to deliver additional new and follow up outpatient activity. The impact on diagnostic modalities has also been modelled.

2.2 Benchmarking

The Trust will then benchmark length of stay (inclusive of ITU stay, which in itself is a constraint) across all inpatient specialties against an upper quartile target based on Shelford Group Trusts, or a sub-set of Shelford for certain quaternary specialties (e.g. Cardiac and Liver Surgery). This will identify potential opportunities to reduce bed capacity based on reduced length of stay, which may then be offset against identified additional recurrent capacity required to meet the "equilibrium point", and the non-recurrent capacity required to reduce waiting list backlog to a sustainable level.

For 2016/17 the net impact of this was a notional internal target to reduce bed capacity. However, although the length of stay reductions have generally been met across inpatient specialties, the number of beds being used has actually increased due to the extent of emergency growth being experienced. Emergency length of stay has also recently increased due to a significant increase in the number of Delayed Transfers of Care.

Whilst the Trust continues to focus on reducing lengths of stay where appropriate, and has also benchmarked theatre procedure time, one of the remaining challenges is to improve

overall session and list utilisation in Theatres. The Trust undertook a competitive process to appoint an external advisor (Newton) who have been working with and in the Trust to analyse existing flow into and out of Theatre, and to identify how this could be improved, as part of the Seamless Surgery Initiative, which has also introduced a series of performance dashboards.

2.3 Commissioner Engagement and Support

The Trust has met with its commissioners to discuss the model, its assumptions and the outputs, and the degree that could be met within current capacity, or if additional capacity would be required.

The Trust is also using this opportunity to discuss with commissioners potential changes to patient pathways, particularly in relation to reducing outpatient follow up, and additional demand and referral management schemes to mitigate any additional investment required to fund any increase in activity that has been modelled.

2.4 Sustainability and Transformation Fund Trajectories & Assurance Statement

Aligned to this work have been the generation of trajectories for the A&E 4 hour, RTT incomplete and 62 day cancer target, and cancer pathways with the reduction of backlogs having being a key input to the activity planning process. The Trust's commissioners have, however, been unable to fund this non-recurrent work which would ensure ongoing delivery, in particular, of the RTT incomplete target.

2.4.1 A&E

The Trust has submitted a trajectory for the A&E 4 hour target and continues to work with commissioners and as part of the wider Birmingham & Solihull Sustainability and Transformation Plan (STP) to manage pressure on urgent care. The trajectory is underpinned by a number of assumptions which must be met for the trajectories to be achieved. The trajectory assumes a benefit in patient flow resulting from a phased reduction in DTOCs to no greater than 2.5%, a number of system wide initiatives combined with in hospital initiatives and a reduction in annual growth in A&E attendances to 5%. It should be noted that the recent introduction of a GP service in A&E has been inconsistently delivered with the CCG being unable to fill a number of shifts; the trajectory submitted assumes these issues will be fully resolved in 2017/18. The full list of assumptions (caveats) is as follows:

- % DToC falls to below 5% from current 7% by April 2017, then falls further to no more than 2.5% by start of Q4
- No inpatient beds closed due to infection or other unforeseen problems.
- No community or social care beds are closed.
- No 12 hour trolley waits caused by delays in the mental health pathway.
- CCG owned QIPP schemes are delivered and cap growth in demand at a max 5%
- No reductions in reablement capacity commissioned from the independent sector.
- No reductions in social care provision due to budget constraints.
- No reduction in RAID or PDU capacity.
- Emergency admissions do not exceed 29% of daily attendances TRUST SAFER bundle initiatives are delivered in full.

2.4.2 RTT

The Trust continues to consistently achieve the RTT incomplete target. Ongoing achievement of the target is, however, at risk because of the inability of commissioners to fund the backlog reduction activity identified during the Trust's activity planning or any of the commissioning intentions identified by the Trust for 2017/19. A key input to the Trust's activity planning was the reduction of backlogs however commissioners have been unable to fund this non-recurrent work which would have made this target sustainable on an

ongoing basis. A particular risk area is Ophthalmology where the Trust has seen increased numbers of referrals and a business case to recruit additional staff to reduce the backlog and meet increased demand has not been supported by commissioners. In addition, if emergency activity is greater than planned there is a risk that this will affect the elective activity run rate and lead to an increase in the RTT backlog. As the Trust's performance is currently only just above 92% further backlog growth is likely to lead to non-achievement of the national standard.

2.4.3 62 Day Cancer

Consistent achievement of the 62 day cancer target is high risk due to the effects of patient choice and a high volume of tertiary referrals which cause significant fluctuation in the Trust's performance. This is typically seen over the Christmas and summer holiday periods. The trust, as a net importer of cancer referrals, is disproportionately affected compared with trusts which are net exporters of referrals. This target will be subject to agreement of a trajectory with NHS Improvement and NHS England.

3. Quality Planning

3.1 Approach to Quality Governance

The Trust's Executive Medical Director is the named executive lead for clinical quality. He chairs the Trust's Clinical Quality Monitoring Group where all aspects of clinical quality are monitored, discussed, challenged and driven forward. A monthly report to the Board of Directors or Clinical Quality Committee ensures that the Board is informed and able to take action, if required, in relation to matters of clinical quality and quality governance.

The Trust's Vision remains "to deliver the best in care" to its patients. It's Core Purposes – Clinical Quality, Patient Experience, Workforce and Research and Innovation – provide the framework for the Trust's well-established approach to managing quality which it will continue to implement and develop over the coming year. This approach adopted is one of improving quality through "marginal gains"; using small incremental improvements that are regularly reviewed to drive a process of continual quality improvement thereby reducing the potential for errors and making incremental but significant improvements. Also key to the Trust's approach is the partnership of quality and technological developments. As a Global Digital Exemplar, the Trust has innovative and bespoke information systems, most notably its PICS real-time decision support software which, as a NHS-developed and delivered system, is unique. The Trust's approach allows it to capture and use real-time data to improve quality in ways which few other NHS providers can.

Data is provided to clinical and managerial teams as close to real-time as possible through various means such as the Trust's digital Clinical Dashboard. Information is subject to regular review and challenge at specialty, divisional and Trust levels by the Clinical Quality Monitoring Group, Care Quality Group and Board of Directors. An essential part of improving quality at the Trust continues to be the scrutiny and challenge provided through proper engagement with staff and other stakeholders. These include the Trust's Council of Governors, Patient and Carer Council (Wards), General Practitioners (GPs) and local Clinical Commissioning Groups (CCGs).

The Trust's executive leadership is closely involved in the Trust's quality improvement activity providing challenge through the Executive Root Cause Analysis and Board of Directors' Governance Visit programmes. A wide range of identified omissions in care continue to be reviewed at the regular Executive Care Omissions Root Cause Analysis (RCA) meetings chaired by the Chief Executive. Cases are selected for review from a range of sources including an increasing number put forward by senior medical and nursing staff: wards selected for review, missed or delayed medication, serious incidents, serious complaints, infection incidents, incomplete observations and cross-divisional issues.

3.2 Care Quality Commission (CQC) Rating

The Trust was awarded an overall rating of 'Good' by the CQC following its inspection in January 2015. To ensure the Trust continues to improve its services and that any future inspection achieves the same or better rating, the Trust refreshed its existing compliance framework during 2016/17. As part of this a number of additional measures were added to the framework, including many from the CQCs Key Lines of Enquiry. The new compliance framework was initially piloted in 3 specialities (2 surgical and 1 medical). Following the pilot the framework is being implemented in other specialities across the Trust with the aim to have it fully embedded in all specialities by the end of quarter 1 2017/18. The aim of the new framework is for nursing, clinical and operational leads to complete an annual self-assessment against the measures within the framework for their speciality.

On a regular basis the Risk and Compliance team will assess this against various performance and quality metrics available to provide the speciality with their overall score. Where there are areas that may 'require improvement' this is reported back to the speciality and divisional management team to identify improvement(s) in the relevant area(s). The Risk and Compliance team will also be looking to see if there are any trends in areas that 'require improvement' across specialities to identify if a trust-wide solution is required.

3.3 Quality Improvement Plan

3.3.1 Quality Priorities

The Trust engages regularly with its commissioners and Council of Governors to determine whether further progress on its existing priorities is possible and whether they should be retained, made more challenging or if new priorities should be adopted. The current priorities are:

Priority 1	Reducing grade 2 hospital-acquired pressure ulcers
Priority 2	Improving patient experience and satisfaction
Priority 3	Timely and complete observations including pain assessment
Priority 4	Reducing medication errors (missed doses)
Priority 5	Infection prevention and control

Each of these priorities has linked indicators that are included in the Trust's performance framework that is reported to the Board of Directors, Clinical Quality Committee, Chief Executive's Advisory Group, Chief Operating Officer's Group and Council of Governors at every meeting. An update to the Trust's quality account is published quarterly.

3.3.2 National Initiatives

The Trust's quality plans for key national initiatives are outlined below:

National Audits - The Trust has a clear process for managing national audits as set out in the Clinical Audit Procedure. In 2016/17 the Trust participated in the majority of the National audits that were identified by the Healthcare Quality Improvement Partnership (HQIP). The Trust will continue to report on national audit completion and learning outcomes from national audits at the Clinical Quality Monitoring Group.

Seven Day Services - The Trust's assessment of its compliance with the four priority clinical standards for Seven Day Services shows that it is compliant or partially-compliant with all the standards with the exception of timely consultant review. The Trust continues to work with its commissioners to seek the additional funding to allow it to address the areas of non-compliance. The Trust has mitigation plans to allay the risks associated with the areas of non-compliance and these will allow the Trust to continue to offer safe, high quality care around the clock. The Trust is participating in the programme of seven day service self-assessment surveys and showed strong performance in the most recent survey.

Safe Staffing & Care Hours per Patient Day - The Trust is committed to ensuring patient care is safe, effective, responsive and well- led, this is underpinned by a robust workforce planning and review process which is aligned to a dynamic retention, succession planning and recruitment action plan. The introduction of a new workforce electronic deployment and management system during 2017 will further improve productivity through effective rostering, organisation and utilisation of workforce information. This information will be triangulated with patient reported outcome and experience measures and will support the identification of key areas for focus and improvement. A Nursing Workforce Group is in place to set and monitor agreed actions and reports are routinely provided to the Board of Directors.

Mortality Review - Following successful pilots, the Trust plans to expand the Medical Examiner review process to include investigation of all patient deaths. This will include expanding the number of Consultant Medical Examiners, a new, improved electronic scrutiny review form, new reports to enable the outcomes of Medical Examiner investigations to be easily analysed, a new process for reviewing the outcomes of Medical Examiner investigations taking into account national guidance and more closely aligned with specialty Mortality and Morbidity (M&M) meetings and the Clinical Quality Monitoring Group and regular reporting to the Clinical Commissioning Group on outcomes of Medical Examiner reviews.

Investigating and Learning from Serious Incidents - Following the appointment of an investigation officer the majority of serious incident investigations are now fully investigated by this person, which has led to an improvement in the quality of the investigations. As a result of this the Trust has appointed a second investigation officer so that all serious incident investigations are carried out by this team.

Anti-Microbial Resistance - The Trust has adopted the National Antimicrobial Resistance (AMR) CQUIN 2016/17 to reduce total antimicrobial use in the Trust. Regular review of patients on antimicrobials is actively monitored by audits and these are used to identify areas where further improvement and intervention is required. Local antimicrobial resistance data is analysed and applied to optimise antimicrobial guidelines to ensure the best care is given to patients.

Infection Prevention and Control - Robust governance, policies and procedures are in place ensuring the Trust complies with the Health and Social Care Act. A Trust wide annual Infection Prevention and Control Programme is set and trajectories to further reduce the amount of healthcare associated infections are agreed with commissioners as part of the annual contract process. An Infection Prevention and Control Group is in place to set and monitor agreed actions, this Group includes CCG and Public Health England (PHE) representation. Infection Prevention and Control Annual Report is provided to the Board of Directors.

Falls - Robust governance, policies and procedures are in place. The National Falls Inpatient Audit (NAIF) 2015 enabled the Trust to demonstrate compliance against National Institute for Health and Care Excellence (NICE) Clinical Guideline 161 (Falls in older people: assessing risk and prevention). Improvement trajectories are agreed each year and monitored via the established Care Quality Group. The Trust has also joined 'Sign Up to Safety'. During 2016/17, a 10% reduction of falls with harm was set and is being achieved.

Sepsis – The Trust is participating in the national CQUIN in 2016/17 and this is expected to continue in 2017/19.

Pressure Ulcers - The Trust has a robust reporting and monitoring system in place for pressure ulcer identification and verification. There is an agreed trajectory in place with the CCG which includes a zero tolerance of Grade 3 and 4 avoidable hospital acquired pressure ulcers and a 5% reduction for Grade 2 pressure ulcers (based on a strong and positive baseline position). Improvement trajectories are agreed each year and monitored

via the established Care Quality Group. Competencies and pressure ulcer guidelines are also in place.

End of Life Care - UHB is one of ten acute hospital Trusts chosen to participate in the 'Building on the best' programme, which will support further improvements in quality and experience of palliative and end of life care. The programme, which is UK-wide, will initially roll-out in England. The programme is funded by Macmillan Cancer Support and is supported by a partnership between the National Council for Palliative Care, Macmillan Cancer Support and NHS England.

Patient Experience - The Trust utilises a systematic programme of surveys, public involvement and listening to feedback to drive patient experience improvements. Action plans are in place for service improvement based on feedback and internal targets measure progress. A system is in place to monitor compliance against local and national priorities. Patient experience and complaints handling is also monitored through the Care Quality Group and reported to the CCG.

Safeguarding - The Trust has robust policies and procedures in place to safeguard and promote the welfare of children, young people and vulnerable adults experiencing, or at risk of, abuse or neglect. Staff are trained and supported to ensure that they are able to undertake their roles and responsibilities, and understand the roles of other professional involved in safeguarding children, young people and vulnerable adults. A Safeguarding Group is in place to set and monitor agreed actions and the Trust is also represented at city wide safeguarding groups. An annual report on safeguarding is provided to the Board of Directors.

National CQUINs - The Trust participates in all relevant national CQUINs and aims to integrate these with its quality improvement plan. Where appropriate the Trust will use its electronic systems and the availability of accurate real-time or near real-time data to ensure consistent and early delivery of CQUIN goals.

Workforce – The Trust has begun a piece of work around Quality Improvement (QI) linked to the requirements by the Deanery / medical colleges for doctors to undertake QI initiatives to improve patient care. The Trust has is also developing its systems improvement capacity and capability through implementing a Human Factors approach. This has included the development of a Human Factors Faculty designed to work with operational and clinical teams as part of systems and service improvement.

3.3.3 Consistency with Sustainability & Transformation Plan

The Trust's approach is consistent with the Birmingham and Solihull Transformation Plan. As part of the Trust's intervention at Heart of England NHS Foundation Trust, that Trust has adopted a similar approach to quality governance. In addition Birmingham Children's Hospital NHS Foundation Trust and The Royal Orthopaedic Hospital NHS Foundation Trust have procured the Trust's Prescribing and Information Communication System (PICS) that underpins much of the Trust's quality governance.

3.3.4 Key Risks to Quality

The Trust's Annual Plan sets out its principal aims, and a risk assessment of the plan is undertaken by the Executive Directors to identify the key strategic risks to the achievement of these aims. The identified risks are aligned to the Annual Plan aims and form the Board Assurance Framework (BAF), the process for which is detailed within the Trust's Procedure for the Assessment of Risks and Management of Risk Registers. All risks scored high and significant from divisional and speciality risk registers and any risks arising from governance reviews will be automatically escalated to the appropriate executive directors. Key risks to quality inherent in this plan and the processes in place to mitigate and manage these risks include:

Failure to deliver quality outcomes - The Trust has numerous systems in place for monitoring quality of care. Controls include regular review of the patient environment, Board of Directors ward inspections, processes to monitor complaints, patient experience reports at the Executive Chief Nurse's Care Quality Group, regular reviews of mortality, key performance indicators, quality indicators, readmissions, incident reporting trends and outcomes following serious incident investigations monitored monthly at the Medical Director's Clinical Quality Monitoring Group. Where appropriate, outcomes from these are reported to the Board of Directors in the Medical Director's Clinical Quality Monitoring Report.

Failure to deliver infection prevention and control trajectories leading to failure to maintain registration with the CQC or a breach of contract - Controls in place include: monthly review of risks and controls and compliance to mandatory training at Infection Prevention and Control Group. Root Cause Analysis (RCA) reviews of all MRSA and CDI cases, local review of CDI RCA and Executive Review of Trust Apportioned cases of MRSA bacteraemia and CDI deaths.

Significant deterioration in the Trust's underlying financial position resulting in a deficit being reported in excess of planned levels and the Financial Sustainability Risk Rating falling to a 1 - To mitigate the risk that the Trust's financial position has a material effect on quality the Trust's Board of Directors regularly receives updates on the financial plan and the Trust continues to work with NHS Improvement and NHS England to influence the national tariff to ensure that it is paid appropriately to allow it to continue to offer high quality care. The Trust also has in place a robust contract monitoring process with its commissioners to mitigate the risk.

Risk of failure to deliver operational performance targets due to capacity issues - Continued growth in activity challenges the Trust's ability to deliver the national targets, particularly the 4 hour emergency care standard. Recently the existing unscheduled Care Project has been reviewed and strengthened. And a high impact project plan has been developed to improve performance. The Trust has adopted a more analytical approach to capacity and demand modelling since 2014/15 and this has been developed further this year, influenced by the models published by NHS Interim Management and Support (IMAS) as detailed above in Section 2.

Inability to recruit sufficient numbers of sufficiently skilled staff due to insufficient supply - Various workstreams are in place to resolve this and an Executive led workforce strategy group oversees this work. The Operational Workforce Group and other groups escalate any risks to the Strategic Workforce Group for resolution. See Section 4 for further details.

3.3.5 Existing quality concerns

The CQC undertook a focussed inspection of Cardiac Surgical Services in December 2015, following the release of national audit data that showed the Trust to be an outlier for in-hospital survival rates. The inspection identified some concerns around the leadership, culture and governance of the service. Prior to the CQC inspection, Cardiac Surgical Services had identified that improvements were required and the Executive Medical Director had established a Cardiac Surgery Quality Improvement Programme (CSQIP). This programme was aimed at addressing the majority of the concerns subsequently identified by the CQC.

Following the inspection, the CQC placed 2 conditions on the Trust's registration with the CQC which were removed on 25 May 2016 as it was recognised by the CQC that 'the data and information submitted demonstrated improvements had been made in the service which has reduced the risk of harm to patients'.

The Trust continues to provide a quarterly report to the CQC and NHS England which includes an update on progress against the CQC's and external reviewer's recommendations. The report also includes a quarterly analysis of the clinical outcome

data. At present only 2 out of 62 actions remain outstanding and these continue to be monitored by the CSQIP steering group.

3.4 Quality Impact Assessment Process

The Trust has in place a procedure for Quality Impact Assessments (QIAs) relating to material Cost Improvement Programmes (CIPs), service developments, business cases or improvement projects. All projects are clinically and front-line led. The process requires the completion of a QIA template for each project proposed in the Trust. The project lead is required to set out how the project will maintain or improve patient safety, clinical outcomes and patient experience and to confirm that all potential risks have been considered and, if appropriate, mitigated. Each project is required to be signed-off at both divisional and executive level and challenged at a meeting with executive directors. The implementation of the process is monitored by the Trust's Clinical Risk & Compliance team and any exceptions would be reported to the Board of Directors through the quarterly Compliance Report.

3.5 Triangulation of Quality, Workforce & Finance

The Trust has an established approach to regularly reviewing finance, quality and performance together to ensure that the interconnections and commonalities between these areas are considered and, where necessary, acted on. The Chief Operating Officer's Group receives a month integrated performance report including finance, operational performance, clinical quality and workforce. Performance in all three areas is challenged by the Executive Team at the level of individual specialties and wards at the Trust's quarterly Performance Review. Like all performance reporting across the Trust this takes an exception-based approach to reporting, highlighting areas of concern and seeking to identify the reasons for this, action already taken, plans for future actions and a trajectory for improvement. The Board of Directors receives reports on finance and performance (including clinical quality and workforce) based on the Board Performance Framework at each of its meetings, using this information, including the content of the exception reports, to inform its decision-making around quality.

The Key Performance Indicators (KPIs) reported to the Board include those incorporated in NHS Improvement's Single Oversight Framework, other national priorities, indicators underlying each of the Trust's quality priorities, key workforce indicators (both resource and education), other clinical quality indicators, safety, patient experience, efficiency, research and financial performance including healthcare activity, expenditure variances and CIP delivery.

4. Workforce Planning

Workforce features highly in all of the Trust service delivery plans with workforce planning integrated into the Trust annual workforce planning process to ensure full alignment with both financial and activity plans. This process allows workforce supply to be matched against service demand as well as workforce supply. It also supports the identification of new areas of workforce development in line with new skills required as well as opportunities for new areas for workforce transformation in line with new care pathways or newly identified cost improvement programmes. The annual planning process results in a refresh of the Trust strategic 5 year workforce plan.

To ensure the effectiveness of workforce planning the Trust has established a robust workforce planning governance structure led by an executive led Strategic Workforce Group (SWG) meeting quarterly to review workforce performance against current plan, approve remediation measures against exceptions and to review current and future workforce risks in line with service delivery and the organisational strategic plan. The Board receives a bi-annual workforce report and approves any key workstreams arising from

identified risks or potential opportunities and which will allow the Trust to better align its current workforce to its service priorities with the aim of continuing to improve workforce productivity and efficiency.

The Trust workforce strategy is reviewed annually through the SWG and actioned through a series of both operational / occupational workforce groups all with executive leadership and key occupational and staff membership. Terms of reference for each group provide assurance that each group is fully sighted on Trust workforce plans, performance, risks, mitigation plans, national initiatives/policy changes and local STP strategies. Additionally each workforce group is expected to review and identify key development requirements aligned to service changes i.e. a requirement for additional nonmedical prescribers or nursing associate posts. Each group is also required to provide the SWG with a leadership and succession plan that will support meeting the Trust service strategy both in the short, medium and longer term. Identified leadership development requirements to support succession planning has resulted in the development and delivery of several targeted leadership interventions across key middle management staff groups namely Group Managers, Matrons, Band 7 Sisters and Charge Nurses and Clinical Service Leads.

The Trust's Director of Delivery, who is the executive lead for workforce, is the Local Workforce Action Boards (LWAB) member for the Birmingham and Solihull STP to ensure the Trust is an active participant of this key forum and can both feed into the STP and ensure that the Trust plans are aligned to the strategic intentions of the STP. The Trust has heavily influenced the development of an LWAB work stream in response to the nonmedical tuition and bursary changes due to concern over the impact that this policy may have on graduate supply particularly across smaller provision i.e. therapeutic radiography which are critical the Trusts operational delivery plan.

As part of the Trust's current workforce strategy, the Trust has currently established several key workstreams designed to drive cost improvement and productivity plans with a key focus on improving recruitment and retention through improving workforce experience and talent management.

Junior Doctor Workforce Review – This is designed to future proof against the continued challenges around the supply of high quality junior medical staff through a revised workforce and deployment plan for the activity traditionally undertaken by junior doctors. The review includes detailed activity follow work to understand the clinical activity and decision making delivered by junior doctors with the aim of identifying any system issues resulting in wasted time, activities that could be undertaken by different staff groups including administrative and nonmedical clinical roles

Nursing Workforce Review - This review is ongoing and covers the whole of the operational and strategic nursing workforce (including theatres), through a systematic approach. The reviews encompasses funding, efficiency, skill mix and role execution and aims to reduce skill mix variation by ensuring role definition, banding and expectations are clear and consistent across the nursing workforce. Each aspect of the review examines current service delivery and planned/agreed changes and examines funded establishments of both direct clinical and non-clinical support roles. The review incorporates both patient outcome and experience metrics and considers where changes may be made through skill mix, the introduction of "non-traditional clinical roles", team or structural reviews and consider where changes to job roles and descriptions may be utilised. Additionally the review considers the current context of nurse recruitment and retention and the sustainability of services against the future demand and delivery models, alongside agreed business plans and changes. The Trust has a highly effective strategy in place which ensures excellent nurse retention and ensures the organisation is retaining experienced staff, succession planning and talent managing the future nursing workforce leaders.

Reducing Agency Spend – Based on the latest monthly returns to NHSI (covering months 1-8), the Trust's agency expenditure equated to 4.8% of its total pay bill. This compares

favourably to the provider sector average of 6.0% and the regional average of 6.7%, particularly when taking into account these sector averages include ambulance, community or specialist providers who generally incur much lower levels of agency than acute providers.

The Trust is on track to achieve a £4 million reduction in agency spend compared to 2015/16, this has been achieved against a backdrop of increased capacity pressures and gaps in medical roles. Should the Trust achieve its forecast, agency expenditure in 2016/17 will represent less than 4.5% of its total pay expenditure.

The Trust has tight controls in nursing with no agency allowed for nursing support posts and qualified nursing agency requests are subject to significant escalation processes and payments are within cap. Divisional and departmental action plans are being agreed for other staff groups and for medical agency, an executive led task and finish group has been established. Other actions taken in year to reduce agency spend include; implementation of a centralised system for medical agency bookings, relaunching of the Trusts internal nurse bank with more attractive pay rates and rolling recruitment to vacant posts both nationally and internationally. Also, the Trust continues to recruit International Fellows and non-training Junior Specialist Doctors (JSD)s to fill medical rota gaps and meet the increasing operational demand. The Trust will continue to provide regular updates on agency spend to the local NHSI relationship team during 2017/18.

Workforce and Business Process Review – This review was established to examine administrative and clerical staffing across the operational teams. To date key competencies and job descriptions have been reviewed across the medical secretariat services. Skill mix is being standardised with the size of the workforce per specialty being finalised against a detailed examination of the workload of each area.

Apprenticeship Levy - The Trust is undertaking a detailed options appraisal around the implementation of the Levy and how this might best facilitate the entry, progression and continued development of both new and existing staff. The model will build on the European Social Fund 'Youth Promise Plus' initiative undertaken in partnership with the Birmingham City Council Work to support the prospects of local long term unemployed people into the health and social care workforce. The development of a response to the Levy is being undertaken in close collaboration with the NHS organisations within the STP and forms one of the agreed LWAB workstreams. Wider collaboration through the Trust's established partnerships with local government, the further and higher education sectors and with industry is already the development of opportunities for new Trail Blazers to support areas of the workforce that are difficult to recruit to e.g. health informatics and health coding or that represent a key supply risk e.g. radiographers and Health Care Scientist Practitioners.

Emergency Department Workforce Transformation - The Trust has commenced a 9 month pilot developed with Birmingham Cross City CCG which will see a GP based within the ED between 11:00 and 23:00 seven days per week. The aim of the pilot is to harness GP expertise across patients more suitable to a primary care intervention to both improve patient flows in the department and utilise their expertise around referral back into primary care and reducing unnecessary diagnostic testing. Additionally the Trust is introducing physiotherapists into ED to support the minor injury patient flows across patients with musculoskeletal injuries. The Trust continues to increase its Emergency Nurse Practitioner workforce in mitigation of the continued difficulties filling junior doctor posts and in support of continuing to reduce medical locum agency costs.

5. Finance Section

a. 2017/18 Financial Plan Summary

The Trusts 2017/18 financial plan includes a control total surplus of **£13.0m** in line with the target set by NHS Improvement. This assumes;

- Full receipt of the £16.9m of Sustainability & Transformation Fund income.
- Healthcare income values in line with either the recently agreed contracts (CCG) and proposed NHSE contract.
- Payment for any growth above the contracted levels of activity in line with national Payment by Results rules.
- Full delivery of £18.0m cost improvement savings which is equivalent to 4% of relevant income.

Acceptance of the control total set is subject to the caveats listed at the end of this section.

	2016/17 Forecast Outturn £m	2017/18 Plan £m
Income (patient care)	662.7	671.5
Income (other)	128.5	132.0
Expenditure (employee)	(400.5)	(406.4)
Expenditure (other)	(364.2)	(356.5)
Operating Surplus	26.5	40.6
Finance Income	0.2	0.2
Finance Expense	(22.3)	(22.3)
Gain on disposal	0.4	0.0
Corporation Tax	(0.1)	(0.1)
Net Surplus before Imp. & Tfr.	4.7	18.4
Remove capital donations & grants	0.1	(5.4)
Control Total / Forecast	4.8	13.0

b. Financial forecasts and modelling

The Trust's financial plan for 2017/18 is based on the 2016/17 outturn included in the Month 7 financial return submitted to NHSI. This indicates that the Trust is on track to deliver the agreed control total of a £4.6m surplus for 2016/17. This is subject to a successful appeal regarding STF income deducted due to missed A&E and cancer trajectories, if the appeal is unsuccessful it is assumed that the Trust is issued with a reduced control total to reflect any STF income loss.

As outlined in elsewhere in this plan, the Trust is undertaking a range of operational, capacity and demand modelling for its services, led by the Trust's Chief Operating Officer, this work includes service managers, clinical staff, finance and informatics staff. This is developing the plans to "operationalise" and implement the resources necessary to deliver the contracted levels of activity agreed in the past week.

c. 2018/19 Financial Plan

The Trust has submitted an improvement plan showing a £14.0m control total for 2018/19 as follows;

	2017/18 Plan £m	2018/19 Plan £m
Income (patient care)	671.5	680.6
Income (other)	132.0	123.5
Expenditure (employee)	(406.4)	(409.5)
Expenditure (other)	(356.5)	(358.9)
Operating Surplus	40.6	35.7
Finance Income	0.2	0.2
Finance Expense	(22.3)	(22.5)
Gain on disposal	0.0	0
Corporation Tax	(0.1)	(0.1)
Net Surplus before Imp. & Tfr.	18.4	13.3
Capital donations & other	(5.4)	0.7
Control Total / Forecast	13.0	14.0

d. Efficiency savings for 2017/18 and 2018/19

To deliver the underlying improvement in the Trusts financial position required to hit the 2017/18 control total, the Trust has set itself a challenging target for 2017/18 of £18.0m. This is equivalent to 4.0% of the Trusts relevant clinical income which is double the 2.0% national efficiency requirement.

A range of local and national benchmarking tools and the Lord Carter data sets will be used to assist the further identification of 2017/18 schemes. The will continue to access a range of local, regional and national purchasing frameworks as well as undertaken collaborative tender exercises with specific partners to secure best value for Trust and its patients.

The Trust maintains a CIP database of approved schemes to aid the monitoring of delivery, CIP delivery is embedded across the Trust rather than delivered through a Performance Management Office (PMO). All schemes will be reviewed by clinical service leads and service managers to ensure there is no impact on quality. At present, the 2017/18 financial plan contains a degree of unidentified CIP savings; this is consistent with all previous years and services will continue to work on addressing the gap between now and the end of March 2017.

The same processes will be followed for CIP delivery, monitoring and reporting as used in recent years, these have enabled the Trust to demonstrate a good track record of CIP delivery as shown below.

Financial Year	CIP Target £	CIP Delivered %	CIP Delivered £
2010/11	15.9	95%	15.2
2011/12	18.8	90%	17.0
2012/13	18.3	96%	17.6
2013/14	16.7	90%	15.1
2014/15	18.9	77%	14.5
2015/16	17.8	90%	16.1
2016/17 ⁽¹⁾	18.0	90%	16.4

¹ Forecast at the end of Month 7

This table shows that over £111 million of cost improvement savings have been delivered in the period since the Trust moved into the new hospital.

e. Capital Planning 2017/19

The draft plan for 2017/18 includes forecasts capital expenditure of £19.8m as summarised below. This includes no individual scheme with a capital cost above £5m and the majority of capital expenditure will be incurred on replacement of existing medical equipment and refurbishment and lifecycle works to existing Trust buildings.

Description	2017/18 Value £'000	2018/19 Value £'000
Equipment - Medical Replacement	3,500	3,500
ICT Modernisation & Replacement	1,500	1,500
Estates – Buildings refurbishment and works	1,500	2,000
ICT Global Digital Exemplar	2,500	2,500
Equipment - Imaging Replacement	1,200	1,200
Equipment – Linear Accelerator Replacement	1,800	1,800
Estates - QEHB works & lifecycle	1,200	2,140
Estates – MD TEC 3 rd Floor ITM works	3,724	0
Estates – Clinical Haematology Centre works	2,335	0
Donated	500	500
TOTAL	19,759	15,140
Sources of Funding		
Donated Assets (normal)	(500)	(500)
Grants & Donations (two estates schemes)	(6,059)	(0)
Central PDC Funding – Radiotherapy Fund	(1,800)	(1,800)
Central PDC Funding – Digital Maturity / GDE	(2,500)	(2,500)
Internally Funded	(8,900)	(10,340)
TOTAL	(19,759)	(15,140)

f. Risks & Caveats

Given the early nature of the final plan submission this year (2-3 months ahead of previous years), there are range of variables and uncertainties which could result in actual financial performance varying against the submitted plan.

In accepting the 2017/18 control total, the Board of Directors wish to highlight the following caveats and qualifications

Healthcare Income

To complete healthcare income contracts within the national timeframes, the normally detailed contract negotiations with healthcare commissioners has been curtailed to focus on agreeing activity baselines, growth and STP QIPP. The following healthcare income related risks to achieving the 2017/18 control total exist at today's date;

- That there are no material changes resulting from the final published national tariff, HRG grouper and business rules.
- The Trust has embedded a 4% efficiency target into this plan, any further QIPP saving requirements could not be accepted by the Board because of potential risks to patient care and service quality.
- The Trust receives the full value of CQUIN funding from commissioners with no material costs to be incurred to achieve this income.
- The Trust is not subject to commissioner QIPP schemes that seek to reduce the price paid for services unless there is agreement with NHSI and a corresponding adjustment to the control total. The Trust welcomes discussion over genuine demand management. For example, the Trust cannot be exposed to further price reductions which result in being paid less to deliver the same level of activity. At present agreement has not been reached on circa £7m of QIPP of which circa £5m relates to activity avoidance schemes. These are backed by outline PIDs but require further clinical and operational work up and sign off in terms of a detailed project plan and agreed pathways.
- Commissioners pay for any activity over performance above the contracted levels in line with national PbR terms and conditions.
- Other material risks still to be finalised with the commissioners around pass through drugs, access standards, trajectories and drugs VAT savings.

Should any of the above be decided against the Trust, a corresponding reduction in the control total will be required as this will reflect a transfer of resources between NHS Improvement and NHS England.

Operationally, clinical services and divisions are now working to finalise the detailed theatres, diagnostic, outpatient, bed and workforce models required to deliver the patient activity levels contained in the contract levels agreed this week. Therefore as in previous years, the Trust will continue work to set budgets and internal financial plans between January and March 2017.

6. Link to the Sustainability and Transformation Plan

The Birmingham & Solihull STP was submitted on October 21 2017. The programme focuses on delivery in 3 key areas:

1. Creating Efficient Organisations & Infrastructure
2. Transformed Primary, Social and Community care (Community Care First)
3. Fit for Future Secondary and Tertiary Services

Whilst feedback from NHSE recognises the progress made on building more productive relationships across the system it highlights that further work is required to develop an integrated health and social care system with an accompanying level of detail that is robust enough for system based operational planning.

Whilst the Trust is the early stages of working with Commissioners on the potential redesign of a number of clinical pathways the operational proposals contained within this plan have been prudently based on accurate historic baseline activity, plus growth to achieve national targets based on internal capacity and demand models.

7. Membership and Elections

7.1 Council of Governors & Elections

The Trust has a total of 23 Governors. There are 10 Public governors, 3 Patient governors, 5 Staff governors and 5 Stakeholder governors appointed by the Trust's key stakeholders, including the University of Birmingham, Birmingham City Council, Surgeon General's Department of the Ministry of Defence and Birmingham Faith Leaders Group.

All elected governors serve a term of 3 years with terms staggered to ensure that not all Governors end their term simultaneously. Six governors were elected during 2016/17 (including one by-election) and six elections are scheduled for 2017/18. To encourage a diverse range of Trust members to stand as potential Governor candidates at each election the Trust uses various methods of recruitment including internal recruitment events, Trust publications, the Trust website and social media.

7.2 Training and Development of Governors

All governors attend a comprehensive induction programme at the start of their term including governance structures and the role, power, duties and expectations of the governor and Chair as well as finance, care quality and patient engagement.

There are 2-3 Governor Development Programme sessions per year. Over the next 12 months planned topics include the Trust's approach to regulatory compliance and clinical quality, community engagement, how to engage with patients, conducting ward visits and drop-ins, health and wellbeing, how to handle difficult situations and an the Annual Plan. Governors also attend NHS Providers' GovernWell programme covering core skills, effective questioning and challenge, NHS finance & business skills and the governors' role in appointing non-executives.

7.3 Membership Retention/Engagement

To maintain membership and develop engagement further the Trust will continue to use tried and trusted methods including internal recruitment events, Trust publications and website, leaflets, social media, GP surgeries, existing members, community groups, existing governors, ambassadors, health talks, drop-in sessions and a Membership Week. Emphasis is put on the retention of existing members and further engagement and is achieved through the quarterly publication 'Trust in the Future', further development of the Ambassador Program, further developing membership content published via social media and the Trust website, the inclusion of members on appropriate patient groups, raising the profile of Members, Ambassadors and Governors within the Trust and working with the QEHB Charity to increase membership opportunities amongst fundraisers.

During 2015/16 the overall membership saw a small increase from 24,211 to 24,249. It is planned to reduce the annual churn as much as possible and maintain existing membership numbers at no less than 23,500, which places the Trust in the top 10 of foundation trusts for the number of members. Further work is also planned to ensure the membership is representative.