

Forward Plan Strategy Document for

Milton Keynes Hospital NHS Foundation Trust

Plan for y/e 31 March 2012 (and 2013, 2014)

This document completed by (and Monitor queries to be directed to):

Name Maria Wogan

Position Director of Planning

e-mail address maria.wogan@mkhospital.nhs.uk

Tel. no. for contact 01908 243529

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Approved on behalf of the Board of Directors by:

Name (usually Chair)	David Wakefield
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Signature



Strategy Guidance - Annual Plan Review 2011

1. Overview

Introduction

The sections below cover six categories set out below

1. Strategy

- Articulation of strategy over plan period
- Delivery milestones

2. External environment

- Summary of national & local factors
- Delivery milestones

3. Summary financial commentary

4. Trust plans

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Section 1: Strategy

The Trust's current position and vision are summarised as:

Trust's current position and vision

During 2010/11, the Trust faced significant challenges related to:

- **Quality:** 12 conditions were placed on the Trust's CQC registration and the Trust was found in significant breach of its terms of authorisation by Monitor.
- **Finance:** The Trust ended FY11 with a FRR of 1, a deficit of £6.2m and prospective liquidity problems, with no working capital facility in place.
- **Culture:** a key contributing factor to the Trust's quality and finance challenges was identified as the underlying organisational culture characterised by a lack of clinical engagement and goal alignment, an inadequate accountability and performance management framework and where passive acceptance of non-compliance was evident.

The Trust took the following key actions during 2010/11 to begin to address these issues:

- Delivery of the CQC Compliance Plan and the Governance Plan which addressed the CQC compliance conditions and the governance improvements required following a review by PWC. All the CQC registration conditions have now been lifted and the Governance Plan has been delivered.
- Implementation of a new clinical leadership structure designed to achieve goal alignment, clinical engagement and accountability. Clinicians form the majority on the Management Board which became operational on 1 January 2011. 2011/12 will see the first year of annual performance agreements with clinical teams across the Trust.
- Development of a Transformation Programme to improve the quality of our services, return the Trust to a positive run rate in November 2011 and deliver a surplus in FY 2012/13.

The Trust continues to face significant challenges going into 2011/12 and for the medium/long term:

- **Quality:** A Responsive Review by the CQC in January 2011 identified some quality of care issues within the Trust which were the subject of an action plan. In addition, the Trust needs to take concerted action to meet its national and local CQUIN requirements this year.
- **Culture:** The new clinical leadership structure needs to be embedded and a programme of staff engagement is required to deliver the mind-set change required to transform the Trust and secure its long term future.
- **Liquidity:** The Trust faces a serious liquidity issue. Cash management will be a key focus during the year. The Transformation Programme must deliver savings to plan and both short and long term funding will be received to support the transformation.
- **Performance:** The Trust has identified the need to improve performance to upper quartile levels to deliver higher quality services and drive out cash releasing efficiency savings. Clinical engagement in this transformation is critical to its success.
- **Commissioning:** The health economy does not have an agreed and balanced QIPP plan. NHS MK has undertaken a public consultation on a range of initiatives around clinical thresholds, treatment pathways and contracting arrangements. This may further increase pressure on the Trust in terms of implementing further service changes.
- **Competition:** The Trust must adopt a more commercial approach and develop new service offerings that protect and potentially increase its income stream and safeguard and underpin its market share.
- **Organisational change:** Integration with MK Community Health Services is key to the transformation of the Trust's services. The integration will put the new organisation in a much stronger position strategically and operationally and requires significant attention to maximise the opportunity it presents.

The Trust is committed to delivering the transformation required to ensure that it can continue to meet the healthcare needs of the Milton Keynes population and deliver its vision of being "the healthcare provider of choice, growing with Milton Keynes".

The Trust's strategy over the next three years is to:

The Trust is committed to delivering the transformation required to ensure that it can continue to meet the healthcare needs of the Milton Keynes population and deliver its vision of being “the healthcare provider of choice, growing with Milton Keynes”.

Over the next three years, the Trust will radically change its role as a provider of NHS services. In some areas it will expand its portfolio of services, whilst in others it will divest direct responsibility for provision whilst providing facilities for continued local access to services. The Trust aims to:

- **Be a recognised provider of high quality and efficient healthcare services (rather than ‘hospital services’)**. The Trust is fully committed to achieving this via full integration with MK Community Health Services. Should this not be possible the Trust will seek to develop new service offerings to compete in this market.
- **Be a partner of neighbouring acute Trusts**, providing some services on a network basis for the wider community. The Trust is already actively exploring these arrangements for some services such as pathology. Other services will be agreed via the SEMLEP acute services review.
- **Increase its market share in certain services which are proven to be clinically and economically viable** – the Trust only provides 67% of the elective work for the people of MK and has assessed that there is an opportunity here. The Trust is implementing plans to increase its trauma and orthopaedics activity where its current market share is 50%. The Trust will only provide services which are clinically and economically viable and plans to develop alternative ways of providing those services which are unviable by working with other providers as a service integrator for the benefit of the people of MK.
- **Achieve financial sustainability** through the delivery of the Trust’s Transformation Programme, delivering significant cost and operational efficiencies across the organisation and the implementation of a robust cash management strategy and plan, securing long term financing.
- **Embed an organisational culture of empowered clinical and support teams** working within a robust accountability framework, with all staff feeling engaged in delivering the Trust’s vision and being proud to work for the Trust.
- **Be a valued partner of commissioning organisations**, specifically NHS MK and the GP consortia, actively working to achieve the best healthcare provision for the local community.

This strategy has been developed in partnership with the Trust’s Governors who are supportive of the Trust’s overall approach and specifically suggested that the Trust should pursue opportunities for collaboration and joint working, increase operational efficiency, generate additional income and explore new ways of working, including the provision of more community based services.

The Trust has reflected this strategic direction in its six corporate objectives for 2011/12. These objectives represent the year one steps towards achieving the Trust’s strategy and are described in SMART terms in the key priorities section.

Key priorities for the Trust which must be achieved in the three years of the annual plan to underpin the delivery of the Trust’s strategy, with milestones of delivery of each over the period of the plan:

While the priorities in the table below should not be exhaustive, they should represent the key initiatives in the trust’s strategy and be consistent with the following sections, where we expect an appropriate level of detail to rest.

Key Priorities & Timescales	How this Priority underpins the strategy	Key milestones (2011-12)	Key milestones (2012-13)	Key milestones (2013-14)
To demonstrably improve the quality and productivity of our services	Provide Excellent Services that exceed Expectations Ensure a Financially Sustainable Future Enhance the reputation of the Trust	Complete service reviews with commissioners e.g. community gynaecology and community endoscopy Stroke pathway for TIA and admission implemented with all targets achieved New model of care for	Revised service models in place Trust ‘personalised	Individual services demonstrate top quartile performance across the Trust’s indicators

		<p>women & children's services implemented</p> <p>Screening services developed to meet new national and local requirements</p> <p>Digital breast screening service implemented and expanded to a wider area</p> <p>CQC compliance conditions lifted</p> <p>CQUIN targets delivered</p> <p>Improvements in radiology efficiency (£233k in-year savings)</p> <p>E reporting systems for pathology and radiology implemented</p> <p>Implementation of new nursing levels to match acuity</p> <p>To be fit for revalidation of Medical Staff</p> <p>Staff sickness < 3%</p> <p>Reduction of agency staffing by 50% from 2010/11 outturn of £6m</p> <p>Cancer strategy & implementation plan agreed</p> <p>Explore partnership options for development of the site</p>	<p>care' programme in place with improvements in satisfaction ratings demonstrated</p> <p>CQC compliance maintained</p> <p>System wide CQUIN programme agreed and delivered</p> <p>Continuing review of nursing levels vs. acuity and implement recommendations</p> <p>Medical revalidation process operating</p> <p>Implement changes to cancer pathways</p> <p>Welcome centre established on healthcare campus</p>	<p>CQC compliance maintained</p> <p>CQUIN targets maintained</p> <p>Continuing review of nursing levels vs. acuity and implement recommendations</p> <p>Medical revalidation process operating</p>
<p>To ensure the Trust's long term future by delivering the Transformation Programme</p>	<p>Ensure a Financially Sustainable Future</p> <p>Deliver Upper Quartile Performance</p>	<p>Reduction in average length of stay to <= 3.6 days</p> <p>Safely enable a reduction of 55 beds from the 2009/10 bed base</p> <p>Improved day case rate and theatre utilisation enabling 18 weeks to be managed without subcontracting to a third party</p> <p>Break-even run rate in November 2011</p> <p>DH long-term loan of</p>	<p>Average length of stay >= 80th percentile</p> <p>Bed occupancy <= 85%</p> <p>Day case rate of >= 80%</p> <p>Theatre cancellation rate <= 5%</p> <p>Financial Risk Rating of '3'</p>	

		<p>£8.25m in place by Feb 2011</p> <p>Working capital facility in place 31 March 2012</p> <p>Delivery of Transformation Programme financial benefits (£13.5m)</p> <p>Achievement of £2.1m worth of repatriated elective work</p> <p>Review of therapeutic services and implementation of proposals to deliver greater efficiency</p>	<p>Compliance with the Prudential Borrowing Code</p> <p>Delivery of Transformation Programme & surplus of £2.2m</p> <p>Commercial strategy agreed</p> <p>Private patient facilities improved and income of £0.52m (net) achieved</p> <p>Further benefits from therapy review realised following integration with MKCHS</p>	<p>Acute Services Review restructuring implemented and delivering financial benefits</p> <p>Commercial strategy fully implemented</p>
<p>To transform the way health and social care is delivered in MK by working in close partnership with MKCHS and MK Council</p>	<p>Deliver Services Closer to Home</p> <p>Provide Excellent Services that exceed Expectations</p> <p>Ensure a Financially Sustainable Future</p>	<p>3-5 year strategic development plan for new healthcare organisation agreed</p> <p>Integration of MKHFT & MKCHS approved & transaction completed</p> <p>Post transaction integration plan delivered</p> <p>Reduction in delayed transfers of care <8 beds occupied</p> <p>Reduction in re-admissions following elective Surgery <= 41 per month</p> <p>Reduction in re-admissions following emergency Surgery <= 162 per month</p> <p>Legal mechanisms in place for commissioning combined health and social care services</p> <p>Changes to Council of Governors reflects new integrated organisation</p> <p>Improved patient satisfaction > 90%</p> <p>National efficiency targets met</p>	<p>New healthcare organisation fully integrated with new structure in place</p> <p>New service design operational e.g. for older people's care, children and mental health services</p> <p>Improved MK capacity for post acute care (step-down / rehab care)</p> <p>Improved patient satisfaction</p> <p>Delivery of £4m</p>	<p>Evidence of more services being delivered outside hospital with achievement of a further reduction in hospital bed base</p> <p>Improved services across health and social care boundaries with improved user and staff satisfaction rates</p> <p>Improved patient satisfaction</p>

			benefits from TCS	
To be recognised as a clinically-led, well-run organisation by our key stakeholders and partners	Enhance the reputation of the Trust Provide Excellent Services that exceed Expectations	Clinical Service Units fully operational with signed annual performance agreements and regular monitoring meetings Management structure review completed & efficiencies delivered Delivery of back office efficiencies and decisions made regarding market testing. Medical rotas redesigned and efficiency improved Service Line Management operational Estates strategy & rationalisation plan agreed Capital programme refreshed to align with Trust clinical priorities Service viability reviews completed and implementation plans agreed Evidence of delivering improvement actions in response to stakeholder feedback Achievement of all national targets Demonstrable achievement of value for money against national indicators	3-5 year clinical vision agreed for the Trust New back office arrangements fully implemented & reduction in corporate overhead achieved Patient Level Costing implemented Site rationalisation programme underway Implement capital programme using FTFF loan New network arrangements for certain services operational e.g. pathology Evidence of improved stakeholder & partner perception of Trust Monitor governance rating: green Demonstrable performance improvements across all targets	Significant improvement in how stakeholders and partners view the Trust based on 2011 baseline Monitor governance rating: green Clinical outcome indicators show sustained improvement
To work with the GP consortia to provide the optimal healthcare service for the people of MK and surrounding areas	Deliver Upper Quartile Performance Provide Excellent Services that exceed Expectations Enhance the reputation of the Trust	Evidence of services being delivered closer to home with reduced referrals to hospital in collaboration with primary care clinicians e.g. community gynaecology Evidence of effective engagement with MK	Contracts reflect whole pathway of care Long term conditions management fully embedded across the health system Outpatient new: follow up ratio 1.39 (from 1.55) Extent of service reconfiguration	Longer term financially sustainable contracts in place Year 2 changes from the Acute Services

		<p>GP consortia and PCT as an active partner in Acute Services Review</p> <p>Increase the redirection of patients from A&E to other urgent care services</p> <p>Cease NHS delivery of low priority procedures identified by commissioners</p> <p>Develop proposals to</p> <ul style="list-style-type: none"> -facilitate electronic screening prior to outpatient appointment or admission -explore sharing records and information between CRS, RIO and GP systems <p>Improved system wide compliance with formulary</p>	<p>resulting from Acute Service Review agreed.</p> <p>Year 1 changes arising from Acute Services Review implemented.</p> <p>Implementation of Common Front Door</p> <p>Further efficiency savings re: use of high cost drugs agreed</p>	<p>Review implemented</p> <p>Activity managed across whole system</p>
<p>To increase the engagement of our patients, staff and members in our work, demonstrating increasing satisfaction and improving the patient experience</p>	<p>Develop Organisational Capacity</p> <p>Provide Excellent Services that exceed Expectations</p> <p>Enhance the reputation of the Trust</p>	<p>Proactively involve Governors and Members to develop services</p> <p>Members report feeling engaged with Transformation and TCS Programme</p> <p>Patient Panels on maternity & orthopaedics completed</p> <p>Implement staff engagement strategy</p> <p>Corporate leadership behaviours agreed and leadership development programme implemented</p> <p>Commence implementation of an organisational development programme</p> <p>Implement action plan to address staff & patient survey concerns delivered and</p>	<p>Increases in patient, staff and member satisfaction rates</p> <p>New patient panel programme implemented – reviewing whole pathways of care</p> <p>New organisation's values agreed following staff engagement in their development</p> <p>Impact assessment of leadership programme</p> <p>Implementation of an organisational development programme for new organisation</p> <p>Levels of patient and staff satisfaction increased</p>	<p>Increases in patient, staff and member satisfaction rates</p> <p>Level of staff satisfaction increased</p> <p>Level of staff satisfaction increased</p> <p>Level of patient satisfaction increased</p>

		increase in satisfaction achieved		
		Staff education and training programme implemented	Training levels increased	To be recognised as a centre of excellence for education, training and development
		Equality Delivery System objectives defined	Equality Delivery System objectives implemented	Equality Delivery System objectives implemented

Section 2: External environment

The table below reflects the significant external impacts on the Trust's plans.

Key External Impact	Risk to/impact on the strategy	Mitigating actions and residual risk	Overall expected outcome	Measures of progress and accountability
The current economic pressures & reductions in healthcare funding on top of rising demand	Income loss due to poor performance	Annual CSU performance agreements & regular performance reviews for CSUs	Activity is managed to plan and where referral levels are above plan, agreement is reached with Commissioners on appropriate action	Realistic contracts agreed with Commissioners
	Inadequate capacity plans	Improve information systems	The contract incentivises MKHFT to play its part in managing demand	CSUs quarterly performance review meetings take place and accountability for delivery demonstrated
		Close working with GP Consortia and PCTs to respond to demand issues	FRR of '2' in 2011/12 and FRR of '3' in 2012/13	FRR targets achieved
				Run rate break even achieved by Nov 2011
	Service viability	Service viability reviews	All services make an agreed contribution to overheads	Surplus achieved in 2012/13
	Service efficiency improvements increases clinical risk and challenges quality	Clinical governance systems	Change does not adversely effect quality of care	Service reviews completed during 2011/12
	Rising quality standards increase financial pressures	Transformation Programme break even by Year 2	Transformation Programme delivered	Quarterly metrics on Board dashboard
	Focus on delivering transformational change distracts from business as usual	Additional capacity secured to deliver Transformation Programme	Transformation Programme delivered	Quality metrics show improvement
	Lack of staff engagement	Organisational development plan, leadership programme & staff engagement and communications strategies	Transformation Programme delivered	Transformation Programme delivers sustained improvement
	Industrial relations disputes	Close working with staff side reps	Transformation Programme delivered	Transformation Programme delivered to schedule
	Damage to relationships with key stakeholders	Stakeholder management plan and, marketing strategy	Transformation Programme delivered	Transformation Programme delivered
			Relationships with key stakeholders improve and MKHFT is viewed as a partner	Improvement in stakeholder perception measure year on year

		<i>Residual risk: High</i>		<i>Accountability: Board of Directors, with the Executive Directors responsible for delivery of the Transformation Programme</i>
<p>Population growth and demographic changes</p> <p>The population served is forecast to grow faster than the national average.</p> <p>The proportion of young families in MK is three times that of the rest of England. The MK 65+ age group is expected to increase by 51% by 2020.</p> <p>The ethnicity of the population is also changing significantly</p>	<p>Insufficiently funded or prepared for population & changes</p> <p>PCT demand management plans challenged by population growth and demographic changes</p> <p>Low patient satisfaction</p> <p>Quality issues may arise if provision is over stretched</p>	<p>The Trust will plan for both service growth and service contraction depending on the individual services and specific issues faced i.e. population changes</p> <p>Close working with MK PCT regarding the effect of demand management actions</p> <p>Services will be reconfigured to deliver new models of care inc.</p> <ul style="list-style-type: none"> – Acquiring Milton Keynes Community Health Services – Providing services in partnership with local GPs – Developing services with Milton Keynes Council <p>Clinical governance framework</p> <p><i>Residual risk: High</i></p>	<p>Services will be developed to meet specific needs and reflect the change in population profile</p> <p>CSUs will use SLR and population data as part of their service planning</p> <p>The Trust's business decisions will be based upon agreed population data consistent with that of the commissioners and local authority.</p> <p>Links will be formed with external partners to ensure improved outcomes and efficiencies</p> <p>Integration with MKCHS will improve the model of care and provide a more seamless and efficient service for the community</p> <p>> 90% patient satisfaction rate</p> <p>CQC compliance maintained</p>	<p>Contract volumes for the next 3 years will be negotiated to mitigate risk and system volatility.</p> <p>The contract incentivises MKHFT to play its part in managing demand</p> <p>Service viability reviews undertaken and results implemented</p> <p>Acquirer Business Case approved July 2011</p> <p>MKHFT and MKCHS services integrated 2011</p> <p>Quality indicators and targets delivered</p> <p><i>Accountability: Director of Finance, Director of Planning & CSUs and Chief Nurse</i></p>
<p>Commissioning environment</p> <p>NHS: MK intends to continue the move of activity from Tertiary to Secondary to Primary care whilst doing what they can to restrict referrals.</p> <p>Commissioners are committed to market testing services</p> <p>Commissioning is transferring to two GP consortia in Milton</p>	<p>Threat to market share from increased competition</p> <p>Trust unable to compete effectively due to lack of commercial</p>	<p>Improve access times & deliver marketing strategy to repatriate work</p> <p>Appoint Head of Commercial Development and Marketing to strengthen capability</p> <p>Relaunch Trust approach to tendering to improve effectiveness</p> <p>Transformation Programme improves efficiency of services</p>	<p>Achievement of repatriation target</p> <p>The Trust submits competitive tenders for services</p> <p>Marketing strategy approved</p> <p>Head of Commercial Development appointed</p> <p>More joint arrangements with other providers</p>	<p>New arrangements to ensure that provision is both cost effective and safe</p> <p>New tender process established</p> <p>ASR delivers joint planning of services across the sector</p>

<p>Keynes</p> <p>MKPCT has clustered with Northampton and the Trust has moved into East Midlands SHA</p>	<p>capability and/or uncompetitive services</p> <p>Commissioning drive to reduce hospital activity</p> <p>New commissioning arrangements destabilise health economy in terms of planning and decision making</p> <p>Cluster with Northampton & EMSHA impacts local commissioning plans</p>	<p>Participate fully in commissioner programme boards</p> <p>Working with commissioners to redesign services instead of tendering process</p> <p>Develop good working relationships with GP consortia, new cluster and EMSHA</p> <p><i>Residual risk: medium</i></p>	<p>Evidence of effective work with commissioners to manage demand</p> <p>Develop new service models</p> <p>Good working relationships with stakeholders and improved perception rates</p>	<p>CSUs managing demand levels</p> <p>New services implemented</p> <p>Measures of stakeholder perception improve</p> <p><i>Accountability: Director of Planning, COO & CSUs</i></p>
<p>Acute Services Review</p> <p>The configuration of Local Acute Services appears to be unsustainable in its current form. Services of a similar nature to those at MKHFT are available from four other NHS hospitals within approximately 30 minutes from MKH Year 3 of the Trust's plan requires changes to be made at this level to deliver required efficiency savings</p>	<p>Changes threaten viability of Trust as a DGH</p> <p>Change diverts management attention from financial recovery</p> <p>MK population not supportive of changes</p>	<p>The Acute Trusts will take a lead in developing proposals for service configuration</p> <p>Aligned within Transformation Programme and service viability reviews</p> <p>External support being commissioned to provide additional capacity to deliver</p> <p>Engagement programme to be developed for key stakeholders</p> <p><i>Residual risk: medium</i></p>	<p>MKHFT services will deliver both clinical and financial viability</p> <p>Significant financial benefits achieved</p> <p>MK population will be able to access improved range of services in wider area</p>	<p>2011 – 13 Service reviews to be published</p> <p>2012- Onwards service reconfigurations to be implemented</p> <p>Transformation Programme delivers</p> <p>Public perception rate</p> <p><i>Accountability: Chief Executive, Clinical Transformation Director, Director of Planning & CSUs.</i></p>
<p>Liquidity</p> <p>The trust faces a serious liquidity issue and is unable to secure a Working Capital Facility due to its governance breach of authorisation</p>	<p>Cash position becomes stressed & Trust unable to pay staff and suppliers impacting on service provision</p>	<p>£6m contract pre payment May 2011</p> <p>Contract paid quarterly in advance</p> <p>Long term financing FTFF</p> <p>Cash conservation plans being executed</p> <p>Internal cash flow. 13 week detailed and 52 week rolling plans</p> <p>Apply for WCF in Q4 FY12</p>	<p>FRR of '2' for 11/12</p> <p>FRR of '3' for 12/13</p> <p>WCF in place</p> <p>Nov 2011 run rate break even or better</p>	<p>Advance secured in May 2011</p> <p>Loan in place Feb 2012</p> <p>WCF in place 31 March 2012</p>

	<p>Reputation damage</p> <p>Loss of FT status</p>	<p>Evaluation of potential of a capital receipt to support working capital</p> <p>Stakeholder management plan</p> <p>Transformation Programme</p> <p><i>Residual risk: High</i></p>	<p>Reputation improves</p> <p>Maintain FT status and achieve Green ratings</p>	<p>Stakeholder perception improves</p> <p>Quarterly Monitor returns</p> <p><i>Accountability: Director of Finance</i></p>
<p>Integration with MKCHS</p> <p>External approval of the Trust's plans to integrate with MKCHS is required. If this is not secured there will be a significant impact on the Trust's plans to redesign services and deliver health economy efficiencies</p>	<p>Integration with MKCHS is not approved</p> <p>Loss of opportunity to redesign pathways</p> <p>Loss of financial benefits</p> <p>Damage to reputation & local relationships</p>	<p>TCS programme jointly owned by MKHFT, PCT and MKCHS</p> <p>Close liaison with EMSHA and Monitor</p> <p>Grant Thornton assurance of the Business case</p> <p>Joint work already underway to redesign pathways</p> <p>Ensure compliance with financial requirements such as REID</p> <p>Stakeholder management plan</p> <p><i>Residual risk: High</i></p>	<p>Integration of MKH and MKCHS during 2011/12</p> <p>New and sustained improvement in services for patients</p> <p>Meets with external approval</p> <p>Stakeholder perception</p>	<p>Business cases submitted to EMSHA and Monitor August 2011</p> <p>Transaction date November 2011</p> <p>TCS Programme Plan</p> <p>Transaction occurs</p> <p>Improved stakeholder perception</p> <p><i>Accountability: Chief Executive, Director of Planning and director of Finance</i></p>

Section 3: Summary financial commentary (NOT TO BE PUBLISHED)

This section provides a summary of the current financial state of the trust, the key assumptions made in compiling the financial plan and a synopsis of the material changes over the three years of the plan.

Financial Strategy

The Trust aims to:

- Become financially viable, returning within its terms of Authorisation
- Demonstrate effective stewardship of the resources available to the Trust, ensuring services are affordable, efficient and sustainable
- Develop and maintain a robust and effective control environment
- Become forward looking and proactive in the identification and management of the local and wider healthcare environment
- Develop the ability to compete effectively in the market

2010/11 Financial Performance

In summary:

- Total income of £156.9m for the year was up by £4.5m, a 2.9% increase
- Income from activities was up £4.1m, 2.9% at £144.2m
- Operating surplus down £5.4m to a £1.7m deficit
- Retained deficit up £5.0m to £6.2m

- Surplus margin down 3.2% against last year to -4.0%
- The Trust did not have a Working Capital Facility in place at 31st March 2011
- The Trust complied with the Prudential Borrowing Code

Against Monitor's Financial Risk Rating, the Trust scored '1', in a scale of '1'-'5', where '5' is the highest performance rating, indicating the lowest level of financial risk. Consequently, the Trust is in breach of its Authorisation.

Key financial performance indicators (KPIs) are set out in Table A.

	Plan	Actual	Variance	Risk Rating
Underlying performance				
EBITDA margin	7.9%	3.0%	-4.9%	2
Achievement of Plan				
EBITDA % achieved	73.2%	38.7%	-34.5%	1
Financial Efficiency				
Return on Assets	3.8%	-1.1%	-5.4%	2
Surplus Margin %	0.1%	-4.0%	-4.1%	1
Liquidity				
Liquidity ratio	20.5	-8.4	-28.9	1

Table A: 2010/11 Financial Risk Rating

Statement of Comprehensive Income

The Trust recorded a retained deficit of £6.2m for the year ending 31st March 2011.

Total income was just over £156.9m, an increase of £4.5m (2.9%) on last year and £0.7m against plan. Income from clinical activities was up £4.1m (2.9%) to £144.2m, driven by over-performance in maternity services, critical care and high cost drugs, offset by lower than planned activity in neo-natal costs and debt write-off, while income from other activities increased by £0.4m driven by increases in education monies. The Trust reached an early agreement with its main commissioner of services, NHS Milton Keynes to share the risk on the over-all outturn on its main contract, £117.5m excluding quality payments.

Operating expenses were up £9.9m (6.7%) on the previous year at £158.6m and an £8.1m adverse variance against plan. The principal driver of the deficit was the failure to establish a deliverable £12m Cost Improvement Programme (CIP). Although £5.2m of the Programme was delivered, schemes to reduce reliance on expensive medical locums and agency midwives, improve theatre productivity and reduce the average length of stay patients stay in the hospital did not deliver. The adverse variance was also driven by

- Cost of meeting the commitment to one-to-one care in established labour within Midwifery, £1.0m
- Additional costs associated with achieving CQC standards, £0.5m
- Establishing the Trust's Transformation Programme, £1.8m

Cash flow and net debt

The Trust's cash position has improved by £4.4m during the year despite recording a deficit of £6.2m. The Trust generated £10.7m in operating cash flow, down 10.7% on the previous year primarily as a result of a reduction in operating surplus, reduced stock inventories and payables outstanding. The cash balance of £9.0m at 31st March 2011 was above expectations, due to loan funding in respect of IT capital projects due to be completed during 2011/12, improved debt and creditor management.

The Prudential Borrowing Limit (PBL) of £29.3m was set for the Trust by the regulator Monitor in 2010/11; a decrease of £1.3m on the previous year. The Trust is currently utilising £6.8m of its limit through a variety of finance leases, including the £5.4m accommodation lease.

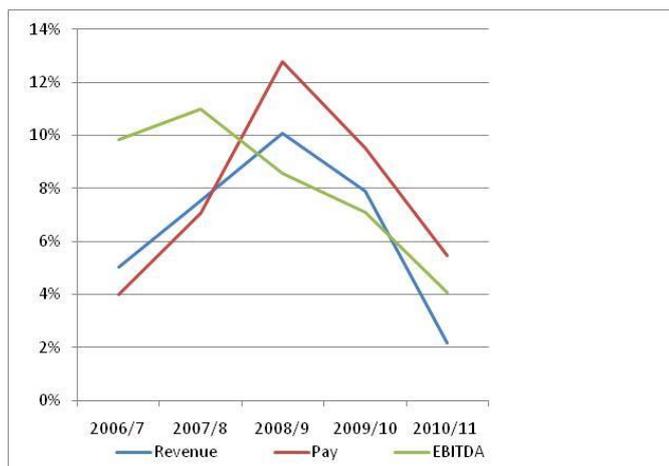
2007/08 – 2010/11 Financial Performance

Despite consistent income growth, the Trust has experienced several years of declining EBITDA.

£m	2007/08	2008/09	2009/10	2010/11
Income	128.4	141.3	152.5	156.9
Expenditure	-115.5	-130.5	-142.5	-152.1
EBITDA	12.9	10.9	9.9	4.8
<i>Income % change</i>		10.0%	7.9%	4.4%
<i>Expenditure % change</i>		13.0%	9.2%	6.7%

EBITDA % change**-15.5%****-9.1%****-51.5%****Table B: EBITDA movement 2007/08 - 201/11**

This adverse financial performance is driven primarily by income growth slowing while cost growth has continued, see below.

**The Trust's response to the adverse financial performance**

The Trust recognised the requirement to put in place a financial recovery plan, including cash conservation measures during the summer of 2010, however, it was also recognised that the scale of both the internal and external challenge was such, that a more far reaching Transformation Programme was required.

The scale of the financial gap for the Trust driven by the QIPP challenge and national efficiency targets was assessed at £26.3m by 2012/13, £36.4m by 2013/14.

The Transformation Programme by March 2013 will:

- Return the Trust to run rate balance by November 2011
- Return the Trust to surplus in 2012/13
- Achieve a Financial Risk Rating of '3' by Q2, 2012/13
- Ensure cash remains positive across the period

The balance of CIP requirement has been assessed as £12.2m in 2013/14.

The Trust commenced a programme to strengthen financial governance

- Establishing a comprehensive effective performance culture based on delegated responsibility.
- Reporting (including SLM)
- Develop financial skills (Finance and non-finance staff)
- Systems
- Internal control
- Risk management and mitigation

2011/12 – 2013/14 Financial Plan**Financial Assumptions**

The Department of Health published the 2011/12 Operating Framework on 17 December 2010 and the main principles for 2011/12 have been used to inform the financial plan. The detailed finance paper which supports the Operating Framework was published at the end of December. The Trust has worked through the detail to model any potential changes to income. The outcome of the 2011/12 contract negotiation resulted in a departure from the NHS Operating Framework to facilitate a final contract agreement. The material elements are:

- Unplanned care - Block agreement
- Elective over-performances - Marginal rate of 50% of PbR tariff

In return, the Trust has materially reduced income risk to the Trust in the area of unplanned care over a period of significant change, secured £6.0m support to deliver its Transformation Programme, agreement that emergency readmissions funding will return to the Trust and it has secure contract payments quarterly in advance to support its short-term financing requirements. The Trust does not expect to deviate from the NHS Operating framework in 2012/13 or 2013/14.

The Trust recognises the risk it has accepted in relation to unplanned care activity increases under a block contract, which it believes is not significant, particularly as the activity trend is downwards in previous years and overall resources to meet demand have remained static. The Trust has agreed an internal corporate activity plan for electives which is c£2.2m, 7.1%% higher than its main PCTs baseline.

In 2011/12, 81.1% of the Trust's clinical income will come from its main commissioner, NHS Milton Keynes, a fall of 10.1% on the 2010/11 outturn, see Table C.

£m	2010/11 Actual	2011/12 Plan	Change	
				%
Beds	10.2	10.7	0.5	5.2
Bucks	6.7	6.9	0.2	3.0
Luton	0.2	0.2	0.0	12.1
Milton Keynes	117.5	107.4	(10.1)	-8.6
NCA	1.6	1.8	0.1	8.3
Northants	2.8	2.8	(0.1)	-1.8
Oxon	0.1	0.1	0.0	4.7
SC SCG	2.3	2.4	0.1	2.9
	141.6	132.4	(9.2)	-6.5

Table C: Commissioners Contracts

The key financial indicators are summarised in Table C.

£m	2010/11	2011/12	2012/13	2013/14
Income	156.9	157.0	150.4	144.4
EBITDA	4.8	6.3	12.2	12.2
<i>EBITDA margin</i>	<i>3.1%</i>	<i>4.0%</i>	<i>8.1%</i>	<i>8.4%</i>
Surplus	-6.2	-4.4	2.2	2.1
<i>Surplus margin</i>		<i>-2.8%</i>	<i>1.5%</i>	<i>1.5%</i>
CapEx		7.1	6.0	6.5
Cash	9.0	0.0	3.9	4.1
FRR	1	2	3	3

Table C: Key Financial Indicators

Total income is expected to fall by 8.0% from the 2010/11 base, 19.4% driven by QIPP, netted off by 6.0% inflation, 1.3% repatriation from other providers and 4.1% population growth,

EBITDA increases 171.0% from the 2010/11 base; the margin reaches 8.1% by 2012/13.

The Trust returns to surplus in 2012/13 with a 1.5% margin and it is planned to hold this margin going forward.

The level of CapEx (£19.6m) will be restricted by the level of cash generated by operations over this period but this assumption will be verified through the estates strategy and more detailed risk assessments being undertaken in 2011/12.

Cash is stabilised by a £8.25m long-term loan, £4.1m at March 2014.

CIPs requirements are £37.2m over 3 years, an average of 9.0% of turnover. CIP plans are in place for 2011/12 – 2012/13.

The Trust will deliver an annual '3' rating under the FRR metrics from 2012/13 and achieve Prudential Borrowing Code compliance across all 3 years.

Section 4: Trust plans

Financial plans: income

NHS Milton Keynes is the lead commissioner for the Trust, and has proposed a significant number of demand management initiatives which are contained within the PCTs QIPP plan. The value of the NHS Milton Keynes contract is proposed to reduce from £117.5m in 2010/11 to £107.4m in 2011/12, a reduction of 8.6%. Discussions with other commissioners have indicated that they will commission at or near to out-turn 2010/11 activity volumes, subject to national changes in commissioning rules. It is anticipated that £24.1m will be secured from non Milton Keynes Commissioners in 2011/12 which will mean the total income reduction for the Trust will be £9.2m (6.5%).

The contract between the Trust and NHS Milton Keynes incorporates the PCTs QIPP proposals. The PCT recognises that the significant and rapid reduction in the income paid to the Trust will require it to undertake significant restructuring and make changes to the way that the hospital operates. Consequently, the PCT is supporting the Trust in bidding for £6.0m of System Investment Reform Fund (SiRF) funding. The application to access these funds is currently being reviewed by East Midlands Strategic Health Authority. Agreement of SiRF funding is key to ensuring that the Trust meets its financial forecast and maintains liquidity.

The Trust has forecast that there will be a reduction in tariff of 2% in year 2 and 0% change in year 3. In addition to the national inflation changes, it has been anticipated that NHS Milton Keynes will seek to reduce the contract value with the Trust by a further £1.5m (£5.5m demand management off-set by £4.0m of growth in 2012/13). The £1.5m could be achieved by either volume reduction or price challenge. The Trust has assumed for prudence that it is price reduction, i.e. no off-setting cost saving has been made.

Comparison of 2010/11 Income By PCT to 2011/12 Financial Plan.

£m	2010/11 Actual	2011/12 Plan	Change	
				%
Beds	10.2	10.7	0.5	5.2
Bucks	6.7	6.9	0.2	3.0
Luton	0.2	0.2	0.0	12.1
Milton Keynes	117.5	107.4	(10.1)	-8.6
NCA	1.6	1.8	0.1	8.3
Northants	2.8	2.8	(0.1)	-1.8
Oxon	0.1	0.1	0.0	4.7
SC SCG	2.3	2.4	0.1	2.9
	141.6	132.4	(9.2)	-6.5

Key income risk	Amounts and timing		Mitigating actions and delivery risk
	2011/12	2012/13 2013/14	
<p>The Contract with the commissioners has within it significant penalties for non achievement of quality targets and failure to comply with action plans</p> <p>NHS Milton Keynes has identified a number of procedures deemed to be of limited clinical value which they no longer wish to commission. The risk is that procedures are performed which the commissioner will not pay for. The total value of procedures disputed is up to £2m.</p>	<p>Unlimited</p> <p>£1.2m</p>	<p>Trust clinical teams have within their performance agreement the requirement to mitigate risks to income by monitoring contract requirements and ensuring any actions needed to be taken are implemented. Action plans are being drawn up to ensure delivery of the quality targets.</p> <p>A protocol for 'prior approval' for PLCV procedures has been drawn up which proposes making the GPs the effective gatekeepers for these procedures. The Surgical Division has a designated person reviewing waiting list for potential PLCV procedures and other procedures requiring prior approval. The PCT has agreed to a 3 month period of grace to allow patients already listed to be treated, before non-payment commences.</p>	

		<i>pressures</i>		
Extended reproductive health services	Working closer with primary care Care closer to home	Submit and win tender for service <i>Risk Trust is not successful and loses service</i>	Support to develop successful bid	Bid to PCT June 2011 Service implemented January 2012
Community service developments in partnership with commissioners e.g. for gynaecology and endoscopy	Deliver services closer to home	Service models developed <i>Risk: Service models not acceptable to the Commissioners</i>	Support to develop successful service model New service changes require investment	Proposals to PCT August – December 2011
Medical School alliance	Provide excellent services that exceed expectations Ensure a financially sustainable future Enhance the reputation of the Trust	Decision whether to proceed September 2011 <i>Risk: Proposal not viable and takes up valuable resources to develop</i>	Internal and external specialist support to develop the proposal	Decision whether to proceed September 2011 for start September 2012
Transferred / discontinued activity:				
Service viability reviews	Provide excellent services that exceed expectations Ensure a financially sustainable future	Undertake review of loss making services and implement plans to ensure future viability <i>Risk: Actions to reduce service losses prove unacceptable internally and externally</i> <i>That the Acute Services Review introduces delay to decision making</i>	Internal and external specialist support to undertake the reviews and develop the proposals	Completed by March 2012

Financial plans: activity and costs

Table A (Items included in the CIPs worksheet in the financial template:

Key operating efficiency programmes	Amounts and timing	Contribution to the overall strategy	Key actions and delivery risk	Key resource requirements	Milestones 2011/12 2012/13 2013/14
<i>Repatriation / Private Patients</i>	Net £0.8m during 2011/12. Private patients benefits from 2012/13 (£0.52m net)	Increase market share in certain services which are proven to be clinically and economically viable	Transformation projects to release sufficient capacity to enable repatriation. <i>Risk: competitor retaliation & insufficient capacity to meet demand.</i>	Capital required for private patient (dependent on approach adopted) External Project manager	2011/12 capacity freed up and the Trust able to see patients in a timely manner to encourage them to choose MKHFT on choose & book Approach to Private patients agreed 2012/13 Private patients facility established
<i>Penalties & Incentives</i>	£0.4m during 2011/12	Be a recognised provider of high-quality and efficient healthcare services	Clear identification and tracking of requirements. Action plans to ensure delivery. Risk: non-compliance by staff	Internal management resource	2011/12 Targets in quality schedule met
<i>Shorter Length of Stay</i>	Net £1.5m during 2011/12	Be a recognised provider of high-quality and efficient healthcare services	Ensuring that length of stay is reduced and maintained at reduced levels in order to close 2 wards during the year and keep them closed, even during winter pressures. <i>Risk: demand can not be met safely by reduced bed capacity.</i>	External support from 3 rd parties responsible for taking well patients out into the community or where non-acute care can be given	April 2011 – closure of first ward. September 2011 – closure of 2 nd ward
<i>Pathology & Radiology efficiencies</i>	£1m during 2011/12 (including Pathology, Radiology and order comms)	Achieve financial sustainability through the Trust's Transformation Programme	Pathology: joint work with Northampton and market test. Radiology: Service review <i>Risk: joint working doesn't deliver target benefits.</i>	Internal project manager	£233k saving in Radiology for 2011/12 2011/12 Partnership agreed by Northampton for pathology
<i>Clinical staffing</i>	Net £200k (includes medical staffing reductions offset by increases in nursing and midwives)	Be a recognised provider of high-quality and efficient healthcare services	Rota and job plan reviews. <i>Risk: resistance from medical workforce to reductions in numbers due to clinical risk</i>	Rota management that enables the release of medical staff	Staffing changes identified in two waves July 2011 and Jan 2012
<i>Pharmacy</i>	£730k in 2011/12	Achieve financial sustainability	Comply with formulary and	External review of pharmacy	Medicine & Therapeutics

		through the Trust's Transformation Programme	prescribing protocols. <i>Risk non-compliance by individual practitioners</i>	undertaken	Committee relaunched in 2011
<i>Back-office</i>	£1.1m in 2011/12	Achieve financial sustainability through the Trust's Transformation Programme	Market test & internal restructure & competitive tender process. <i>Risk: disruption to support services due to change, industrial relations issues</i>	External expert advice to support procurement process. Additional HR and Comms support	198 WTE reduction achieved 01/03/12
<i>Procurement</i>	£1.5m in 2011/12	Achieve financial sustainability through the Trust's Transformation Programme	Seek better deals on current contracts and upcoming tenders & pursue Integrated Supply Chain option. <i>Risk: ISC does not deliver sufficient savings in Yr1.</i>	Project support	Top 40 suppliers asked to review prices with expectation of 5-10% reduction by 1/7/2011
<i>Estates</i>	£0.8m in 2011/12	Achieve financial sustainability through the Trust's Transformation Programme	Identify efficiency, spend to save and safe service reductions across wide range of services <i>Risk : historical lack of capital investment makes estate more vulnerable to reduced estates support</i>	Internal Project Manager and workstream leads	£555k savings achieved in 2011/12
<i>Other CIPs</i>	£4.9m in 2011/12 (includes financing – revaluation impact (£0.6m), PCT investment / disinvestment (£1m) TCS opportunities built into 2012/13 Additionally 2013/14 CIP of £11.6m is anticipated to be achieved from strategic change within the local health economy – (merger / acquisition).	Achieve financial sustainability through the Trust's Transformation Programme	Deliver across the Trust's 80+ CIP schemes Work with local healthcare providers within SEM to explore future possibilities <i>Risk: Integration not approved, Acute Services Review does not proceed and deliver at required pace.</i>	External support to identify schemes External support for TCS and Acute Services Review	CIP programme revised on an ongoing basis TCS transaction Nov11. Acute Services Review findings of phase 1 due end July 2011

Table B (Other savings/efficiencies – not included in the CIPs worksheet in the financial template):

Other savings/efficiencies	Amounts and timing	Contribution to the overall strategy	Key actions and delivery risk	Key resource requirements	Milestones 2011/12 2012/13 2013/14
None					

Financial plans: Workforce

Key workforce priorities	Contribution to the overall strategy	Key actions and delivery risk	Key resource requirements	Milestones 2011/12 2012/13 2013/14
<p>Safety: Midwife establishment: increase to levels required for rising birth numbers & reduce use of agency</p> <p>Review of safe clinical staffing levels: nursing skill mix review based on changing acuity</p> <p>Review patient experience data at individual staff levels</p>	Provide excellent services that exceed expectations	<p>Increase funded establishment to achieve 1:30 via international recruitment</p> <p>An externally-validated review in Autumn 2011, to assess the current nursing requirement at that time</p> <p>Review skill mix and staff training programmes</p> <p>Implementation of Equality Delivery System</p> <p>Define and deliver Patient, Public & Staff objectives</p> <p>Make customer training part of induction</p> <p><i>Delivery risk: inability to recruit</i></p>	<p>Funding for increased establishment</p> <p>Funding the priority clinical areas (£900K full year effect).</p>	<p>Midwife recruitment to existing establishment</p> <p>Midwife recruitment to increased establishment to meet increased No of births</p> <p>2011/12 External review completed and agreed.</p> <p>Increases in nursing establishment implemented</p> <p>2011/12 Implementation of Equality Delivery System to develop key equality objectives</p> <p>Delivery of Patient, Public & Staff Experience Committee objectives</p> <p>Customer service training in induction</p>
<p>Efficiency: Reduction in workforce numbers and costs</p>	<p>Ensure a financially sustainable future</p> <p>Deliver upper quartile performance</p>	Reduction in funded establishment	Additional HR support to the Transformation Programme	<p>Delivery of year 1&2 of the Transformation Programme</p> <p>266 WTE reduction 2011/12</p>

		<p>Reduction in premium staffing costs</p> <p>Reduction in sickness absence rates from 4.1% to 3%.</p> <p>Optimise use of bank staff to maximise flexibility</p> <p>Review of efficiency/market testing of "back office" functions</p>		<p>Reduce use of agency by 50% in 2011/12 from 10/11 outturn of £6m</p> <p>Roll out of e-rostering</p> <p>Decision on possible outsource July 2011</p>
Back Office project			Project Manager	
Medical staff optimisation		Review medical staffing costs & consultant job plans to ensure close alignment with activity requirements	Project Manager	Reduction of 23 WTE medical posts 2011/12
Transformation Programme		Efficient of use of theatre teams and staffing	Project Manager	Transformation Programme
		<p>Consultation and communications plan developed and impact assessed as part of the Transformation Programme</p> <p><i>Delivery risk: challenge to restructuring proposals causes delay, workforce uncertainty detracts from delivery of BAU</i></p>	Additional communications resource for Transformation Programme	<p>Communications Plan agreed</p> <p>Delivery of year 1&2 of the Transformation Programme</p>
Development: Improve compliance with mandatory training and appraisals	Provide excellent services that exceed expectations	Continue to increase the uptake and quality of appraisals and PDPs		2011/12 90% appraisal rate
	Enhance the reputation of the Trust	Ensure ongoing compliance with changing range of mandatory training		2011/12 90% mandatory training compliance rate
Leadership development	Deliver upper quartile performance	Identify priority development areas for leadership development programme	<p>Investment in external support for leadership development</p> <p>HR and communications support for Transformation Programme</p>	2011/12 Roll out of Leadership Development Programme
Succession planning and talent management		Pilot talent management succession tool from June 2011 and roll out thereafter		2011/12 Roll out of talent management tool
Staff engagement programme		Design initial programmes for priority areas to support cultural change including clinical engagement. Link to the communications plan for transformation and to the OD plan for TCS		<p>2011/12 Trust OD plan agreed</p> <p>Communications strategy agreed</p>
Actions to address staff survey concerns specifically violence from public, Stress		<p>Promote the Equality Delivery Scheme</p> <p>Deliver actions to support</p>		Staff survey shows reduction in percentage of staff reporting violence

<p>management and staff engagement</p> <p>Staff education and training programme</p> <p>Manage the transfer of MKCHS staff to the Trust, including the TUPE process and structural adjustment to create one organisation and workforce</p> <p>Ensuring a positive employee relations climate in delivering the Transformation Programme</p>		<p>reductions in levels of violence to staff</p> <p>Identify training / skill mix needs from Transformation Programme & TCS Integration</p> <p>Develop an OD plan for working jointly with the community services to support development of a joint culture</p> <p>Deliver Transformation Plan communications plan</p> <p><i>Delivery risk: capacity issues negatively impact managers' time to support and develop staff</i></p>		<p>from patients and the public</p> <p>Skills transfer from external staff completed effectively and Trust capability to manage change strengthened</p> <p>OD plan for TCS Integration agreed Successful transfer for CHS</p>
<p>Measurement</p> <p>Ensuring workforce KPIs used to monitor workforce indicators are fully embedded</p> <p>Ensure workforce plan reflects agreed changes in size and skill mix of the workforce and underpinning principle of development and efficiency</p>	<p>Provide excellent services that exceed expectations</p> <p>Deliver upper quartile performance</p>	<p>Align HR scorecard with the measurement/monitoring of the Transformation Programme.</p> <p>Continue to update workforce plan</p> <p><i>Delivery risk: data collection systems are unable to provide required information</i></p>	<p>HR support to Transformation Programme</p>	<p>2011/12</p> <p>HR tracker for Transformation Plan linked with Trust scorecard</p> <p>Workforce plan to reflect:</p> <ul style="list-style-type: none"> -Changes in size, skill mix of workforce -underpinning principle of development and efficiency

Financial plans: Capital programmes (including estates strategy)

Key capital expenditure priorities	Amounts and timing (including financing schedules)	Contribution to the strategy (incl. service delivery)	Key actions and delivery risk (inc. finance risks)
Development:			
Transformation Projects	One-front-door initiative to have one point of entrance for all A&E and Urgent Care patients. The current Walk-in-Centre is provided from a separate building on the hospital site which does not allow for effective streaming of patients. The Trust has buildings that could be utilised, that would need refurbishment and building works to enable. 2012/13, £1.3m.	<p>Be a valued partner of commissioning organisations</p> <p>Be a recognised provider of high quality and efficient healthcare services.</p>	<p>UCS Ltd to agree to the revised method of service delivery.</p> <p>Financing to be secured for future capital programme.</p> <p><i>Risk: FTFF loan not secured and</i></p>

			<i>inadequate capital available</i>
Maintenance:			
Replacement IT equip & upgrades	A variety of replacement equipment ranging from PC replacements (£150k per year) and general system (hardware / software) upgrades through to the upgrade of the computer room (following a recent survey) at a cost of £400k during 2012/13 and 2013/14.	Be a recognised provider of high quality and efficient healthcare services	Implement Programme <i>Risk: Lack of funding and inadequate systems</i>
Property Maintenance	Maternity refurbishment – programme continuing from 2010/11. 2011/12 £285k Neo-natal refurbishment – 2011/12 £228k (to be financed by charitable funds) Two ultrasound rooms to be refurbished. 2011/12 £120k Future requirements are expected to be £1m per year following 2011/12 in recognition of the age of the site.	Be a recognised provider of high quality and efficient healthcare services	Implement Programme <i>Risk: poor patient experience and negative regulator feedback</i>
Health & Safety	A variety of H&S requirements have been identified for 2011/12 at a cost of £700k. £500k has been planned for each of the following years. The schemes for 2011/12 include bathroom changes and replacement of ward curtains across the Trust.	Be a recognised provider of high quality and efficient healthcare services	H&S requirements have been identified by both internal and external parties and must be addressed <i>Risk: that enforcement action will be taken against the Trust if we do not comply</i>
Replacement equipment	The Trust has an EBME contract which highlights equipment due for replacement. 2011/12 £380k. Backlog maintenance has been identified as £330k in 2011/12. Replacement equipment has been planned at levels of £1m per year for future years.	Be a recognised provider of high quality and efficient healthcare services	<i>Implement replacement Programme</i> <i>Risk that kit will break-down without warning if not replaced and maintained regularly.</i>
Other capital expenditure:			
PACs	IT – PACs replacement system. 2012/13 £500k.	Be a recognised provider of high quality and efficient healthcare services	Implement Programme <i>Risk: These are critical systems, integral to the organisation</i>
IT developments	CRS development. 2011/12 £400k. A value of £400k per year has been planned for IT developments.	Achieve financial sustainability through the delivery of the Trust's Transformation Programme	Implement Programme
Transformation Projects	Transformation Projects covers a wide-range of capital requirements including; E-rostering (to improve nursing rota management and reduce manual paper transactions). 2011/12 £200k. Digital dictation (to improve the speed and efficiency regarding patient communication) 2011/12 £180k. Ward cooling (to put in a more permanent solution to the hiring of air-conditioning units for the wards during the summer months). 2011/12 £150k. Theatre costs (repatriating orthopaedic work to the Trust from surrounding healthcare providers). 2011/12 £500k.	Be a recognised provider of high quality and efficient healthcare services Increase market share in certain services which are proven to be clinically and economically viable Be a recognised provider	Implement transformation Programme <i>Risk: Financial sustainability at risk if projects are not financed and / or do not deliver</i>

Bereavement room	Upgrade the facilities available to relatives and friends to an acceptable standard	of high quality and efficient healthcare services	Develop proposal and implement <i>Risk: Public perceptions maybe negative if not done</i>
New equipment	In order to meet current guidelines, the Trust is required to invest in Breast screening equipment to comply with digital requirements. 2011/12 £432k. This will enable the Trust to maintain this activity into 2012/13 and beyond. The refurbishment of the ultrasound rooms mentioned above will also involve new ultrasound equipment. 2011/12 £264k. Other equipment included in this section; Haemofiltration machines, HSDU disinfectors, food trolleys and ureteroscope.	Be a recognised provider of high quality and efficient healthcare services	Implement Programme <i>Risk to future service as it is likely to be tendered if the Trust is not able to offer the digital service</i>
Other estates strategy			
<i>Estates strategy</i>	Develop an integrated estates strategy in light of the Transformation Programme, the integration with MKCHS and the Acute Services Review. Use this strategy to refresh the Capital Programme for 2011/12 and ensure that priorities reflect the Trust's clinical priorities. Explore opportunities with external partners to use the land and estate more effectively.	Be a recognised provider of high quality and efficient healthcare services Achieve financial sustainability through the delivery of the Trust's Transformation Programme	Deliver estates strategy during 2011/12. <i>Risk: uncertainty about long term future challenges ability to agree and implement estates strategy.</i>

Clinical Plans

The clinical plans section takes the priorities from the Trust's quality account. The targets section includes CQUIN and Quality schedules that are not finally agreed with our main commissioner and therefore anticipates the measures that will be agreed with them. Where outcomes are relevant to more than one area these are cross-referenced rather than repeated.

Quality issues and measures	Contribution to the strategy	Key actions and delivery risk	Performance in 2010/11	3 year targets / measures for	
				2011/12	2012/13 2013/14
Clinical Effectiveness - Key Priorities					
Quality Issues and Measures 2010 – 2011 Concerns raised by the Care Quality Commission about the safety and quality of the Trust's maternity services led to a programme of work to improve the quality of maternity services and achieve the lifting of registration and compliance conditions	To provide excellent services which exceed expectation of our patients and customers To enhance the reputation of the Trust so that people know what we do and choose to come to us	Not applicable. Please see section below for 11/12 issues	In October 2010, the CQC lifted 9 of the 12 conditions; the remaining 3 were lifted on the 7 April 2011. The Trust: Provided 1:1 care for all women in established labour since April 2010 Recruited 19.3 wte more midwives An additional 18 WTE are under offer pending HR clearance and are expected to be employed within the first 6 months of 2011/12 Caesarean section rates improved from 28% to 25% and Normal Birth from 59% to 63% Positive feedback from the Maternity Monitoring Panel on improvements made	Please see section below	

			<p>2010/2011</p> <p>Key Performance indicators reported to board included:-</p> <p>CQUIN</p> <p>Normalising Birth (Partial Achievement 50% awarded) and</p> <p>Patient Experience (100% Awarded)</p> <p>Quality Schedule</p> <p>Nil breaches on 1:1 care</p> <p>100% of women offered smoking cessation advice</p>	
<p>Quality Issues and measures 2011 – 2014</p> <p>To continue to improve the quality of maternity services</p> <p>The priority will be to sustain and improve the highest standards of quality and safety that keep pace with changing demographics and rising birth rates at a time of increasing financial constraints and focus on efficiencies and productivity</p> <p>The overall aims of the Maternity Services Strategy will be to:-</p> <p>Assure the effectiveness and quality of care</p> <p>Define and value the workforce</p> <p>Deliver innovation and effectiveness improvements</p> <p>Promote and value patient and public involvement</p> <p>Create and develop the infrastructure and environment</p> <p>Agree a robust commissioning framework and maintain compliance with</p>	<p>To provide excellent services which exceed expectation of our patients and customers</p> <p>To enhance the reputation of the Trust so that people know what we do and choose to come to us</p>	<p>Implement Leadership Development Programme</p> <p>Team building initiative for senior team</p> <p>Attain Certificate of Commitment to Baby Friendly Initiative and demonstrate progression to UNICEF Baby Friendly Accreditation</p> <p>Develop and implement a Maternity Triage Service</p> <p>Rationalise unscheduled antenatal care and determine efficiencies in antenatal care pathways</p> <p>Further develop team caseload models of midwifery care to optimise continuity of care</p> <p>Progress work to attain CNST Level II status</p> <p>Review and improve clinical data systems to improve robustness of information in line with Trust EDM project</p> <p>Implementation of Service Line Reporting management structure.</p> <p>Continue to provide 1:1 care in labour and driving increased normalising birth and reducing caesarean section rates</p> <p><i>Delivery risk</i></p> <p><i>Changes may increase length of stay</i></p> <p><i>Not meeting the contractual requirements and incurring financial penalties</i></p> <p><i>Potential breach of CQC Standards</i></p>	<p>Please see section above</p>	<p>3 Year Target Measures 2011 - 2014</p> <p>Key Performance Indicators include:-</p> <p>CQUIN</p> <p>Normalising Birth (Normal birth = >65%/Reduced CS = <24%)</p> <p>Patient Experience (>90%)</p> <p>Quality Schedule</p> <p>No breaches of 1:1 care (100%)</p> <p>Smoking in Pregnancy (100%) of women offered smoking cessation advice</p> <p>Maternity Dashboard</p> <p>Midwife: birth ratio (1-30)</p> <p>Vaginal Birth After Caesarean Section rate (National and Local Target of 75%)</p>

<p>the Care Quality Commission's Standards for Health and Social Care</p>				
<p>Quality Issues and measures 2011 – 2014 Enhancing quality of life for people with long-term conditions and helping people to recover from episodes of ill health or injury</p> <p>Ensure patients receive care in the most appropriate place</p> <p>Ensure the safety and wellbeing of those patients who are less able to protect themselves from harm, neglect or abuse, e.g. due to impaired mental capacity, physical disability or frailty brought about by age</p> <p>Deliver advance care planning where patients who are at the end of their life are given opportunity to voice their preference for their preferred place of care and death</p> <p>Reduce the risk of and severity of patients falling in hospital</p> <p>All adult patients to have an individual nutritional assessment within 48 hours of admission</p>	<p>To provide excellent services which exceed expectation of our patients and customers</p> <p>To enhance the reputation of the Trust so that people know what we do and choose to come to us</p>	<p>Ensure patients feel involved in decisions about care and treatment including addressing concerns and discussing their condition and treatment</p> <p>Patients to be informed about side effects of medication</p> <p>Patients to be informed of who to contact if worried about their condition after they have left hospital</p> <p>Ensure where appropriate Mental Capacity Assessments are undertaken</p> <p>Ensure where appropriate Deprivation of Liberty (DOLS) referrals are made</p> <p>Implement mandatory staff training plan on dementia awareness, DOLS, MCA, consent and safeguarding adults</p> <p>Implement recommendations from Six Lives Assurance Report</p> <p>Ensure people with co-morbidity of dementia are identified early in admission and have an assessment of their cognitive function</p> <p>Implement the recommendations of the Ombudsman Report Care of the Elderly</p> <p>Implement National Confidential Enquiry into Patient Outcome and Death review of the care received by elderly patients undergoing surgery and</p> <p>Ensure compliance with National policy on consent.</p> <p><i>Delivery risk</i> <i>Changes may increase length of stay</i> <i>Not meeting the contractual requirements and incurring financial penalties</i> <i>Potential breach of CQC</i></p>	<p>This is a new Quality measure and will build on the work we have done in this area during 2010 – 2011</p>	<p>3 Year Target Measures 2011 - 2014</p> <p>Key Performance Indicators reported to Board include:-</p> <p>CQUIN</p> <p>Pressure Ulcers:-</p> <ol style="list-style-type: none"> 1.The number of pressure ulcers above category 2 does not exceed the baseline from 2011/2012 (Grade 3=6/Grade 4=0) 2 (No. attending pressure ulcer training as benchmark – 10% increase per quarter above base rate 2010 – 2011) 3. Evidence of investigation process and shared learning <p>End of Life care</p> <ol style="list-style-type: none"> 1. Provide evidence that a conversation with a patient admitted at the End of Life is recorded in a meaningful way and communicated externally and internally by the Palliative Care Team; <p>Vulnerable Adults</p> <ol style="list-style-type: none"> 1. Benchmark number of MCA assessments 2. Benchmark number of Deprivation of Liberty (DOL) referrals made 3. No. Staff trained against defined target 4. Quarterly update reports on implementation of National guidance <p>Quality Schedule</p> <p>Infection Prevention and Control targets (MRSA Screen = 100%) (MRSA Bact =<4) (Clostridium Difficile = <56)</p> <p>Transfer of Care Delays (<8)</p> <p>Efficient handover of care between the Emergency Department and the Ambulance Service (within 30 minutes)</p> <p>Patient Falls Quarterly reports on benchmark</p> <p>Nutritional Assessment</p>

		<i>Standards</i>		<p>1. Use of MUST Tool within 48 hours of admission</p> <p>2. Patient who require ongoing nutritional care have a care plan in place</p> <p>Delivery of stroke targets</p>
Patient Safety - Key Priorities				
<p>Quality issues and measures</p> <p>2010 - 2011</p> <p>To further reduce healthcare-associated infection rates by implementing new initiatives to further support prevention through surveillance</p>	<p>To provide excellent services which exceed expectation of our patients and customers</p> <p>To enhance the reputation of the Trust so that people know what we do and choose to come to us</p>	<p>Not applicable. Please see section below for 11/12 issues</p>	<p>Governance Committees and Groups were restructured to ensure greater communication internally and externally to refine data reporting</p> <p>Improvement projects undertaken in the working environment for staff</p> <p>Achievement of low rate of healthcare associated infections (C Diff 33 (*Target 56), MRSA Bacteraemia 2 (*Target = 4), MRSA Screening 100% (*Target 100%))</p> <p>Investigation into cases of MRSA Bacteraemia and C Diff was shared across the organisation and the Community Infection Prevention and Control Teams to improve surveillance</p> <p>Antibiotic use remained under constant scrutiny to ensure appropriate use</p> <p>Older and more vulnerable adults were offered probiotic drinks to encourage healthy gut flora</p> <p>The red jug and red mug project helped to reduce the use of urinary catheters with the potential risk of infection</p> <p>2010/2011</p> <p>Key Performance Indicators reported to board include:-</p> <p>Quality Schedule</p> <p>Incidents of Clostridium Difficile (hospital acquired)</p> <p>MRSA Bacteraemia (hospital acquired) and MRSA: % patients screened.</p> <p><i>*Targets achieved as above.</i></p>	<p>Please see section below</p>
<p>Quality issues and measures</p> <p>2011 – 2014</p> <p>Treating and caring for people in a safe</p>	<p>To provide excellent services which exceed expectation of our patients and customers and</p> <p>To enhance the</p>	<p>Specifically:-</p> <p>Improve the sense of security and confidence patients have in their care</p> <p>Improve the working environment for all staff</p>	<p>Please see section above</p>	<p>3 Year Target Measures 2011 - 2014</p> <p>Key Performance indicators reported to board include:-</p>

<p>environment and protecting them from avoidable harm</p> <p>The Trust's commitment grows stronger in the face of the challenges identified for 2011 and beyond. The National policy is driving ever-tighter requirements and patients rightly expect to be treated in safe, clean environments</p>	<p>reputation of the Trust so that people know what we do and choose to come to us</p>	<p>Comply with Data Protection Act 1998</p> <p>Reduce healthcare associated infection rates</p> <p>Continue to safeguard the adults and children that use our services working closely with our colleagues in community health and social care settings</p> <p>Embed a community approach to MRSA screening and information sharing</p> <p>Target specific patient groups who are more vulnerable to infection to reduce risk</p> <p><i>Delivery risk</i></p> <p><i>Changes may increase length of stay</i></p> <p><i>Not meeting the contractual requirements and incurring financial penalties</i></p> <p><i>Potential breach of CQC Standards</i></p>		<p>CQUIN</p> <p>Patient Experience</p> <p>Quality Schedule</p> <p>Infection Prevention and Control Targets</p> <p>Inpatient and Outpatient Experience (Internal survey)</p> <p><i>As per previous reference</i></p>
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Patient Experience - Key Priorities

<p>Quality issues and measures</p> <p>2010 – 2011</p> <p>Ensuring people have a positive experience of care</p> <p>To provide excellent high quality care to patients in line with the Care Quality Commission's Essential Standards for Health and Social Care by engaging with the Milton Keynes community to understand the experience of the people who use our services</p>	<p>To provide excellent services which exceed expectation of our patients and customers</p> <p>To enhance the reputation of the Trust so that people know what we do and choose to come to us</p>	<p>Not applicable. Please see section below for 11/12 issues</p>	<p>Restructured clinical governance processes to ensure refined reporting which included the introduction of a Patient, Public and Staff Experience Committee</p> <p>Key Performance Indicators show a reduction in complaints on last year</p> <p>Local inpatient survey demonstrated that 97% of patients that responded felt they were involved in decisions about their care and treatment</p> <p>Improvement of arrangements for ward areas to ensure same sex accommodation for our patients</p> <p>A reduction in the number of single sex accommodation breaches</p> <p>All patients had a comprehensive stroke plan and access to specialist staff</p> <p>Programme of work delivered to reduce risk of patient falls</p> <p>CQUIN Patient Experience was achieved</p> <p>Improved our provision around discharge</p>	<p>Please see section below</p>
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			<p>information to our patients</p> <p>Serious Incidents increased from 35 to 42 (20%)</p> <p>2010/2011</p> <p>Key Performance Indicators reported to board include:-</p> <p>CQUIN</p> <p>Patient Experience (Full Achievement)</p> <p>Stroke (Full Achievement)</p> <p>Pressure Ulcer (Not achieved)</p>	
<p>Quality issues and measures</p> <p>2011-2014</p> <p>Ensuring people have a positive experience of care. Specifically to:-</p> <p>Provide excellent high quality care to patients in line with the Care Quality Commission's Essential Standards for Health and Social Care by engaging with the Milton Keynes community to understand the experience of the people who use our services</p>	<p>To provide excellent services which exceed expectation of our patients and customers</p> <p>To enhance the reputation of the Trust so that people know what we do and choose to come to us</p>	<p>Continue to develop the role of the Patient Public and Staff Experience Committee and its annual work-plan in partnership with the local community</p> <p>Ensure patients feel involved in decisions about care and treatment, including addressing concerns and discussing their condition and treatment</p> <p>Inform patients about side effects of medication</p> <p>Inform patients of who to contact if worried about their condition after they have left hospital</p> <p>Improve our communications with patients and with other healthcare providers</p> <p>Ensure that data reporting becomes a seamless and straightforward part of the every day delivery of care</p> <p>Reduce avoidable pressure ulcers</p> <p>Ensure there are no 'Never Events'</p> <p><i>Delivery risk</i></p> <p><i>Changes may increase length of stay</i></p> <p><i>Not meeting the contractual requirements and incurring financial penalties</i></p> <p><i>Potential breach of CQC Standards</i></p>	<p>Please see section above</p>	<p>3 Year Target Measures 2011 - 2014</p> <p>Key Performance Indicators reported to board include:-</p> <p>CQUIN</p> <p>VTE (>90% patients assessed)</p> <p>Patient Experience</p> <p>Pressure Ulcers</p> <p>End of Life care</p> <p>Vulnerable Adults</p> <p>Care of Patients in the most appropriate setting</p> <p>COPD</p> <p>Quality Schedule</p> <p>Infection Prevention and Control targets</p> <p>Transfer of Care</p> <p>Efficient Handover of care between the Emergency Department and the Ambulance Service</p> <p>Patient Falls</p> <p>Nutritional Assessment</p> <p><i>(all of the above have been specified earlier in the document)</i></p> <p>Stroke (14 Indicators)</p> <p>Emergency Department targets:</p> <ol style="list-style-type: none"> 1. Unplanned re-attendance rate (>5%) 2. total time spent in ED (>4 hours) 3. No. of patient left depart without being seen (>5%) 4. Time until initial assessment (>15 minutes) 5. Time to treatment in department (Median ->60

				minutes) 6. % of attendances in ED for cellulitis and DVT that end in admission (baseline data Q1 with target agreed for the remainder of the year) 7. Number of admissions for cellulitis and DVT per head of weighted population (baseline data Q1 with target agreed for the remainder of the year) 8. % of patients presenting at Type + 2 (major) ED sites in certain high risk categories who are reviewed by and Emergency Medicine Consultant before being discharged 9. Patient Experience of ED service (Quarterly report with action plan for improvements agreed with the Commissioners) Eliminating mixed sex accommodation (100% compliance)
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Commentary regarding how the Board has prepared its clinical plans

1. During 2010 – 2011 the Trust restructured and simplified its Governance Committees and Groups in line with recommendations from the Care Quality Commission and guidance from Monitor. This was to ensure that there were clear systems of reporting and accountability for governance and risk. We have since evaluated the functions of these committees to provide internal and external assurance of reporting processes.

The Trust is using Monitor’s Quality Governance Framework 2011/12 to drive the development of a new Quality Strategy 2011/2014. This work incorporates existing systems and processes which support safety, and the ownership and delivery of quality governance within the organisation.

Trust clinical leadership has been strengthened by the new Divisional Directors (doctors) and Clinical Directors who lead new Clinical Service Units (CSUs). Performance measures of quality are a key component of the Performance Agreements (2011/12) made between the Executive and each Clinical Director-led CSU. This drives ownership and accountability on governance and compliance arrangements in every area of the Trust. This is important is monitoring and mitigating risk during a period of organisational transformation.

Work will continue to ensure that governance arrangements ‘from Ward to Board and from Board to Ward’ are maintained and effective. The Quality Committee, a sub-committee of the Trust Board, has ongoing scrutiny of this continuing work.

2. The Trust’s Quality Committee reports directly to the Board. It provides the Board with assurance about the actions taken by the Trust in response to SIs and complaints, including individual issues and analysis of trends and learning. The Board also receives a monthly report on the number of SIs and complaints through the regular Monthly Board scorecard and the Board receives a quarterly SI report and an annual SI report. All the Clinical Service Units have an Annual Performance Agreement which includes quality indicators. These will be reviewed on a regular basis by the Executive Directors and CSUs will be held to account for responding appropriately to any concerns identified.

3. The Trust’s clinical governance systems were reviewed by PWC in 2010 and a number of improvements were introduced. These improvements, along with the successful implementation of the CSU structure, enable the Board to ensure that clinical

quality and improvements are being monitored effectively.

The Quality Committee is the Board Sub-Committee with responsibility for providing the Board with assurance about the quality of care provided by the Trust and for overseeing the delivery of the quality priorities set by the Trust in its Quality Accounts. It receives a quarterly Trust-wide clinical governance report which addresses all aspects of the Trust's clinical governance framework including reports on key indicators of the quality of care such as patients falls, medication incidents, pressure ulcers, SIs, incident reporting, risk management, complaints, compliments and comments, training and development and audits.

The Board also has a variety of other mechanisms for assuring itself about the delivery of improvements in quality and ensuring the quality standards are maintained:

- Patient safety walkarounds conducted by Directors with findings reported to the Quality Committee
- Director attendance at a sample of Clinical Improvement Groups meetings with findings reported to the Quality Committee
- Clinical Risk Assessments and clinical gateways for the Transformation Programme
- Patient surveys
- Audits, including participation in national audit programmes
- Board scorecard and CSU scorecards reporting against key quality metrics including CQUINs
- Patient panels, led by the Council of Governors
- Quarterly Matrons' reports to the Board
- Real-time patient feedback to Matrons on their weekly walkarounds to check change is not negatively impacting the patient experience
- Inviting external peer reviews as appropriate

The Management Board oversees the work of the Care Standards Committee, Patient, Public and Staff Experience Committee, Trust Documentation Committee and the Compliance Committee which focus on the effectiveness and operational delivery of the Trust's clinical governance system.

Other priorities

If trusts have any other strategic priorities not covered in the sections above, they should place them here, along with the attendant strategic rationale, resources required, risks involved and delivery milestones:

Section 5: Regulatory requirements

Clear and realistic evaluation of current or future regulatory risks and accountabilities over the three years of the plan is a key requirement.

Key regulatory risks	Nature of risk	Actions to rectify / mitigate and responsibilities	Measures 2011/12 2012/13 2013/14
Not making sufficient progress to address the significant breach of Monitor's Terms of Authorisation and thereby undermining the stability and viability of the organisation	Governance and Finance Risk to authorisation Risk to compliance with the Prudential Borrowing Code	Implement Transformation Programme. Sustain improvements in – Board governance – Maternity – Clinical governance <i>Responsibility Executive Directors</i>	2011/12 Monthly review meetings with Monitor FRR of '2' in 2011/12 and '3' in 2012/13 Transformation Programme benefits delivered as per schedule 2012/13 breach of Authorisation lifted by Monitor
Risk of being found non compliant with Care Quality Commission regulations as a result of a responsive review – particular risks re: compliance with MCA, DPA & IPC following January review	Governance: – risk to authorisation – risk of CQC regulatory enforcement	Action plan to address issues from January CQC visit Ongoing communications and engagement re: compliance requirement CSUs required to self-certify	11/12 CQC revisit establishes trust compliance 11/12 improvement in CQC quality and risk profile for the Trust

	action	<p>compliance in Annual Performance Agreement</p> <p>Programme of compliance testing</p> <p><i>Responsibilities: Medical and Nursing Directors & CSUs.</i></p>	
Liquidity – risk of running out of cash	Governance risk: Breach of Authorisation	<p>Ensure achievement of the Transformation Programme</p> <p>Ensure contracts negotiated to mitigate risk</p> <p>Short term: advance of £6m from NHSMK, contract to be paid quarterly in advance</p> <p>Longer term: loan from FTFF to fund capital programme</p> <p><i>Responsibilities: Transformation Programme - Executive Directors.</i></p> <p><i>Financing – Director of Finance.</i></p>	<p>Transformation Programme benefits achieved</p> <p>Contract settlement achieved</p> <p>Break even run rate Nov 2011</p> <p>FRR '2' 2011/12</p> <p>FRR '3' 2012/13</p> <p>WCF Q4 FY12</p> <p>PBC compliance 31/03/12</p>
<p>Risk of non-compliance with national targets, specifically stroke, VTE and HCAI targets.</p> <p>The risk re: HCAI target is that the Trust has previously performed well in this area and as a result of national directives re: year on year target reductions the Trust has been set an extremely low target for 11/12 which there is a high risk of breaching.</p>	Governance risk: Breach of Authorisation	<p>Action plans in place to achieve these targets</p> <p>CSU Annual Performance Agreements include targets at CSU level</p> <p>Monitoring in place at Management Board and Trust Board</p> <p><i>Responsibilities: COO & CSUs</i></p>	<p>2011/12 achieve compliance with national targets:</p> <p>Stroke (1 September 2011)</p> <p>VTE (1 July 2011)</p>
<p>NHS constitution - 18ww targets</p> <p>The Trust has not met the 18ww targets in all specialties in 2010/11</p>	Governance risk Breach of Authorisation	<p>Improved planning of capacity to meet the 18 week targets in all specialties</p> <p>Targeted action plans in high risk specialties</p> <p>Annual Performance Agreements hold the CSUs accountable for managing demand and delivering agreeing 18 week targets</p> <p>Monitoring by CSU, Management Board and Trust Board.</p> <p><i>Responsibilities: COO and CSUs</i></p>	<p>2011/12 18 week targets met in all specialties</p> <p>2011/12 Waiting times reduce</p>

<p>Risk re HSE inspection and current improvement notices.</p> <p>The Trust will receive a visit from HSE in September 2011 to assess compliance with the five improvement notices issued following inspection in March 2010</p>	<p>Governance risk</p> <p>HSE enforcement action</p>	<p>Action plans in place to address all improvement notices</p> <p>Oversight by Director of Finance and Health and Safety Committee</p> <p><i>Responsible: Director of Finance</i></p>	<p>September 2011. HSE content improvement notices addressed</p>
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Section 6: Leadership and governance

Key leadership and governance priorities	Key risks (and gaps)	Actions to rectify / mitigate	Milestones 2011/12 2012/13 2013/14
Trust Board development	<p>Bringing together acute and community services will require a review of the composition and capabilities of the Board</p> <p>Ongoing change within the Board membership challenges Board effectiveness</p> <p>There are still interims in key positions</p> <p>New appointments may change strategic direction</p> <p>Not filling key posts continues uncertainty regarding leadership</p>	<p>Review Board composition and skills required for new integrated healthcare organisation following merger with MKCHS</p> <p>Board development programme for skills development & team building</p> <p>New Medical Director to be appointed in June 2011</p> <p>Appoint New Chief Executive & COO during 2011/12</p>	<p>TCS transfer occurs during 2011/12 and Board changes implemented</p> <p>Programme implemented</p> <p>Medical Director appointed June 2011</p> <p>Chief Executive appointed during 2011/12</p> <p>COO role appointed during 2011/12</p>
<p>Build capacity and skills of Council of Governors</p> <p>The Council of Governors requires a wider range of skills/experience to oversee responsibilities of the post merger integrated organisation and hold increased level of responsibility within the Health Bill</p>	<p>Governors need to be developed and supported to fulfil their new role as first line of regulation as Governors of the integrated organisation with wider responsibilities</p> <p>Turnover of elected Governors challenges Council effectiveness and could make Council inquorate</p>	<p>New Council composition for new integrated organisation to be agreed with development plan</p> <p>Council of Governors development plan to be agreed</p> <p>Improved pre-election briefs for potential candidates</p>	<p>2011- 2014</p> <p>Council of Governors quorate during the plan period</p> <p>2011/12</p> <p>Amendments to the Council of Governors composition agreed and implemented</p> <p>Council of Governors development plan agreed</p>
Build leadership capacity in the Trust	<p>Risk of insufficient management capacity and capability</p> <p>Key staff leave during the period of change</p> <p>Leaders do not support their staff effectively through change</p> <p>Leaders do not have the skills to adapt to new</p>	<p>Implement leadership development programme for Board and CSU leaders</p> <p>Develop talent management strategy to ensure retention of staff during time of change</p> <p>Involve MKCHS leaders in building the leadership team for the new organisation</p> <p>Continue to develop clinical leadership skills</p>	<p>2011/12</p> <p>Development programme in place</p> <p>Talent management strategy implemented</p> <p>CSU structure and performance reviews operating effectively</p> <p>2012/13 and 2013/14 OD plan for the integrated organisation implemented</p>

	<p>accountability arrangements</p> <p>Restructuring management arrangements detracts from delivery of business as usual</p>	<p>Deliver communications strategy and staff engagement strategy</p> <p>Define desired corporate leadership behaviours</p>	<p>New management structure implemented</p>
<p>Organisational Development Programme</p> <p>Organisation needs to change rapidly and requires a programme to support this change.</p>	<p>Transformation Programme not achieved</p> <p>Lack of organisational ownership for implementing change and staff and managers feel unsupported in delivery change</p> <p>Continued non compliance with Trust policies and procedures risks enforcement action from regulators</p>	<p>Agree specific OD plan for new integrated healthcare organisation</p> <p>Engage staff in developing new culture for integrated healthcare organisation as part of the TCS programme</p> <p>Address cultural issues of passive acceptance of non-compliance through communication of reflective review and build staff confidence and engagement</p>	<p>2011/12 Communicate findings of the reflective review throughout the Trust</p> <p>2011/12 Organisational development programme in place for the Trust</p> <p>2011/12 vision for new organisation agreed</p> <p>2012/13 values of new organisation agreed</p> <p>2012/13 OD plan in place for integrated organisation</p>
<p>Establish governance arrangements with MK Council for joint services</p>	<p>The Trust will be entering into new partnership arrangements with MKC following integration of MKCHS and there needs to be clear governance arrangements between both organisations to ensure that service continuity and good working relationships are maintained</p>	<p>NHS MK and MKC agree to future commissioning arrangements</p> <p>Establish closer working with MKC</p> <p>Propose governance arrangements in TCS Business case</p>	<p>Governance arrangements agreed with MKC July 2011</p> <p>New governance arrangements in place by transaction date.</p>

In preparing the trust's "forward plan", the board of directors must have regard to the views of the board of governors. In that respect, please set out below how the board of governors have been engaged (including any material feedback received) in relation to the production and finalisation of this plan.

This plan has been developed in consultation with the Council of Governors who identified its priorities during a workshop held in November. Governors have been kept up to date with discussions at their meetings in January and March 2011. A workshop was held in May 2011 to finalise the plan was held and they are supportive of its content and the direction it sets.