

# Kingston Hospital Integrated Business Plan



**Overview**  
**Foundation Trust Steering Group**  
**2<sup>nd</sup> February 2011**

Describes the Trust now in terms of:

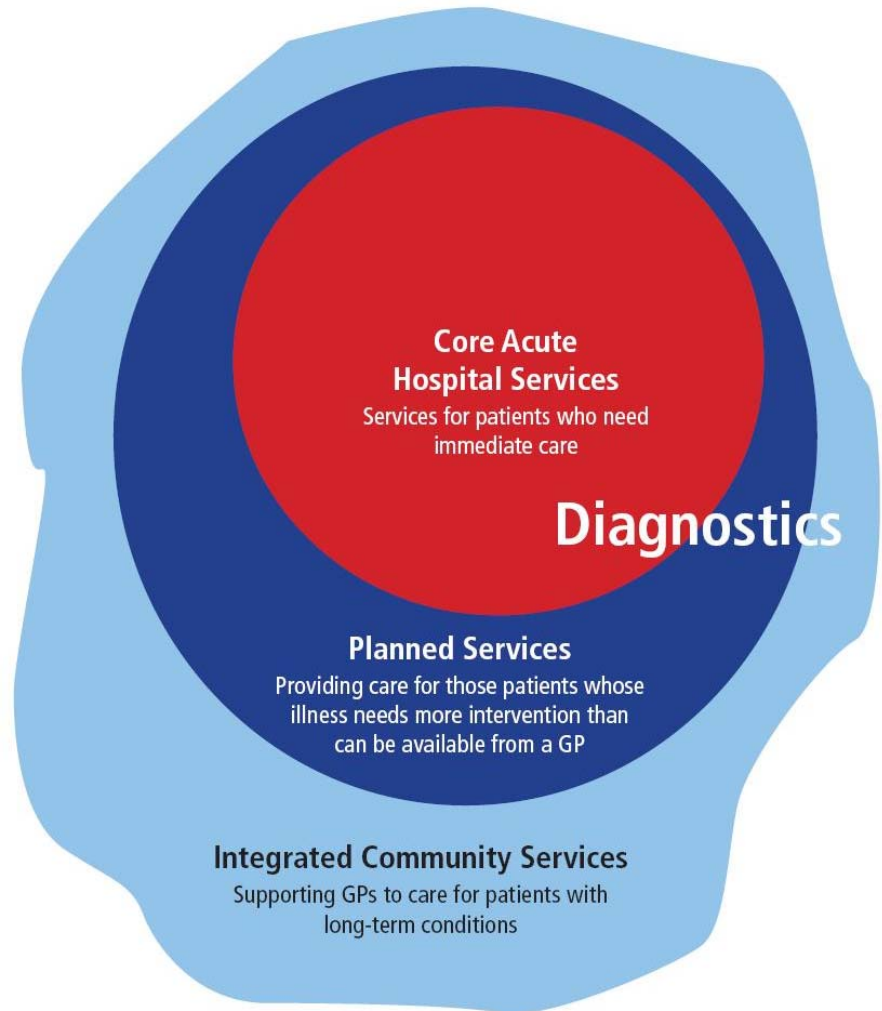
- Services
- Commissioners
- Activity
- Research and education
- Organisational Structure
- Performance against national and local targets
- Financial Position
- Protected Assets
- Commercial Contracts and Partnerships

- Turnover £196m, staff 2750 WTE + 300 contract staff
- Spells c66,000 (62% emergencies), new outpatients 125,000
- Strong operational performance
- Exceptional clinical performance - HSMR 73.3, stroke A2 care standards, low HCAI rate
- Financial surplus £1.2m 2009/10 and £1.9m forecast 2010/11
- Particular strengths in maternity, A&E, paediatrics
- Modern estate
- Strong links with GPs in Kingston, Richmond and North Surrey
- A range of commercial contracts and partnerships  
→ A strong platform from which to pursue FT status

- Mission & Vision
- Strategic Objectives
- Rationale for pursuing FT status
- Summary of the consultation process

# 3 Strategy - Vision

*‘To be the hospital of choice for our local community, recognised for excellent and innovative emergency, surgical, acute medicine and maternity services, delivered by caring and valued staff.’*



- To deliver quality, patient centred healthcare services with an excellent reputation
- To deliver care by competent and caring staff working in effective and supportive teams who feel valued by the Trust
- To work with partners to consolidate and strengthen the healthcare we deliver to our local community
- To work with GPs and other providers to support the delivery of more care in primary and community settings
- To deliver well managed, quality services which are value for money for the tax payer

- All Trusts to be an FT or part of an FT within the next 3 years
- Local ownership and accountability
- Financial and commercial freedoms
- Rigorous management processes and controls
- Staff ownership and engagement

- Our position within the LHE
- Factors affecting demand
- Objectives of the LHE and how our strategy supports these
- PEST
- Impact of Choice and Competition
- Comparative Performance



# 4 Market Assessment - Factors Affecting Demand

Factor	Outpatients	Elective Admissions	Emergency Admissions	A&E Attendances	Comments
1. Demographics and non demographic growth	↑	↑	↑	↑	Activity of all types predicted to grow by 1.5% - 2.5% p.a.
2. Commissioning Intentions/QIPP	↓	↑*	↓	↓	38% reduction outpatients, 40% reduction A&E atts
3. Patient choice and competition	↑	↑	–	–	Small increases through repatriation. Ambulatory losses reflected in 2
4. Networks	–	↑	↓	–	Small emergency losses to MTC & small elective gains through SGH partnership
5. Provider Landscape	–	–	–	–	Covered in downside

\* Elective admissions increase slightly through recoding of emergencies

# 4 Market Assessment - Comparative Performance

- We are 1 out of 2 of the 5 surrounding Trusts with a green performance rating for finance and quality of services
- We are better than the UK and peer group average for mortality (HSMR), readmission rates, ALOS, outpatient FU ratios, outpatient DNA rates

- The changing landscape will impact on the configuration of services at KHT
- We must focus on strengthening the services only the hospital can provide and supporting GPs to shift other services into the community
- We need to collaborate with other providers where this will improve quality and VFM and
- Compete in areas where we are strong

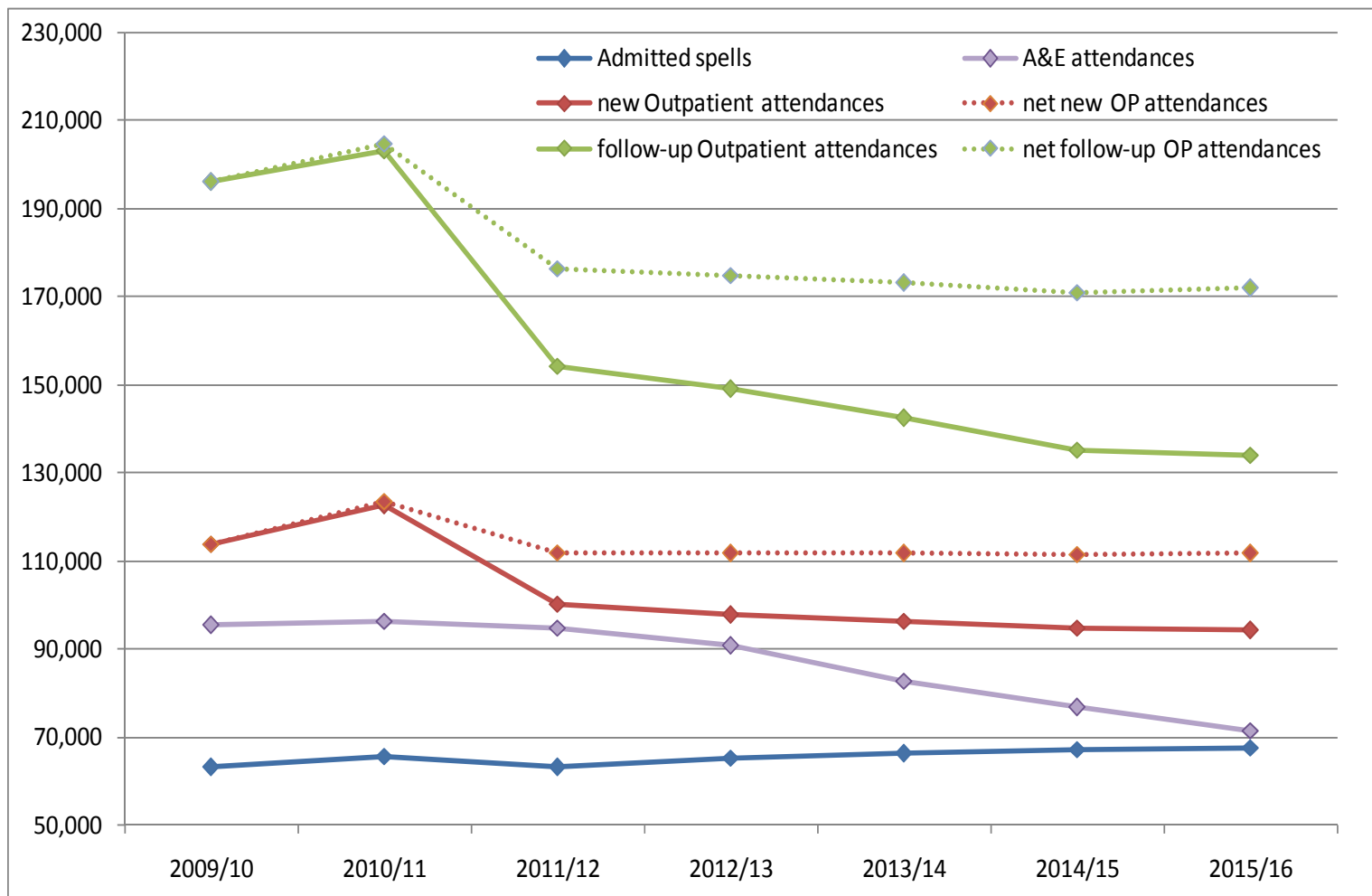
- SWOT
- Service Development plans
- Activity and Capacity projections

1.	<p><b>To expand our maternity services so that no woman who wishes to use us is turned away</b></p> <ul style="list-style-type: none"><li>• Improving consultant cover/safety and increasing choice</li><li>• Medium term scheme, 7000+ births</li><li>• Interim scheme, + 150 births 2011/12</li><li>• More work to do to secure commissioner support for medium term scheme</li></ul>
2.	<p><b>To further strengthen our services for the acutely unwell, ensuring appropriate treatment, 24/7</b></p> <ul style="list-style-type: none"><li>• Working with GPs to deliver urgent care</li><li>• Developing the hospital 24/7</li><li>• Relocation of MAC &amp; MGPU closer to A&amp;E</li></ul>

3.	<p><b>To support GPs to shift care out of the hospital into the community where appropriate</b></p> <ul style="list-style-type: none"><li>• Offering specialist advice and outreach</li><li>• Working together with GPs and service users on care pathways</li><li>• Supports LHE financial position</li><li>• Freed up space can be used to reduce off site leasing and reduce rates associated with old accommodation</li></ul>
4.	<p><b>To improve the experience of our patients and their GPs</b></p> <ul style="list-style-type: none"><li>• Seeking and responding to feedback</li><li>• Involving the community through FT membership and Council of Governors</li><li>• Potential for repatriation – modest increase of c£0.2m income p.a. assumed</li></ul>
5.	<p><b>To work with partners to make savings and improve care for patients</b></p> <ul style="list-style-type: none"><li>• Includes strategic alliance with SGH, but also the development of tertiary links with other providers</li><li>• Net revenue gain for minor elective transfers from SGH and savings through joint working on clinical support services</li></ul>

# 5 Service Development Plans - Activity Projections

Kingston Hospital  
NHS Trust



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# 5 Service Development Plans – Activity Changes 2011/12

## Summary of Changes in Activity Types from 2010/11 to 2011/12, by key driver

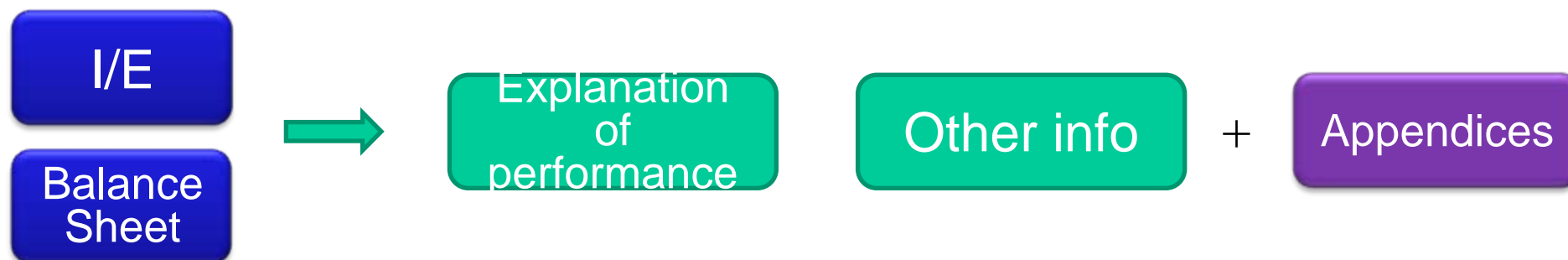
	Outpatient			A/E			Inpatient			Other £	Total
	activity	%	£m	activity	%	£m	activity	%	£m		£m
QIPP	-73,398	-23%	-9.4	-6,857	-7%	-0.4	-3,578	-5%	-3.2	0	-13.1
KHT re-provision	31,207	10%	3.1	0	0%	0.0	357	1%	0.2	0	3.3
Activity growth	7,013	2%	0.8	2,016	2%	0.2	1,339	2%	2.0	0.3	3.3
SDP	956	0%	0.1	0	0%	0.0	952	1%	0.8	0.1	1.1
Other	0	0%	0.0	0	0%	0.0	132	0%	0.1	-0.1	0.0
<b>Total movement</b>	<b>-34,222</b>	<b>-11%</b>	<b>-5.3</b>	<b>-4,841</b>	<b>-5%</b>	<b>-0.2</b>	<b>-798</b>	<b>0</b>	<b>-0.2</b>	<b>0.4</b>	<b>-5.4</b>



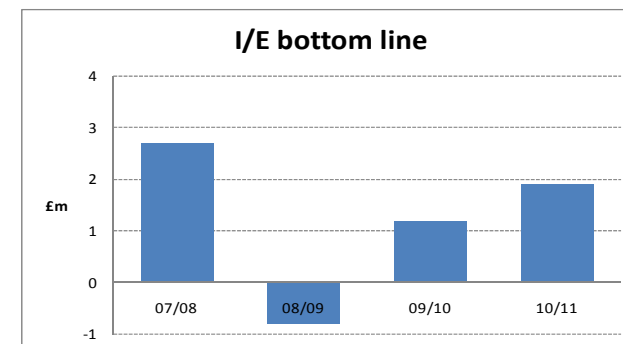
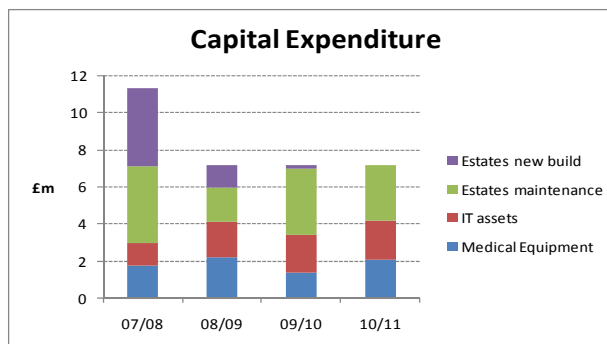
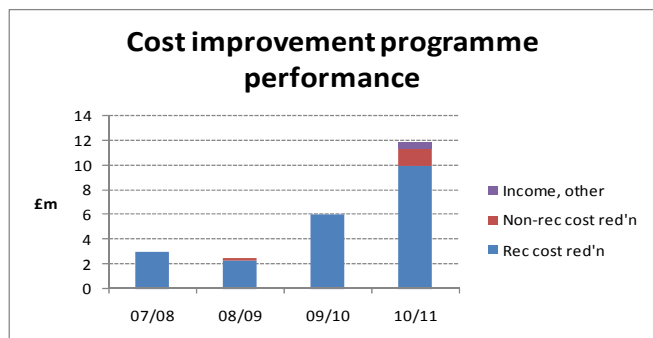
- Commentary on historic position
- Commentary on 5 year plan

# 6 Finance - Historic and Current Performance

## Structure of chapter



## Summary of Performance



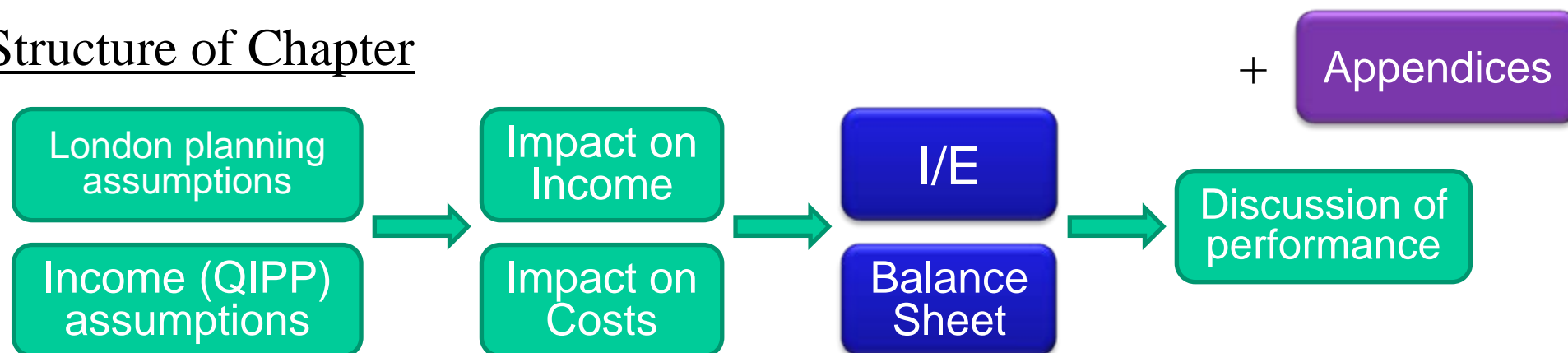
Have maintained a Financial Risk Rating of 3 (out of 5)

Reference Cost index consistently below 100

Have introduced SLR, are introducing PLC

Have maintained 08/09's good ALE score of 3 (out of 4)

## Structure of Chapter



## Income Assumptions

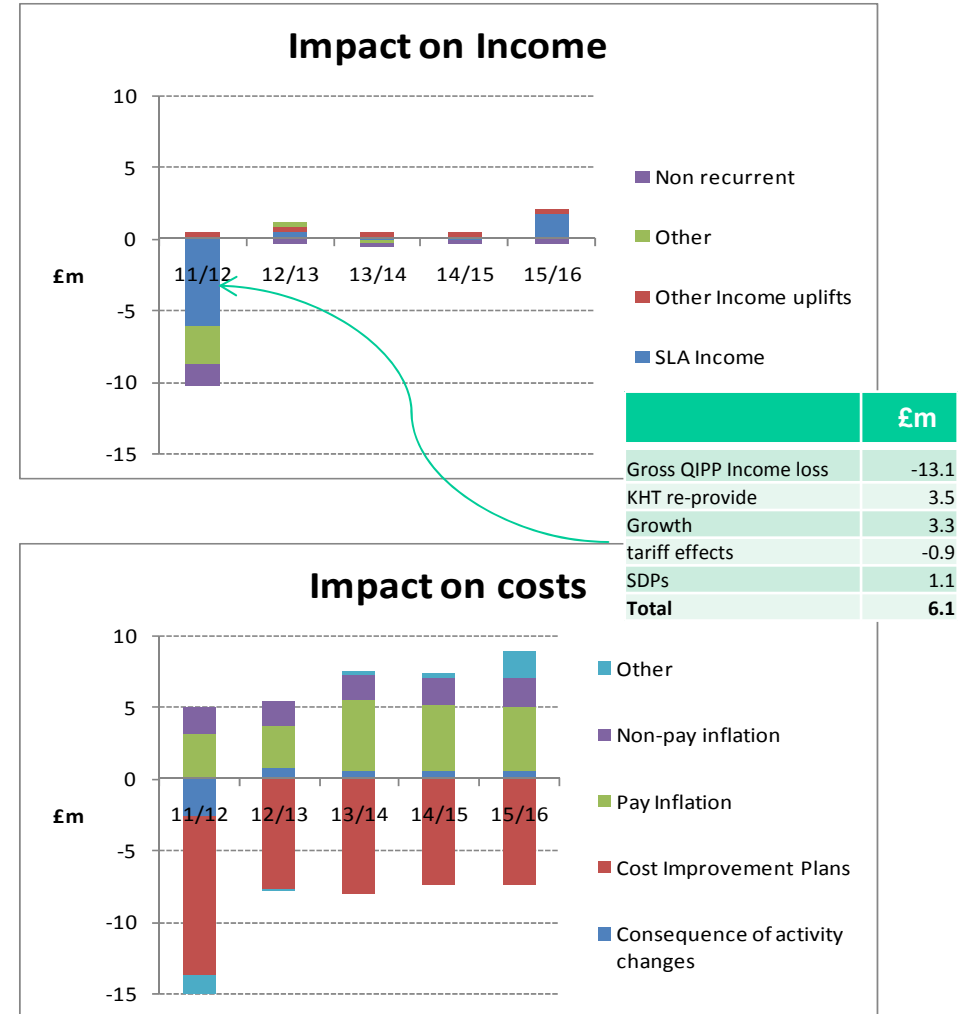
- SLA
  - QIPP totals provided by SWL Sector
  - all income loss is activity related
  - re-provide 25% of activity lost from the KHT site
  - growth of c2% (provided by SWL sector)
  - 10/11 outturn income is the starting point
- Tariff reductions of 1.5% (yr1) and 1% (each of yr 2-5)
- Education reduction of 5% for each of yr 1-3

## Expenditure Assumptions

- Pay Inflation
- Allowance for non-pay inflation
- Productivity savings
  - 5% clinical (yr on yr for 5 years)
  - 6% non-clinical (yr on yr for 5 years)
  - Over five years - £41.6m in cash terms
  - £2.7m of savings b/f from yr2-5 to yr 1
- Have assumed a marginal cost rate of 50% for any activity changes

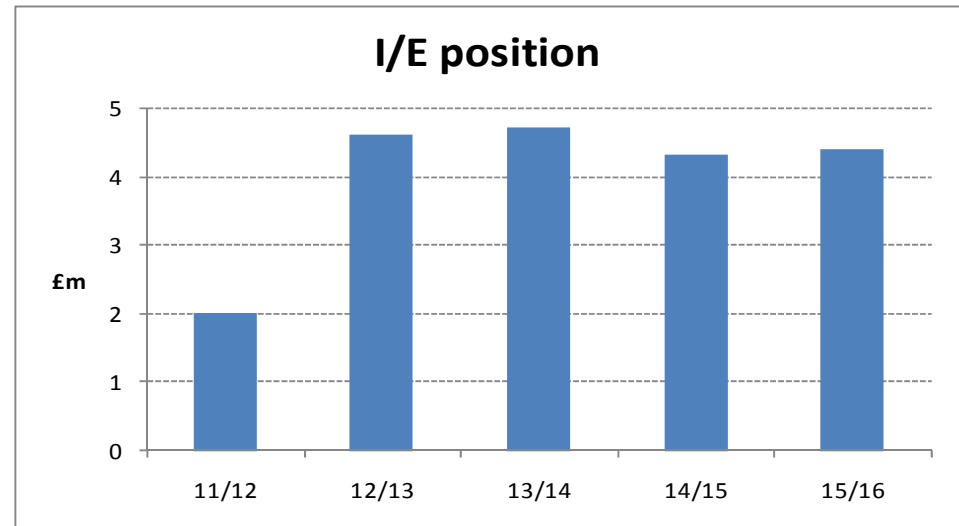
# 6 Finance – Five year Plan – Impact of assumptions

- Largest component of Income change relates to SLA
- PCT QIPP plans are emergent, but show a very significant income loss in yr1 and much smaller in yr2
- Impact of SDPs is slight (full impact of maternity business case excluded)
- Cost reduction higher in yr 1 due to re-profiling of savings plans



# 6 Finance - Five year Plan – Commentary

- We are maintaining a high level of CIP even though the level of income reduction reduces
- This generates an increased surplus in yr2-5
- This achieves an FRR for yr1 of 3 and 4 for yrs 2-5
- Capex kept at a level similar to depreciation
- A consequence of surplus is improved liquidity position. Net Current Assets become +ve in 12/13



- Identification of key risks
- Key risks by strategic objective
- Downside sensitivities
- Financial impact of risks

- Sources of key risks:
  - Our 2011/12 corporate objectives and full five year strategic objectives.
  - Corporate and local risk registers.
  - Internal and external audit reports.
  - The issues identified in the PEST (chapter 4), and SWOT (chapter 5).

- Financial and productivity plans not delivered - particularly if demand for services exceeds plan and is unaffordable
- Fluidity of strategic and market environment – e.g. work moved out too quickly and Trust not successful in competing for re-provision, loss of elective activity to other Trusts as provider landscape changes
- Unable to effect the level of cultural change required to achieve the vision



# 7 Risk - Downside Case

Risk	Fully mitigated ?
Growth in activity higher than PCTs can afford	Y
Growth in activity does not take place	Y
Further commissioner KPIs (income reductions)	n/a
Repatriation of activity to KHT does not take place	Y
Loss of peripheral activity to other Trusts	Y
SGH alliance not successful in re-directing simple elective / daycase activity to KHT	Y
Loss of Inpatient paediatrics	Y
Impact on elective activity if St Helier becomes an elective centre	Y
Redundancy costs	Y
CIP targets not achieved by 20%	Y

=> Impact on FRR – still leaves a score of 3 for all years

- Organisation development strategy
- Workforce KPIs
- Future workforce

# 8 Leadership and Workforce - Organisation Development

Culture we want to achieve	Supporting Strategies	Levers	Projects / Activities	KPI's Measuring if we have been successful
Staff owned Patient centred Safety first - always	Workforce Patient Experience Patient Safety 24/7 Hospital Equality & Diversity IT Strategy	<b>1. Recruitment, reward &amp; recognition</b>	Improving recruitment to include attitude, values and behaviours Reviewing rewards and incentives for individuals and team	Reduced turnover Staff satisfaction (as measured in the Staff Survey) Exit interviews are positive PDRs completed Patient satisfaction (as measured in the Patient Survey) Safety data is improved Reduced mortality Reduced unit labour cost Outcomes measures improving Values embedded
		<b>2. Measurement</b>	Further development and use of KPI's Individual objectives each year Safety and outcome measures developed and improved Local scorecards on performance	
		<b>3. Staff and patient engagement mechanisms</b>	Establishing improved staff feedback mechanisms Developing patient feedback (via PET etc) Patient stories Membership development (staff and public) Partnership working approach with staff and TUs Internal communication strengthened Patient, user and staff participation in policy and service development	
		<b>4. Training and Development</b>	Customer care / frontline skills development e-Learning Management and leadership training	
		<b>5. Management Policies &amp; Practice</b>	e-Rostering Employee 'self service' Reviewing performance data on patient experience and engagement Publishing quality and outcomes data	
		<b>6. Management and Organisational Structure</b>	Leadership development Performance management Develop Trust structure Re-organise corporate support structure	

## Good

- Sickness
- Mandatory training
- Appraisals/PDRs
- Objective setting

## Room for improvement

- Turnover – target 8%
- Agency – target is to eliminate in favour of Bank
- Activity/employee
- Income/employee
- Engagement (basket of staff survey measures)

# 8 Leadership and Workforce - Future Workforce

	Estimated WTE Changes from Productivity Plans					
	2011/12	2012/13	2013/14	2014/15	2015/16	Total
Consultants	-7.9	-3.4	-2.0	-3.8	-5.9	-22.9
Junior medical	-3.6	-6.4	-0.5	-0.5	-6.8	-17.9
Nursing, midwifery & health visitors	-58.2	-14.8	-21.1	-67.3	-53.4	- 214.9
Dental	-0.2	0.0	-0.4	0.0	0.0	-0.6
Scientific, therapeutic, & technical	-14.8	-6.4	-8.1	-11.6	-14.9	-55.7
Other clinical staff (HCAs)	-16.1	-3.9	0.0	-14.2	0.0	-34.2
Non clinical staff	-28.1	-28.0	-35.5	-23.2	-25.7	140.6
<b>Total</b>	<b>-128.9</b>	<b>-62.9</b>	<b>-67.6</b>	<b>-120.6</b>	<b>-106.8</b>	<b>- 486.8</b>

- Membership
- Council of Governors
- The Board
- Current Governance Structure
- Risk Management
- Performance Management
- Quality Governance
- Supported by Appendices - Constitution (to follow), Membership Strategy & Governance Rationale

- Proposed structure of Council of Governors (30 members):
  - 16 elected public governors
  - 4 elected staff governors
  - 10 appointed partnership governors (4 PCT, 4 Local Authority, 1 Kingston University, 1 Kingston Voluntary Action)

\* Aged 16 and over

# 9 Governance - Council of Governors

Public Governors	Staff Governors	Partner Governors
Royal Borough of Kingston (7)	Medical and dental practitioners (1)	PCT (4)
London Borough of Richmond on Thames (4)	Nurses and midwives (1)	Local Authority (4)
Surrey (2)	Allied health professionals and clinical support staff (1)	Kingston University (1)
London Borough of Wandsworth (1)	Management administrative and support staff (1)	Kingston Voluntary Action(1)
London Boroughs of Merton and Sutton (1)		
Rest of Greater London (1)		



- Registration/compliance conditions
- Quality governance review and action plan
- Strategy
- Capabilities and culture
- Structure and processes
- Measurement