



Forward Plan Strategy Document for 2012-13
King's College Hospital NHS Foundation Trust

Forward Plan for y/e 31 March 2013 (and 2014, 2015)

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

Name

Jacob West

Job Title

Director of Strategy

e-mail address

jacob.west@nhs.net

Tel. no. for
contact

020 3299 3521

Date

31 May 2012

The attached Forward Plan Strategy Document (the "Forward Plan") and appendices are intended to reflect the Trust's main business plan over the subsequent three years. Information included herein should accurately reflect the strategic and operational plans that have been agreed on by the Trust Board.

In signing below, the Trust is confirming that:

- The Forward Plan and appendices are an accurate reflection of the current shared vision and strategy of the Trust Board having had regard to the views of the board of governors;
- The Forward Plan and appendices have been subject to at least the same level of Trust Board scrutiny as any of the Trust's other internal business and strategy plans;
- The Forward Plan and appendices are consistent with the Trust's internal business plans;
- All plans discussed and any numbers quoted in the Forward Plan and appendices directly relate to the Trust's financial template submission.

Approved on behalf of the Board of Directors by:

| | |
|-----------------|-------------|
| Name (Chair) | Graham Meek |
|-----------------|-------------|

Signature



Approved on behalf of the Board of Directors by:

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|---------------------------|---------------|
| Name (Chief Executive) | Timothy Smart |
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Signature



Approved on behalf of the Board of Directors by:

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| Name (Finance Director) | Simon Taylor |
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Signature



Section 1: Forward Plan

A. The Trust's vision is summarised as:

King's Vision

Everything King's does is focused on patient need. Our patients will experience the highest quality of care in our local services and our global specialties. With King's Health Partners (KHP) and other local healthcare providers, we will lead an integrated and well-managed healthcare system, which meets the diverse needs of the many local communities we serve.

Kings Values guide all that we do and reflect how we wish to be seen by patients, service users, staff, commissioners and other key stakeholders:

- Understanding you
- Inspiring confidence in our care
- Working together
- Always aiming higher
- Making a difference in our community

With major structural changes in the NHS, and significant pressure on public finances, King's needs a robust strategy to deliver high quality care to its patients, now and in the future. The Trust's clinical, quality and financial vision is articulated through our 3 key strategic goals and 10 supporting objectives:

1. **Quality improvement** – safe, kind and effective care focusing on:

- Patient safety
- Clinical effectiveness
- Patient experience

2. **Financial sustainability and efficiency** - a more efficient and consistent hospital delivered through:

- Cost Improvement Plans (CIPs) and income diversification
- Transformation and improved productivity

3. **Leading change across the system** – working as King's Health Partners (KHP) and with others to improve services for our local community and beyond by:

- Developing local integrated services
- Developing regional and national specialist networks
- Strengthening research and education across King's and KHP
- Improving population health
- Supporting the integration of KHP

Supporting Service Developments and the evolution of King's Health Partners

The Trust must progress a number of vital developments during 2012/13 and beyond to enable it to make a major contribution to the achievement of King's Health Partners' strategic objectives, and to enable changes in clinical services which result both in improved patient experience and more effective and productive use of Trust resources. These service developments are primarily driven by Clinical Academic Groups (CAGs) which act as the primary vehicles through which clinical care, research, education and training are integrated across King's Health Partners

To enable these and other developments, the King's Health Partners Board has made a recommendation to the individual NHS Partner Boards and the Chairman's Committee of King's College London Council to explore the creation of a single academic healthcare organisation.

This would involve bringing together all three NHS Foundation Trusts and more closely integrating with King's College London at all levels of management and governance, strengthening the academic ethos of the partnership. A Strategic Outline Case is currently being developed to assess the benefits, costs and risks that such a collaboration will bring.

The King's Health Partners Board will review the Strategic Outline Case in the summer and make a recommendation to each Board of Directors and the College Council about whether to progress to a full business case. The Foundation Trust Boards of Directors will also review the Strategic Outline Case with their Governors.

If all the organisations agree to the case for creating a new organisation, we would move to the next stage, drawing up a full business case. Creation of a new organisation would only proceed if the more detailed examination shows significant benefits for the populations which we serve, and subject to regulatory approvals.

The Trust will contribute resources to the development of the Strategic Outline Case and actively seek the views of key stakeholders and partners, internally and externally, as part of the process. In addition, the Trust will continue to support the programme of activities that will help King's Health Partners achieve its strategic objectives. These include:

- Developing the Integrated Care Pilot
- Clinical, research and development and education strategies
- Physical and mental health integration
- Development of an Academic Health Science Network, in collaboration with St George's Hospital and University

B. The Trust's strategic position is summarised as:

King's College Hospital NHS Foundation Trust is one of London's leading teaching hospitals, with a reputation for providing clinically excellent, efficient and innovative local healthcare in the boroughs of Lambeth and Southwark. We are also recognised nationally and internationally for the excellence of our clinical services and research in a range of specialties, including liver disease and transplantation, neurosciences, cardiac services, haemato-oncology and fetal medicine, where we care for patients from a much wider geographical area. King's plays a key role in the training and education of medical, nursing and dental students, as well as other health professionals.

We are founder members of **King's Health Partners (KHP)** Academic Health Sciences Centre (AHSC), one of five accredited AHSCs in the UK, bringing together significant clinical and academic expertise. KHP seeks to drive the integration of research and education with clinical care, for the benefits of patients. Its mission also encompasses a focus on all aspects of patient care (physical and mental health and wellbeing), and on working with stakeholders to radically redesign patient pathways and improve public health, with more care delivered out of hospital. A Strategic Outline Case is currently being developed to explore the future organisational integration of the founding partners of KHP to deliver maximum benefit.

Local Health Economy and Trusts Position

King's and the other KHP partners are relatively strong clinically, academically and financially. However, the South East London health economy is unstable, with some local Trusts unlikely to achieve Foundation Trust status and there is a transition risk as commissioning shifts over the next two years. There is also a risk that in this environment, private providers may enter the market, increasing competition for Trust services.

King's and the other KHP partners are building good relationships with commissioners and local GPs to ensure mutually agreed service models and portfolios and to potentially mitigate any competitive threats. The integration of community services into KHP and the Integrated Care Pilot provide significant opportunities to further these aims.

Two themes have emerged from the current contract negotiations with local commissioners:

- The high priority and value being placed on CQUINs and QIPP - approximately £10m and £5m (South East London PCT target) respectively
- The anticipated shift of some services from local to specialist commissioning which will result in block contracts and marginal rates for over performance.

The Trusts Forward plan

1. Quality Improvement

In 2011/12 King's delivered a strong performance. All our access targets were met, there were significant improvements to patient safety and positive responses from regulators. This success was achieved through a number of initiatives, and included an increased investment in our nursing establishment.

However, capacity constraints have challenged us. The high level of emergency demand has impacted on our productivity and efficiency. Our elective surgery waiting list has grown and the waits for tertiary transfers have also risen. We could do more to deliver care consistently. And whilst we have made good progress on MRSA, VTE and other areas of patient safety, C.Difficile continues to be problematic.

We have identified the following priorities for the period ahead to meet these challenges:

i. To deliver further improvements in **patient safety** by:

- Improving systems and processes for the early identification and escalation of acutely ill patients
- Taking a zero tolerance approach to harm acquired in the hospital (falls, pressure ulcers, avoidable catheterisations) and to infection control (MRSA, C.Difficile)
- Continuing to focus on VTE screening and 'appropriate thromboprophylaxis' treatment
- Rolling out further the Safety Express programme (a national programme focusing on avoidable harm) in specific wards linked to locally agreed CQUIN targets

ii. To drive up **clinical effectiveness** in all services, with a continued specific focus on:

- Diabetes – increasing staff capabilities and driving a cultural shift towards proactive interventional care, using technology (EPMA e-insulin sheet) and developing better disease management tools
- End of Life Care – training and education of key staff groups and quality sampling of AMBER care bundles to ensure patients live as well as possible until they die, and to die with dignity

- Dementia – improving care for patients with dementia through timely referral for specialist diagnosis and increased training for clinical staff
- Cancer – improve the recording of ‘staging data’ for cancers - the status of patients cancers - to ensure the timely delivery of appropriate treatment

iii.To ensure **patient experience** is consistently high including:

- Improving our responsiveness to inpatients’ personal needs (linked to locally agreed CQUIN target)
- Rolling out the outpatient ‘How Are We Doing’ (HRWD) survey and action plans for the transformation of outpatient services.
- Continuing to focus on cleanliness and the quality of food

As part of King’s Health Partners, we will ensure academic expertise translates into better patient care, which will include a more robust approach to evidence based care and rigorous evaluation.

2.Financial Sustainability & Efficiency

Despite a challenging year the Trust performed well, delivering approximately 90% of the CIP target as well as significant productivity improvements – our activity levels increased and our length of stay reduced during the course of the year.

It is anticipated that the future financial climate will continue to be challenging. NHS funding is expected to be ‘flat real’ for the next 3 years at least, and the operating framework will mean we are paid less for many of our services, even though costs are rising. Our CQUINs target for 2012/13 now accounts for 2.5% of the Trust’s income (excluding specialist services) with a value of approximately £10m and our South East London PCT QIPP target is £5m.

Inpatient capacity (including critical care) continues to be challenging, with the potential to create financial pressures (for example, by constraining elective care), and causing difficulties in ensuring consistent high quality care and patient experience, with the potential to impact on Emergency Department performance and other targets. Plans to manage this include schemes to address capacity constraints, to support key service developments, and to improve patient experience. However, these schemes are placing substantial demands on the Trust’s capital programme.

To secure the Trust’s financial position going forward, the following priorities have been proposed for each of the relevant objectives:

i.Develop **cost improvement and income diversification** schemes

- Maintenance of existing cost controls (e.g. reducing agency staffing)
- The design and delivery of focused Cost Improvement Programmes (CIP)
- The identification of new income streams including increased private patient work, taking advantage of the relaxation of the Private Patient Income cap.

ii.Implement hospital based **transformational and productivity** projects to deliver ‘step change’ efficiencies,

- Continue the programme of Integrated Service Reviews (initially in acute medicine, paediatrics and dermatology) to explore opportunities for productivity gains across full care pathways
- An ongoing programme to transform outpatient care
- A continuation of the programme of medical and nursing productivity
- Plan patient flow and capacity to significantly improve the use of existing hospital estate and undertake modest expansion where appropriate e.g. to meet anticipated emergency demand

- Create a paperless hospital to improve quality and efficiency (including the development of electronic patient records, e-prescribing, check-in kiosks in outpatients etc)

In addition we will seek to make savings and efficiencies through collaborative working across KHP and the sector.

These measures will enable continued investment in our capital priorities which include Critical Care, Maternity and the Emergency Department.

3. Leading change across the system

The Trust Board is now stronger and relationships with Governors effective. KHP is also moving forward on governance with the Strategic Outline Case for integration in preparation. Potential collaborations with South London Healthcare Trust and University Hospitals Lewisham are being explored and we are actively engaged in the evolving London Cancer Alliance and the South London Paediatric Tertiary Services network.

As the commissioner and provider landscapes change, we believe we have a significant role to play, in partnership with others, to help reconfigure services that improve quality and reduce costs.

The Trust's plan, aligning with KHP objectives is to focus on the following 5 objectives:

i. We will continue to develop local integrated services

- Implement the Integrated Care pilot for frail older people, in partnership with KHP, primary care and social care providers
- Improve the emergency care pathway

ii. Developing regional and national specialist networks is critical for the coherent development of our tertiary services and we will:

- Continue to actively engage and inform the London Cancer Alliance
- Proactively respond, with KHP and other key NHS providers, to all relevant external services reviews
- Work with commissioners and other providers to explore options for improving the quality and efficiency of services across South East London

iii. To deliver all elements of the tripartite mission we will strengthen research and education across KCH and KHP

- With KHP partners improve educational facilities and research infrastructure
- With KHP and other partners continue active engagement in the establishment of the South London Local Education & Training Board.

iv. To improve the health of our local population and address the inequalities we will:

- Support the development of a KHP Alcohol Strategy, working with the Addictions Clinical Academic Group
- Build on current initiatives to further the integration of mental and physical health

v. Support KHP integration to secure the full potential of the partnership

- We are exploring whether closer organisational integration between the four KHP partners will help accelerate the delivery of the KHP mission.
- To this end, we will produce a Strategic Outline Case by July 2012.

C.The Trust's Clinical and Quality strategy over the next three years

The Trusts Clinical and Quality Strategy is set out within the overarching goals described above and is articulated through 5 of the key objectives:

- To deliver further improvements in **patients safety**
- To drive up **clinical effectiveness** in all services, with a continued specific focus on diabetes and end of life care
- To ensure **patient experience** is consistently high
- To continue to **develop local integrated services**
- To further **develop regional and national specialist networks**

Tailoring the services we deliver to the needs of our local community is very important to us. This is reflected in our continuing focus on two quality priorities. We need to invest further in Diabetes care, not least because 20% of our in-patients are diabetic. Our population is also getting older, which increases the number of acutely unwell, confused and vulnerable patients we are seeing and we need to reduce the number of falls, pressure sores, incidence of poor catheterisation and other issues common to this group of patients. We also maintain a focus on improving end-of-life care, including helping patients whose wish is not to be in hospital at this most critical time. We will also continue to improve inpatient experience, making our services as responsive to individual needs as possible.

Alongside these continuing priorities is a new focus on identifying and escalating acutely ill patients, minimising harm in hospital and improving the experience of our outpatients. We are particularly aware of the need to sustain and extend improvements in infection control, where C. Diff has been more resilient than we would have liked and more challenging to deal with than MRSA. The introduction of improved training and investigation processes, and greater staff ownership and accountability will help ensure further improvements. Similarly, our Safety Express programme and Patient Safety Committee will continue to sustain and drive improvements in avoidable harm from venous thromboembolism (VTE) and in medication safety.

We also need to ensure improvements are rolled out appropriately across the hospital. We have learned through the Ward 2020 programme on five wards this year how we can improve the quality of care. Now we need to reproduce those improvements across the hospital.

The development of local integrated services is key to our efforts to meet the needs of our local community. We will start by implementing an integrated patient pathway across primary, secondary and social care services for older people's care to improve patient outcomes and experience. We will then turn our attention to developing similar models of integrated care for people with long term conditions.

Developing regional and national specialist networks is critical for the development of our tertiary services and we will continue to work with national and local providers and commissioners to make this happen. Services that operate on a larger scale are proven to drive up quality and outcomes. The integration of all KHP Bone Marrow Transplant (BMT) services onto one site at King's to create the largest BMT centre in Europe is an example of this, and our intention is to develop clinical networks in a number of areas to achieve similar results.

D.Clinical and Quality priorities and milestones over the next three years are:

| Key Priorities | How this underpins Strategy | Key Milestones 2012/13 | Key Milestones 2014/15 | Key Milestones 2015/16 |
|---|--|---|---|--|
| Patient Safety | | | | |
| Improve the identification and escalation of acutely ill patients | Ensures that patients are safe at all times and supports on-going improvements to the quality of care at our hospital. | Establish and train staff to use track and trigger system to identify deteriorating patients on wards. Secure resource for electronic vital signs system and complete the expansion of the Hospital at Night team. | Ensure Trust wide roll out of escalation systems (i.e. electronic vital signs), associated protocols and front line staff training. | To have an established and consistent performance framework for identification and escalation of acutely ill patients. |
| Minimise harm acquired in the hospital | | Delivery of action plans for meeting MRSA and C-diff infection targets. Maintain over 90% compliance with VTE assessment and ensure and reduce injurious falls and pressure sores, as well as reduce catheterisation as set out in our locally agreed CQUIN target | Meet ARMs III training standards for VTE. | To further reduce infection rates ensuring all national targets are met. |
| Key Priorities | How this underpins Strategy | Key Milestones 2012/13 | Key Milestones 2014/15 | Key Milestones 2015/16 |
| Clinical Effectiveness | | | | |
| Improve Dementia care | Ensures appropriate outcomes in areas of care that affect a large number | To achieve the Local and National Dementia CQUINs to improve timeliness of referral for specialist diagnosis and increase training for front line/clinical staff. | Have an established dementia outreach team (KOPAL) to support patients over 75 across the hospital. | Have 95% of clinical staff trained in the care of patient with Dementia. Reduction in Length of stay for dementia patients. |

| | | | | |
|--|--|---|--|---|
| Improve end of life care | of our patients. | To achieve the locally agreed CQUIN targets focused on the coordination of care, staff training, and the use of the Liverpool Care Pathway and AMBER care bundles. | Complete the KHP study on the effectiveness of the AMBER Care bundle. Establish an Electronic Patient record for the Liverpool Care Pathway | Have established working relationships with primary and community care that effectively support patients and families following discharge from hospital. |
| Improve diabetes care | | Reduction in incidents relating to insulin causing harm and readmission rate for people admitted with diabetic ketoacidosis Identification and intervention for patients with severe hypoglycaemia who attend ED or are admitted into KCH. | Increase satisfaction with care for diabetic Inpatients (20% of inpatient population) | To further reduce readmission rates for people admitted with diabetic ketoacidosis. To have embedded practice around all aspects of NICE Quality Standard for diabetes inpatient care (Standards 11 – 13). |
| Improve Cancer Staging | | To achieve the locally agreed CQUIN for the systematic collection of staging data across the commonly diagnosed Cancers. | To build on best practice across KHP to routinely record of staging data for rare cancers. | Standardised practice of recoding cancer staging data is embedded across KHP. |
| Patient Experience | | | | |
| Improve our responsiveness to personal needs for Inpatients | Ensures that all patients have a positive experience of care when they visit our hospital. | Achieve National and Local CQUINs for the “responsiveness to personal needs” composite indicator. | Embed Ward 2020 practice and learning. Be in the top 10% of Acute hospitals in the National Inpatient Survey | Achieve <i>how are we doing</i> benchmarks. |
| Improve our responsiveness to personal needs for Outpatients | | Complete the Trust wide roll-out of the in-house outpatient survey and achieve local CQUIN targets. | Have sustained uptake of the outpatient survey across all areas. | Be in the top 10% of Acute hospitals in the National Outpatient Survey |
| Local Integrated care services | | | | |
| Implement integrated care pilot for frail older people | Ensures that services meet the needs of the local population | Phase 1 implementation | Develop model of care for patients with long term conditions (LTC) | Implement LTC model of care |
| Improve the emergency care pathway | | Urgent care model & admission avoidance initiatives implemented. Pathway for admitted patients refined. | Work with key external stakeholders to secure full benefits of admission avoidance initiatives | Review progress and develop further initiatives as appropriate. |

| Develop regional and national specialist networks | | | | |
|--|--|---|--|--|
| Development of the London Cancer Alliance | Ensures the coherent development of the trust | Networks cease and Governance model for LCA agreed. | Formal structures agreed and in place | Phased implementation of agreed best practice pathways across the LCA |
| Development of a paediatric tertiary services network | tertiary services building on areas of clinical strength | Secure paediatric neurosurgery centre status and continued engagement in the development of the network | Paediatric major trauma centre status secured. | Alignment of paediatric tertiary services across South London agreed with stakeholders |

E.The Trust’s financial strategy and goals over the next three years:

1.Summary

The Trust’s fundamental objective is to maintain financial stability in a difficult economic climate over the next three years, while delivering positive outcomes to patients. Minimal but realistic operating surplus targets of £4m have been set for each year (excluding asset impairments). This is in line with recurrent efficiency projections ranging from 4% to 5.5% per annum over the next three years. The Trust has a demanding capital investment programme (new build) and short term capacity plans (modular build) to implement; all of which have positive revenue consequences and are incorporated into the financial plan. The Trust’s operating revenue will potentially increase from £653m to £729m within the three year plan.

The Trust needs to expand capacity to create additional beds and theatres in order:

1. to meet the increased demand in emergency activity,
- 2.to reduce waiting times and deliver all access targets,
3. to accommodate strategic changes in specialist tertiary activity,
4. to increase private patient capacity.

The modular build is a short term revenue operating lease cost and has a shorter lead time, ensuring facilities are commissioned in time to meet the critical capacity demands of the Trust. Converting non-clinical space is not viable due to decanting constraints and other clinical reconfigurations such as the Golden Jubilee Wing offer insufficient space.

This is in conjunction with current operational plans to reduce demand management, increase off-site care provision, improve in-hospital productivity and drive further quality improvements.

2.Capacity plans

Over the course of this plan the Trust needs to address two key capacity constraints:

- Expansion of Critical Care facilities is vital to the Trust in order to meet the demand for Critical Care Services and consolidate its position as one of the leading Trauma and Stroke centres in London. The planned expansion of these facilities is a core component of the Trust’s capital plan, requiring investment of approx. £60m over 3 years.
- The establishment of new, temporary ward and theatre facilities to create sufficient capacity to meet the increase in emergency activity, reduce waiting times (both elective and urgent tertiary

transfers), deliver all access targets and accommodate strategic changes in activity. The plan is to install two modular built ward and theatre blocks in two areas in the hospital, replacing current temporary buildings. These two developments provide a net increase of 68 general NHS beds and 8 level two critical care beds, an additional theatre, catheter lab and hybrid theatre. Current plans are to have the additional theatre capacity operational by October 2012 and some bed capacity online by December 2012, with the remaining to be commissioned by the end of February 2013

3. Quality and Productivity

The financial strategy focuses on the patient quality and productivity challenges stipulated in the Operating Framework. The financial plan incorporates a balance of investment in key services and productivity measures across the organisation as a whole to achieve the compliance framework targets. This involves investment in infrastructure and nursing staff to meet national Access targets, local PCT QIPPs and CQUIN/NICE quality targets. The CQUIN value in the 2012/13 Commissioners' contracts is beyond £10m. Managing the increasing Emergency and Critical Care activity demand is crucial to the Trust's financial and operational strategy. These services have to be managed without detrimental effect on the rest of the hospital, in the delivery of services within the allocated theatre, bed and diagnostic resource.

4. Operating Revenue

The Trust's income plan is built upon last year's activity outturn less the projected PbR tariff deflator and PCT QIPP savings. The impact of PCT demand management (SEL PCTs) and the repatriation of patients to local hospitals (KENT PCTs) are built into the financial plan. However, no evidence has been provided for these plans and the Trust over-performance has increased year on year by £20m. Therefore the capacity and planning modelling has to be flexible to meet the likely demand beyond contract values. The Trust has signed up to guaranteed savings in respect to Outpatient follow ups, excess bed day targets and drug prescribing initiatives (off tariff drug substitutes) to support local Commissioners at a value of £3.9m.

The Trust has also committed investment of £1m into PCT joint plans to primarily reduce emergency re-admissions within 30 days, but also emergency admissions and attendances. PCT Commissioners have fulfilled the transitional move to Critical Care Benchmark Tariffs (£2.2m) in 2012/13. Both these key investments link with the Trust's key operational and financial strategies.

Income growth is based on demand and capacity planning to meet RTT targets, and specific service developments to meet tertiary activity demand. Based on the current waiting time performance, the following specialties require additional investment and greater productivity: general surgery, orthopaedics, neurosurgery, urology, ophthalmology and gynaecology. Not achieving these targets could be a material financial risk based on the NHS Operating Framework and NHS National Contract penalties.

Income diversification is a key strategic opportunity, and we are developing our Private Patient and Commercial services.

5. Operating expenses

In order to achieve last year's activity outturn, the medical and nursing establishment was reviewed to meet the increasing patient demand and acuity, but at a lower cost base. Recruitment and the re-examination of the role of Clinical Nurse Specialists are key factors planned to reduce expensive agency and locum staff. Other material cost pressures recognised in the financial plan are staff Agenda for Change incremental costs (£5.5m per annum) and inflationary price increases for PFI soft facilities, utility services, patient transport and Clinical Negligence Scheme for Trusts contributions.

6.Capital

The capital plan requires investment of £31.5m in 2012/13, £40.6m in 2013/14 and £29.3m in 2014/15

The key capital development is the Critical Care Service expansion to support the Hyper Acute Stroke Centre and Major Trauma Unit. The Maternity and Emergency Department capital developments will be completed in 2012/13 to improve the quality of services. The Clinical Research Facility will also be operational in 2012/13 to generate additional academic and patient related Research and Development. Other major projects will ensure the Trust provides a clean and safe environment for patients, staff and visitors as well as meeting obligations regarding mixed sex accommodation, patient dignity and infection control.

7.Short term focus

7.1 Cost Improvement Programme

The Trust has set a Cost Improvement Programme target of approximately £40m year on year which combines cash releasing savings and additional income generation schemes.

The Cost Improvement Programme (CIP) covers a wide range of areas to achieve the targets, including:

- 1.Integrated service reviews across specific Clinical Divisions
- 2.Workforce productivity reviews focusing on medical , nursing and administration staff and reducing staff sickness
- 3.Trust wide financial controls including procurement and energy initiatives
- 4.Divisional and Corporate specific tactical cost saving measures
- 5.Income growth and diversification

These CIP themes are supported by an internal Programme Management Office (PMO) combining with the Trust's Transformation Programme and by external support from Ernst & Young.

A key factor of the productivity gains will be managing Emergency admissions in order to ring-fence elective theatre and bed capacity. Additional temporary modular wards and theatres are planned for October to support this strategy in the winter months. Protecting the tertiary activity flows is a key element of the demand and capacity model and financial income plan. The additional capacity will provide the scope to improve the Trust's overall financial margin and meet the excess demand by operating the plant more efficiently. The Acute Medicine integrated service review will also be important in reducing the number of medical patient outliers.

The Trust will maintain a focus on financial expenditure controls such as reducing expensive agency and locum spend by permanently recruiting to new posts. This will improve the quality of care and meet the rising acuity demands of the hospital case-mix. The workforce productivity CIP will determine the appropriate establishment levels and opportunities to maximise patient facing time.

The Project Diamond Group will also be continuing its work with the Department of Health to ensure tertiary tariffs are reviewed and the MFF on Research & Development funding streams is made recurrent.

7.2 Liquidity

The Trust recovered £27m from a total of £29m billed to PCTs for contract over-performance, access initiative funding and other clinical services outside the contract. This increased the cash balance by £5m

at the end of the last financial year. The Trust will be closely monitoring any PCT non-payment in year for contract over-performance. In order to reduce the risk of any liquidity issues, the Trust has agreed phased contract payments by PCTs who have proposed demand management schemes without robust plans.

8. Medium term focus

The main NHS additional income stream will be the Critical Care service expansion in 2014/15.

Income diversification is the other key strand to this element of financial strategy, along with the reconfiguration of services with KHP and South London Healthcare Trust

8.1 Commercial Activities

Kings first adopted a commercial strategy following licensing as a Foundation Trust in 2007 when a holding company, KCH Commercial Services was established, together with the first subsidiary company, Agnensis Limited. The original scope was limited to leveraging the benefit from the investment in Patient Level costing. Since 2007 there have been a number of changes including the establishment of a new Commercial Services team. The current commercial strategy is framed around a number of discrete sectors where there is considered to be commercial opportunity:

- Information systems
- Private patients
- Outsource services
- Overseas opportunities
- Other IP development and commercial trials

It is intended that over the period of this plan KCH Commercial Services will seek to maximise opportunities within these sectors. The surplus generated from additional commercial activity will be re-invested in NHS services.

8.2 Reconfiguration of services

The Trust will continue to work with Commissioners and others to improve GP and Community services, to ensure patient services are provided in the most appropriate setting to secure the best clinical outcome. The Trust will mitigate any financial impact of activity moving from the hospital to the community by using released capacity to develop and extend specialist hospital services.

F. The Trust's approach to ensuring effective leadership and adequate management processes and structures over the next three years is:

During 2011/12, there have been significant changes to the composition of the Board. Four long serving Non Executive Directors (NEDs) reached the end of their terms of office. As a result the Trust undertook a review of the skills and experience required, taking into account the Trust's strategic plans going forward and changes in the external environment. The Trust has now appointed to these vacancies strengthening the quality, strategic, commercial and financial expertise of the Board.

In June 2011 a process of externally facilitated Board evaluation was undertaken. A further process of Board development and evaluation will take place during Autumn 2012 when the new NEDs have integrated into the Board.

As one of the four partners of King's Health Partners Academic Health Science Centre, the Trust is engaged in the development of a Strategic Outline Case to consider options for closer integration between the partner organisations. This includes the possibility of a full merger between the three Foundation Trusts - King's College Hospital, Guy's & St Thomas and South London and Maudsley NHS Foundation Trusts. If agreed, this would involve the development of a Full Business Case (FBC). Should an FBC be agreed, this would lead to the creation of a new integrated organisation and supporting infrastructure.

During 2011/12 the Trust consolidated a new Divisional organisational structure which has been subject ongoing refinement and review.

The Board has considered the skill mix that it requires and takes that into account in the recruitment of new directors. The Trust will continue to provide leadership development and additional development opportunities as may be required in the future, as the King's Health Partners work closer together to ensure the effectiveness of the new organisational model. King's current leadership emphasis is on Front Line leaders, as their effectiveness impacts on the delivery of services to our patients. Over the next 3 years we will develop leadership skills in aspiring front line leaders as well as meeting the needs of aspiring directors. We will ensure that the Strategic Outline Case for the potential merged organisation fully considers the organisational development and personal development needs of managers and leaders in the new organisation. We are also exploring the linkage between appraisals and talent management.

G.The Trust's other strategic and operational plans over the next three years:

Workforce

The forward plan sets out a number of initiatives of significance to our staff and their future ways of working, including changes in service delivery, productivity and the commitment by the King's Health Partners Board to develop and evolve as an academic healthcare organisation.

Keeping staff informed through early engagement and communication is fundamental to their commitment and active participation in these developments. The Trust maintains regular two-way channels of dialogue with staff and monitors their effectiveness via external assessment and challenge, such as the Investors in People Gold Standard. Time is set aside with employee and trade union representatives specifically on Staff Engagement, Joint Consultation and Equality issues. In 2012-13 we aim to improve or sustain our top 20% scores in the NHS National Staff Survey for i) staff engagement and ii) communication between staff and senior management.. Pro-actively improving staff health and wellbeing continues to be a priority with further developments in supportive self-referral pathways.

Membership

A key element of the Trust's Engagement and Experience Strategy for 2012 – 2015 is to ensure that the Foundation Trust's membership fully reflects the diversity of the local community and that the Trust provides a range of opportunities for members to be involved. There is a commitment to maintain a membership of around 16,000 of which 8,000 to 10,000 will be patient and public members. There will be a continued focus on recruiting younger members through a range of targeted recruitment initiatives.

The Trust's membership continues to be broadly representative of the local population of Lambeth and Southwark, with the exception of age where the Trust is over represented in the 40+ age groups but is under represented in the 16-39 age groups.

H.The Trust has had regard to the views of Trust Governors by:

The Board of Governors has a quarterly Strategy Committee which reviews the Trust's forward plans and provides ongoing comment throughout the year. The Trust also holds annual engagement events for Foundation Trust members, where members and governors are invited to participate in roundtable discussions on key strategic issues, and offer views on the Trust's strategic priorities, in order to inform the Annual Plan. Both the Governors' Strategy Committee and Board of Governors were engaged in debate during January- February 2012 on the Annual Plan priorities and subsequently, during April and May, were invited to discuss and comment on the draft Annual Plan.

As representatives of the local community and patients, the Governors provided helpful feedback regarding certain areas of emphasis in the document. In particular, they suggested a stronger focus on the following areas:

- Planned capital and estates developments to meet capacity demands
- Workforce issues in particular recruitment and retention in the current challenging environment
- The development of integrated care and the implementation of Phase 1 of the Integrated Care Pilot for frail older people