

Item 5 Appendix 1

West Hertfordshire Hospitals NHS Trust

Strategic Direction:

The provision of high quality acute healthcare to a population of c500,000 people in line with local commissioner strategies. The Trust's vision is to provide the very best care for every patient, every day.

Key priorities and programmes:

- Achieving a surplus that will enable the Trust to finance all but major capital investments
- Work closely with the STP / CCG to deliver care more locally, reduce demand for expensive acute care, accelerate transfer of care from acute to more appropriate services, coordinate transformational and strategic service changes.
- Work closely with Watford Health Campus to support improved acute services by redeveloping Watford General Hospital and the land adjacent.
- Maximise the use of Hemel Hempstead Hospital to support strategies outlined in Your Care Your Future.
- Restructure the Trust's balance sheet, converting existing loans into non repayable equity or renegotiating the repayment terms to provide more flexibility for the cost of service provision.
- While longer term developments are planned we work on urgently improving the layout of the Emergency Department to improve the patient experience, clinical outcomes and waiting times.
- To improve general operational performance e.g. elective waiting.
- To participate in the Royal Free Hospitals Group model to reduce unwarranted variation in care and improve value for money.
- To improve value and care by minimising the use of temporary staff.
- Improve clinically led decision making by developing Patient Level Costing in conjunction with sophisticated benchmarking.

Key services provided: The Trust operates 3 sites

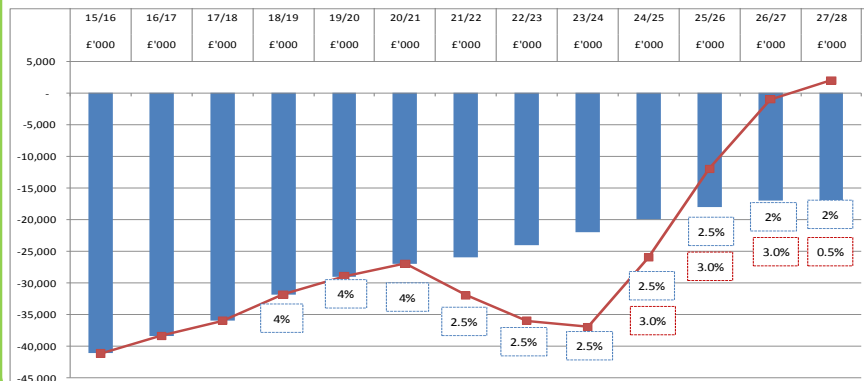
Watford	St Albans	Hemel Hempstead
<ul style="list-style-type: none"> • Women's and children's services (includes consultant/ midwife led delivery unit, antenatal and postnatal clinics, and neonatal critical care. • Emergency care, including A&E and an Acute Admissions Unit • Ambulatory care unit, acute wards, Intensive Care Unit (ICU) and emergency surgery. • Planned care, including outpatients and complex surgery. • Medical care, including cardiology, care of the elderly, dermatology, endocrinology-diabetes, gastroenterology, haematology, neurology, ophthalmology, oral maxiofacial, respiratory, rheumatology and stroke. • Clinical support, including X-ray, CT, MRI, ultrasound, pathology, pharmacy, radiology, physiotherapy, occupational therapy and dietetic services and mortuary. 	<ul style="list-style-type: none"> • Antenatal and community midwifery • Outpatients • Minor Injuries Unit (MIU) • Elective and day case surgery • Clinical support, including X-ray, ultrasound, mammography and blood and specimen collection 	<ul style="list-style-type: none"> • Antenatal and community midwifery • Outpatients • Step-down beds for patients • UCC • Fracture clinic • Medical care, including endoscopy and cardiac lung function testing • Diagnostic support, including X-ray, CT, MRI, ultrasound and non-urgent pathology • Pharmacy • Mortuary

Key risks in achieving budget:

- Contract challenges issued by CCGs relating to alternative contract clause interpretation.
- The need to achieve efficiencies above 4% of turnover to meet the directed 'Control Total'.
- Responding flexibly to fluctuating demand for emergency services (triangulation with capacity, workforce & finance)
- Delays in the transfer of care to other agencies.
- Current estate infrastructure compromising ability to deliver care efficiently and in a safe environment.
- Poor ICT infrastructure risking business continuity and limiting efficiency improvements.
- Failure to secure sufficient investment funding to support transformation as well as the recurring deficit.

West Herts Hospital NHS Trust

Net (underlying) Revenue Budget :



Summary Revenue Budget Movements

	2017/18	2018/19	2019/20	2020/21
	TOTAL	TOTAL	TOTAL	TOTAL
	£000s	£000s	£000s	£000s
Technical Adjustment (Difference due to Control Totals)	-11,600	-14,700	tba	tba
Demography	0	0	0	0
Legislative	-6,800	-7,007	-7,007	-7,007
Other Pressures	-3,500	-3,500	-3,500	-3,500
TOTAL PRESSURES	-21,900	-25,207	-10,507	-10,507
Existing Efficiencies				
New Efficiencies	13,692	13,992	13,992	13,992
TOTAL SAVINGS	13,692	13,992	13,992	13,992

	2017/18	2018/19	2019/20
	£m	£m	£m
Capital Programme	22,198	42,700	37,300

Key Revenue Pressures:

- Inability to make savings >c£14m (4%). (6.5% needed to meet Control Total).
- Continued reliance on agency staff
- Rapidly ageing population
- Increasing A&E attendance and emergency admission rates. (HVCCG contract penalises c£8.5m due to readmissions and high emergency admissions).
- Issues with Trust's estate to be able to support model of care proposed by YCYF
- High estates/ reactive maintenance works required to maintain business continuity

Key Revenue Savings Proposals:

- Reducing agency spending from £26m to £17m.
- To increase use of benchmarking tools
- To explore the opportunities available for providing back office functions
- Improve model of provision of pathology services
- Leverage benefits identified in NHS Model Hospital.
- Develop PLICS to better understand individual treatment pathways that are expensive and to improve investment decisions.
- Maximise contribution from growth, commercial income
- Cultural change to decision making, improving the business appraisal process and the investment decisions
- To work in close partnership with the CCG/STP and drawing work undertaken by the Royal Free Hospitals Group model to identify and develop services.

Key Capital Schemes:

- Redevelopment of the WGH, SACH and HH estate
- Redevelopment of the Watford Hospital Theatre
- Interim Emergency Department Service Development
- Managing the high risk backlog on the current WHHT site
- Re-locate provision of pathology services
- Development of a multi storey car park at Watford