



Item 3.1a

Liverpool Heart and Chest Hospital NHS Foundation Trust

Operational Plan 2019/20

Operational Plan for 2019/20

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Strategic Objectives

Liverpool Heart and Chest hospital NHS Foundation Trust has a clear vision '***to be the best, leading and delivering outstanding heart and chest care and research***'.

The Trust is operating in an environment in which the NHS is undergoing a period of significant uncertainty and challenge, including changes within the commissioning landscape, impact of deficit reduction on the wider public sector and a focus on reconfiguration of services to improve patient pathways and ensure a sustainable future, within an environment where expectations and demands on the NHS are increasing. The Trust serves a population of 2.8m which includes areas of very high deprivation and high prevalence of heart and chest diseases. As a tertiary centre for heart and chest services, the Trust's leadership role across the wider health system is key in delivering the transformational change needed to improve patient care and clinical outcomes, eliminate duplication and ensure a sustainable and integrated service model across the wider health system. Given the Trust's mission to provide *excellent, compassionate and safe care for every patient, every day*, the strategic objectives that underpin our vision to be the best are based around 5 key strategic themes for which the Board has determined the key milestones and priorities for 2019/20:

(i) Quality, Patient and Family Centred Care

- Improve safety culture and reduce harm;
- Embed organisational learning such that there is clear evidence of observable changes in practice;
- Retain CQC rating of 'outstanding'
- Deliver the improvement plan in response to GIRFT Report.
- Develop system leadership role in setting and raising standards and ensuring patient and family experience is embedded into new models of care.

ii) Research and Innovation

- Develop, expand and evaluate robotics clinical and research programme
- Raise the Trust's academic profile and increase the number of academic appointments
- Deliver Research and innovation Strategy milestones including attraction of research grants
- Deliver actions set out in good corporate citizenship strategy
- Develop Liverpool Cardio Vascular Science Center with research partners
- Develop core digital systems to support delivery of objectives set out in Data Quality strategy
- Replace the Trusts Cath Lab facilities with a modern, innovative facility which enhances patient experience.

iii) Finance, Value and Productivity

- Retain Segmentation 1 under NHS Improvement's Single Oversight Framework
- Embed business partner model and complete implementation of Business Intelligence and Patient Administration System transformation plans
- Operate Use of Resources Framework in shadow form
- Deliver targets set out in private patient strategy
- Expand international business activities and levels of income generation
- Increase focus on productivity improvement through embedded benchmarking and performance metrics
- Develop marketing strategy to maximise opportunities for business development

iv) Best NHS Employer

- Listen, involve and develop Team LHCH through delivery of an effective staff engagement plan
- Build capability for outstanding leadership at all levels
- Equip our workforce for delivering new models of care
- Implement objectives set out in retention strategy
- Embed continuous service Improvement through programme of staff engagement
- Promote diversity through an all-inclusive workforce

v) Partnerships

- Lead and deliver the CVD programme and specifically
 - Progress single cardiology pathway
 - Enhance stakeholder engagement across the health and care partnership and beyond
- Play a substantial role in bringing specialist trusts together
- Develop single respiratory service
- Improve the visibility and external promotion of surgical work
- Embed Congenital Heart Disease services
- Expand Cardio-Oncology service

Activity and Capacity Planning

The Trust has taken a multi-functional, iterative approach to capacity and demand planning, incorporating representation from operational services, information and finance functions. This work has utilised the nationally available demand and capacity models and uses the same underlying data which underpins the bed modelling and financial planning.

Activity has been modelled at levels which ensure delivery of required performance trajectories for RTT and Cancer targets. The diagnostic performance trajectory improves over the year as new capacity becomes operational following the CT/MR expansion agreed by the Board of Directors in 2018/19.

a) Activity Plan

Activity plans have been underpinned by the following principles:

- i. 2018/19 forecast out-turn as opening position
- ii. Full year impact of 2018/19 developments e.g. ACHD service
- iii. Minimal general growth in Cardiac Surgery given current referral trajectories
- iv. Growth identified in Medicine and Diagnostics to support performance requirements:
 - Expansion of CT and MR capacity following investment in 2018/19 to support diagnostic performance
 - Development of Inherited Cardiac Conditions service to support growth in demand and alignment to genomics ambitions within the NHS Long Term Plan.
 - TAVI referral increases following changes to NICE guidance in July 2017
- v. Service developments
 - LAO procedure now being commissioned by NHS England following outcomes of 'Commissioning by Evaluation' programme.
 - Cardio-oncology service being developed with Clatterbridge Centre for Oncology

Activity has been profiled over the year in line with expected capacity availability and taking seasonality and clinical audit activities into account.

The table below shows the forecast outturn for 2018/19 and the activity plan for 2018/19.

Table 1: Activity plan 2019/20 compared to 2018/19 forecast out-turn

Point of Delivery	2018/19 FOT	2019/20 Plan	% Increase
Elective	4,349	4,667	7%
Non Elective	5,157	5,226	1%
Daycases	4,183	4,366	4%
Total Inpatient Spells	13,689	14,259	4%
Outpatient FA	22,122	24,648	11%
Outpatient FUP	46,830	49,012	5%
Total Outpatients	68,952	73,660	7%

b) Capacity Planning

The Trust has updated its bed model for 2019/20. The model utilises actual length of stay in 2018/19 at a ward and procedural level which is then applied to the planned activity volumes for 2019/20 at a detailed procedure level, including specified developments. Consideration of overall occupancy rates, and opportunities for productivity gains as well as balancing the elective demand more evenly through the week have been built in.

To improve efficiency the Trust will continue to utilise benchmarking data provided by the National Cardiothoracic Benchmarking Collaborative (NCBC), Model Hospital and GIRFT recommendations to improve the efficiency of service delivery. The trust has seen pressures during the current year due to acuity of patients on the critical care unit and we are currently reviewing opportunities to expand capacity within critical care which are focussed around the workforce requirements as we have physical infrastructure available.

Catheter Laboratory and Theatre schedules have been reviewed based on the activity assumptions within the 2019/20 plan and these will be monitored via utilisation rates throughout the year.

c) Winter planning

The Trust plays an active role in the winter resilience planning across the city and has made 6 winter beds available to the wider healthcare system for respiratory patients in 2018/19. The Trust is maintaining flexibility in its bed stock to enable it to make these beds available again in 2019/20.

Quality Planning

The Trust has a Quality Strategy which brings together the learning from the Francis Report, the Keogh Report and the Berwick Review with the Trust's own programmes of work, for example our Sign up to Safety pledges, Listening into Action and service improvement. This ensures a cohesive approach to maintaining safe quality care provision. This Strategy was refreshed in August 2018 following extensive consultation with all staff groups and was approved by the Board of Directors in September 2018. Underpinning our strategy is our continued focus on the development of an open and transparent culture through our FTSU programmes and raising concerns policies, to enable and support the voice of our staff and patients to influence our care delivery.

The Cheshire and Merseyside Health and Care Partnership (C&M HCP) has progressed over the last year to promote more system working. The Trust is the lead for the Cardiovascular (CVD) Programme for C&M HCP, and our CEO is Senior Responsible Officer for the programme. In addition, our Director of Strategic Partnerships is the Senior Responsible Officer for the Prevention at scale strategic program. As part of the 2019/20 plan, the Trust is leading on a Single Cardiorespiratory Service pathway for the city of Liverpool; LHCH is working in partnership with Aintree University Hospital and the Royal Liverpool and Broadgreen University Hospital to develop a single model of care for conditions such as Transient Loss of Consciousness (Syncope) and Breathlessness (Heart Failure), plus common central hubs for cardiac and pulmonary rehabilitation and diagnostics.

LHCH will continue through 2019/20 to lead on the CVD programme for the City of Liverpool and for the region, and will continue to bring a focus to areas of CVD care on need of improvement.

The Director of Nursing and Quality and the Medical Director are the two named Executive leads for the quality strategy in the Trust. The first year of the strategy was largely focused around progressing our key priorities and forward planning the priorities for 2019- 2020, whilst continuing our focus on remaining an 'Outstanding Trust' by regular engagement through organisational learning and sharing forums, and implementation of our Organisational Learning Policy.

THE Trust has a clinically led structure with three triumvirate team's consisting of a Head of Nursing, a Divisional Head of Operations and an Associate Medical Director. Clear roles of responsibility and accountability are reflected in the triumvirate teams.

This structure supports the Trust's objective of integrated governance from ward to Board. The Triumvirate teams identified their quality improvements which are included within the Quality strategy. The Triumvirate teams worked closely with the workforce at all levels within their divisions ensuring thorough engagement in the generation of their priorities.

Divisional Quality Improvement priorities follow the Innovation for health Improvement (IHI) methodology, which uses recognised 'Lean' tools and techniques. Each quality improvement priority project follows the A3 reporting of a proposal, progress and final report normally over a 90 day period. The project lead and teams present their A3 reports to the Executive team at the Improvement Wall. Project leads and teams are encouraged to discuss progress, constraints, and risk and issues with the Executive team, who can support and enable the leads and teams with their projects.

The Trust has undertaken its review of the four quality priorities for 2019/2020. The stakeholders who included Healthwatch and Liverpool Commissioners agreed these to be:

- Clinical Utilisation Reviews,
- Delirium Identification,
- Reducing Medication Errors,

- Improving Patient Experience with a focus on enhancing care for our blind and deaf patients and families.

The Trust Governance Structure for monitoring the quality priorities performance is via bi-monthly reporting to the Quality Patient and Family Experience Committee and thus reporting to its Quality Committee which is an approved assurance committee of

Summary of the Quality Improvement Plan including the National Quality Priorities

The Trust has a Quality strategy which clearly articulates our planned improvements for 2019/21. Progress with this is monitored monthly at the Trusts Operational Board and assurance is provided annually for the Board of Directors. (Include link to quality strategy). The following outlines our approach to other quality improvements:

- The CQC has carried out its well led inspection of the Trust between 5th to 7th February. This was preceded by an unannounced inspection across surgical services. The report is expected in the next 2 months. There were no concerns raised following the inspection.
- The GIRFT report for cardiothoracic surgery was received in 2018 and highlighted many examples of good practice. There were some areas for review and improvement noted and the surgical division have a detailed improvement plan in place to address. These include reducing cancellations and reviewing our perioperative stroke rate.
- A review of the Trust's compliance against the seven day hospital standards has provided robust assurance that emergency patients admitted to LHCH receive care in line with the standards. Having been compliant against the standards, no formal improvement plan was required however; the Trust will continue to ensure it meets the standards into 2019/20 and beyond. The process by which the Trust assesses compliance against the seven day service standards has altered for 2019/20 by way of a self-assessment against the four key clinical standards and an audit of the Trust's choice against one of the clinical standards. The standards only relate to those patients admitted as an emergency admission. It should be noted that the majority of the emergency admissions attending LHCH are Primary PCI patients which is a consultant led service.
- On review of the April 2018 audit the Trust achieved a 99% compliance rate against the four clinical standards demonstrating a robust service provision for emergency patients. In addition the self-assessment completed did not identify any areas for concern.
- Looking forward to 2019/20 the Trust does not envisage any areas that will require improvement when completing the seven day clinical standards self-assessment and audit. However to ensure that a continuous focus is placed on providing the best care for emergency patients, the Trust will develop a seven day service Board Assurance Framework utilising the Department of Health guidance ratified through the Corporate Governance process and monitor on a regular basis.
- The Trust has implemented an updated mortality policy in conjunction with the guidance for learning from deaths. The threshold of defining preventable death is now on the basis of more likely than not encompassing the categories of definitely avoidable, strong evidence of avoidability and probably avoidable (greater than 50:50).
- The Trust screens all deaths. When cases have been reviewed by the Mortality review group the action logs are sent to the divisions to review in divisional governance. The action log will include when the case is also to be reviewed during the relevant audit day. Since the end of Q3 17/18 the divisions have also been provided with an action spread sheet, derived from mortality data, which will facilitate tracking and closure of action plans arising from learning points. All deaths identified as greater than 50:50 avoidable deaths undergo

an RCA and recommendations are monitored through divisional governance. This data is triangulated with Dr Foster data. Each month at Operational Board the divisions present any organisational learning, which includes the learning from deaths. A quarterly report on learning from deaths and resultant organisational learning is presented to the Board of Directors by the Medical Director/Patient Safety Lead.

- There is a five year plan to reduce gram negative bloodstream infections by 10% per year. This is aligned with the long-term strategy for reducing multi drug resistant organisms. In addition to enhanced screening and audit the Trust has purchased the UvO decontamination mobile unit. This delivers Ultra Violet –C light and is used in conjunction with conventional deep cleaning. It is targeted in the critical care areas and where there has been any incidence of multi drug resistant organisms.
- LHCH uses a Modified Early Warning System (MEWS) to identify sepsis and potential clinical deterioration in patients. The Trust remains in dialog with NHSE and its commissioners on the use of MEWS and NEWS2. The latter does not estimate urine output and significantly disadvantages the patient group treated at LHCH. Both systems have been compared and initial audit data confirmed there would have been a number of patients missed using NEWS alone. Further data has shown 125 patients with significant hypotension would have been missed by using NEWS alone but were picked up by the MEWS2 system. The view of the Clinical Lead for CCA, the Anaesthetic Consultants and the Medical Director is that stopping MEWS2 would reduce patient safety in the cohort of patients at LHCH. Further discussions are taking place with Commissioners and NHSE.

There are two quality risks for 2019/20 that are recorded on our risk register.

- The transfer of digital images from wales to the Trust. Images are delayed when transferred digitally from wales which may cause delays in care for patients. This is mitigated by images beings sent by disc. There is no impact on quality of care currently. This risk is amber rated at a score of 12.
- Medication prescription screen. The Trust recognises that there are improvements that could be made to the administration system for medicines. To address the Trust is working with All scripts our electronic patient record provider.
- Delays in reporting of histopathology samples – this could potentially impact on care. The Trust is working closely with Liverpool clinical Labs to improve the timeliness of reporting.

Summary of quality impact assessment and oversight implementation

Cost Improvement targets (CIPs) are developed and agreed with the Divisions as part of the annual financial planning process. Each Division develops their CIP schemes prior to the start of the financial year, and this includes the completion of quality impact assessments (QIA's). The Divisional management teams discuss their CIP programme in the Division with clinical colleagues. Each Division has a Finance business partner who provides advice and support on the CIP schemes but also records the CIP scheme on a tracking spread sheet that the QI team has access to.

QIA compliance is formally reported to the Business Transformation Steering Group (BTSG) on a monthly basis, (with responsibility for the CIP performance), which also reports through to the Operational Board.

The Divisions utilise data pertaining to current performance, benchmarking information, model hospital and best practice guidance to develop their CIP schemes. It is during this divisional process that schemes are discussed, challenged and assessed.

The Improvement project document which includes the impact assessment requires assessment of risk over the following dimensions:

- Patient safety
- Clinical Effectiveness
- Patient Experience
- Operational/non-clinical
- Estates/Facilities/Environmental
- Financial
- Reputational

Mitigations and re-assessment of the risks are required to be documented during the impact assessment of the CIP scheme. Equality Impact assessment screening across the protected characteristics is also undertaken, and documented at this stage.

The divisional teams monitor CIP progress through their performance meetings and reporting. All divisions report to BTSG on a monthly basis and this forum has oversight of the Trust-wide CIP programme. The BTSG has Executive, Divisional and Clinical representation as its core membership. CIP progress is also reported to Operational Board through the Divisional performance reports. The Chief Finance Officer also reports on CIP performance in the Finance report to the Operational board. All QIA documents are signed off by the Medical Director and Director of Nursing.

Workforce Planning

Liverpool Heart & Chest's approach to workforce planning builds upon the strategic process led by NHS Improvement and Health Education England and reflects that workforce plans are led by clinical and corporate divisions. Plans ensure that staffing models are aligned with the Trust's strategic framework and long term financial models, take account of opportunities identified within the Carter review and NHS Long Term Plan and support delivery of CIP plans. Annual review of the Trust's workforce plan is reported through and signed off by the Trust's People Committee.

The Trust has further plans for growth and new service developments in a number of areas including TAVI (Trans Aortic Valve Implantation), LLAO (Left Atrial Appendage Occludes), ICC (Inherited Cardiac Conditions), Cardio-oncology and continued growth of its new Congenital Heart Disease (CHD) service. The exact detail of the workforce requirements to support this are still being worked up, however current estimates suggest that this will increase the workforce by 4.35% in 2019/20 which equates to an additional 72.39 WTE staff. This will see the Trust's establishment at 1,735.82 WTE from April 2020.

In addition to the recruitment needed to deliver these services, the Trust will focus on re-modelling the skill mix of the workforce in order to meet the increased demands and support delivery of a 3% CIP (£3.8m). A series of mix reviews and organisational change processes will be undertaken to ensure the right workforce to deliver these services.

The trust continues to lead the Cardiovascular Disease (CVD) Programme for the STP. This is part of the work of the Liverpool place and is aligned to the One Liverpool plan. Efforts continue to drive this service change with the other two providers in the city. The CVD Programme has focused so far on the development of cases for change, setting up the logic and evidence of the requirement for change and improvement, and also including recommendations and models of care to be implemented. There will likely be significant workforce implications resulting from this programme however the exact details of this are not yet known.

There are a number of challenges facing the Trust both at a local and STP/ICS level which have the potential to impact operationally, financially and effect potential future developments. The Trust is taking a number of steps to ensure it is responsive in relation to the workforce challenges it face. These are outlined in table 2 below.

Table 2: Workforce Challenges

Description of workforce challenge	Impact on workforce	Initiatives in place
Shortage of radiographers	Difficulty in recruiting to establishment; reliance on bank and agency, long term agency use.	Recruitment and retention premia in place on key posts. To improve retention within the organisation staff are rotating across all modalities to support across the divisional providing a more flexible workforce and broaden staff experiences Scoping out new roles/ ways of working Working across the region to look at rotational posts
Shortage of ODPs / Cath Labs	Difficulty in recruiting to establishment; reliance on bank and agency, long term agency use.	How else are we trying to recruit? Scoping out new roles/ ways of working Skill mix review, organisational change planned. Consider use of transformational roles. Recent appointment of ODP apprentices with the

		plans to grow further
Reduced numbers of trainees entering the national programme and being placed on rotation at LHCH	Junior doctors gaps in Tier 1 rota. Reliance on recruiting to vacant posts, often coming from overseas, reliance on agency use.	16 ANPs recruited, Piloting 6 x IMTs (Intensive Care Medicine Trainees (CMTs)), 4 to be used in critical care to release Tier 1 and specialist registrars to support other areas of the Trust. Starting August 19. This will improve experience, training opportunities and out of hours cover. Developing Trust Tier 1 Bank, a number of applicants already received, intended to help avoid reliance on agency.

In addition to the challenges identified above, there are a number of workforce risks which the Trust is proactively managing. An overview of these is shown in table 3 below.

Table 3: Workforce Risks

Description of workforce risk	Impact of risk (high, medium, low)	Risk response strategy	Timescales and progress to date
Impact of Organisational Change on staff morale and engagement (CIP)	Medium	Effective planning and monitoring of organisation change Encourage open and early communication to staff to help manage staff expectations. Continue to promote and foster good partnership relationships to support change	On-going programme of staff engagement. Potential organisational changes linked to workforce plans to be identified by April 19 and kept under review.
Turnover of nursing staff	Medium	Retention strategy developed. 3 year retention action plan developed with key actions in year one linked to NHSI Retention Improvement Programme (Cohort 4).	Retention strategy signed off by People Committee in Dec 18. NHSI visited Trust in Jan 19 with positive feedback about the work being done. Registered nursing turnover down from 16.7% in Mar 18 to 13.2% in Dec 18. Further 1% reduction target by March 20.
Shortage of Consultant Radiologists	Medium	Overseas recruitment	2 x WTE offered posts, currently going through process to obtain GMC Specialist registration however there is a potential risk that their qualifications & skills won't meet GMC requirements.
Sickness levels above peer for nursing	Medium	H&WB Strategy being developed Retention Strategy developed Training as part of management development plan Resilience training available to all staff Make links with similar organisations identified via Model Hospital data to share good practice Sickness absence policy in place and managed robustly through divisional structure	Consultation commenced on H&WB Strategy Dec 18 Retention strategy signed off by People Committee in Dec 18. Contact to be made with other Trusts in Q4 Nurse sickness improved in last quarter and is line with national medium but still above peer

Difficulty in recruiting Anesthetists (4 posts required in short timescale due to 3 retirements & 1 leaver in short period)	Medium	More proactive recruitment to posts. Enlisted support from head hunters to fill vacancies.	2 WTE appointed and in post. 1 WTE appointed, due to start May 19. 1 WTE remaining.
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The Trust's vacancy rate has remained around 6% (Dec 17 = 6.24%, Dec 18 = 6.16%). Whilst the Trust hasn't been impacted by significant numbers of vacancies within any particular staff group or role, there are a small number of long term vacancies which have had an impact. The trust has taken steps to mitigate and manage the impact of these vacancies through use of bank and agency and recruitment and retention premia. Further work is on-going to consider opportunities to review the workforce structure and working arrangements and look at potential use of transformational roles.

Table 4: Long Term Vacancies

Description of long-term vacancy, including the time this has been a vacancy post	Whole-time equivalent (WTE) impact	Impact on service delivery	Initiatives in place, along with timescales
OPDs / Cath Labs		Difficulty in recruiting to establishment; impact on rostering, reliance on bank and agency, long term agency use.	Skill mix review, organisational change planned. Consider use of transformational roles. Recruited 1 WTE apprentice ODP in Jan 19 and 2 planned for Sep 19.
Radiographers		Difficulty in recruiting to establishment; impact on rostering, reliance on bank and agency, long term agency use.	To improve retention within the organisation staff are rotating across all modalities to support across the divisional providing a more flexible workforce and broaden staff experiences Scoping out new roles/ ways of working Working across the region to look at rotational posts

A programme of workforce transformation is planned during 2019 to ensure the required workforce to support the delivery of services. The Trust is already utilising a number of transformation roles and is keen to develop these models further. Through the North Merseyside Partnership programme for trainee nursing associates, a partnership which includes acute Trusts, Community Trusts, CCG and 2 Higher Education Institutes, the Trust has supported 4 WTE Nursing Associates due to complete in March 2019. Plans are in place to support a further 4 WTE placements via the apprentice route, to commence in April and September 2019. The Trust is also

currently exploring the potential use of Physician Associates within the Community Respiratory service.

The Trust currently delivers a number of apprentice programmes within the organisation, including Business Administration, Healthcare Support, Leadership & Management Level 3 and MBA (Level 7), Health Care Science, Pharmacy, Procurement, ODPs and Maintenance. The Trust intends to further develop use of apprentices across the organisation with plans to increase by March 2020.

The Trust has 12 WTE Advanced Critical Care Practitioners supporting the medical workforce within Critical Care. Further work is needed to develop the out of hours workforce model across other areas of the Trust, combining the Tier 1 workforce and Advanced Nurse Practitioners. The Trust is currently reviewing the potential for extended hours working across Medicine division to support delivery of operational plans and enhance the out of hours workforce model.

Plans to extend the Trust's surgical service to include vascular surgery will involve recruitment of a new vascular surgeon. Additional training for the existing supporting workforce will be provided to ensure appropriate skills to deliver this service.

A substantial increase to the Trust's radiology workforce is planned in 2019/20 to support the operation of two additional scanners which will increase diagnostic capacity. Plans are also being developed for a new aseptic unit within Pharmacy which if successful will require a small number of additional staff. A focus for the Health Care Partnerships will be developing dedicated plans to improve efficiencies across clinical support functions and understanding the potential for sharing and merging Radiology, Pharmacy and Therapy services.

We have been an active member of the collaborative bank pilot across a number of trusts in Cheshire and Merseyside enhancing and growing our current bank service, reducing the use of agency and supporting the wider system.

The Trust is engaged in the Collaboration at Scale Programme supporting a number of key programmes to deliver cost effective, efficient and commercially sustainable corporate services.

The Trust is keen to maximise workforce efficiency through improved use of digital systems such as Health Roster. We have already rolled out Health Roster for 90% of the non-medical workforce and work is on-going to extend its use from junior doctors to consultant level. We are working collaboratively with other Trust's in the region to improve this.

The Trust acknowledges the impact sickness absence has on its workforce and is taking steps to improve this. Development of a new Health & Well-being Strategy will support the Trust in taking a holistic approach to staff well-being and improve attendance.

Financial Planning

a) Financial Forecasts and Modelling

The Trust's financial plan has been developed in line with the annual planning timetable set out by NHS Improvement. The overarching financial strategy principles agreed by the Board of Directors is to ensure that the organisation is financially sustainable and delivers value for money.

Financial planning has followed Operational planning and is broadly based on 2018/19 forecast out-turn, with the following developments:

- Full year impact of Adult Congenital Heart Disease (ACHD) service. Transferred from Manchester University Hospital Trust in September 2018, this service is still in transitional phase, with a full year of delivery required in 2019/20
- Diagnostic performance – to achieve this target the trust will have to address the backlog built up during 2018/19 and undertake additional activity to address the increased demand. Additional activity has been modelled and put into contract proposals
- Referral to treatment – to achieve this target the Trust will have to undertake additional activity in the following areas:
 - Left Atrial Appendage occlusion (LAAO) – a new service commissioned by NHS England in 2018/29
 - TAVI – following changes to NICE guidance in July 2017 demand has increased.
 - Inherited Cardiac Conditions (ICC) - In line with the 10 year plan ambition to invest in prevention and genomic services additional activity is required to meet the demand arising from ICC referrals.
- Additional Developments
 - Aorta-vascular service – in conjunction with the Royal Liverpool and Broadgreen Hospital Trust we are looking to develop our joint working with Vascular Surgeons to improve patient safety.
 - Cardio-Oncology – in conjunction with Clatterbridge Cancer Centre we are looking to improve the cardiac care given to those patients who experience cardiac-related side effects from their chemotherapy
 - Healthy Lung – following a successful and nationally-recognised pilot with Liverpool CCG we are planning to continue this service and hopefully expand into other local CCGs.

b) 2019/20 Financial Plan

The table below sets out the key financial headlines submitted for Liverpool Heart and Chest Hospitals Foundation Trust. The Trust accepts its control total and the plan has been submitted in line with this target. However, this plan assumes full payment of HRG4+ for Welsh activity on a recurrent basis from 1 April 2018 which is still not agreed and continues to be negotiated at a national level. The Trust and NHS Improvement are both assuming that this is resolved prior and therefore this income has been assumed in the plan. The control total could not be delivered without this issue being resolved in both cash and income terms.

Table 5: Financial plan summary 2019/20

£m	2018/19 Forecast (M10)	2019/20 Plan
Control Total	4.062	1.077
PSF	5.592	1.762

Surplus (normalised)	9.584	2.839
Performance against Control Total	9.654	2.839
Capital Investment	10.0	13.3
CIP	3.8	3.8
Cash Balance	17.5	13.9
Use of Resources	1	1

c) Contract progress

The Trust has 3 key commissioner contracts; progress on each contract is described below:

- Specialised Commissioning (NHS England)**
 A contract has been agreed, which incorporates growth in diagnostics to deliver RTT performance, developments in LAAO, TAVI, ICC as well as a full year effect of the ACHD service.
- Cheshire & Merseyside CCG contracts**
 Contracts have been agreed. We have entered into a block agreement with Liverpool CCG.
- Welsh Contract**
 NHS Wales follow a different timetable and as a result initial proposals have not yet been shared. Contract negotiations in 2019/20 are likely to be extremely challenging as more funding is being channelled through tariff, rather than through CQUIN, PSF or pay award. Negotiations are on-going at a national level.

d) Cash

Cash balances reduce marginally over the life of the plan with cash balances forecast to be £13.9m by end of March 2020 (from £17.5m at the end of March 2019). This reduction is driven by the Trusts capital programme for the year, with a number of large value schemes currently underway e.g Cath Labs and CT/MR capacity (see capital analysis below).

The Trust continues to maximise options to improve working capital management and is in particular focusing on improving debt balances.

e) Financial Performance Metrics

Table 6 below provides a summary of the Trust's Financial Performance Metrics for each year in line with the Single Oversight Framework.

Table 6: Plan Financial Performance Metrics

	Year Ending	Year Ending
	31/03/2019	31/03/2020
Capital Service Cover rating	1	1
Liquidity rating	1	1
I&E Margin rating	1	1
Variance from Control Total rating	1	1
Agency rating	1	1
Plan Risk Rating after overrides	1	1

f) Key risks and contingency

- **Welsh Commissioners**

With additional funds such as Pay Award, CQUIN and PSF transferring into tariff, the risk associated with our Welsh contract increases. Discussions between Wales, NHS improvement and NHS England are on-going. Our plan assumes full payment. The risk is £3m for 2019/20.

- **Cost Improvement Plan**

Our cost Improvement programme has been set at £3.8m (3%), above the national requirement of 1.1%. This level of CIP has been identified as necessary to address local cost pressures and developments and the need to generate sufficient cash to deliver our capital investment ambitions. Recurrent achievement of a £3.8m CIP will be extremely challenging but work is underway to ensure that robust plans are in place before the beginning of the financial year.

- **Delivery of performance targets**

Delivery of performance targets is dependent on the availability of staff and facilities to allow the diagnostics and treatment to be carried out. Given current shortages of both, there is a risk that we will have to pay a premium to ensure that patient diagnostics and treatment are carried out on a timely basis.

- **NHS Supply Chain**

The change in funding arrangements to NHS Supply Chain assumes delivery of savings. However, the evidence supporting these savings is not yet available and there is a risk that the responsibility for meeting the financial gap will fall to the Trust's CIP programme.

- **CQUIN**

We have budgeted for 90% delivery of CQUIN schemes.

A general contingency has been set at £800k to cover the risks above and any others that arise in year.

g) Efficiency Savings 2019/20

The CIP target for 2019/20 has been set at £3.8m (3% of expenditure). This is higher than the nationally required 1.1% due to number of local cost pressures identified (approx. £1m), additional depreciation (approx. £800k) and financial gap related to the change in NHS Supply Chain funding (approx. £250k).

To identify potential CIPs the Trust has used Model Hospital, GIRFT as well as other benchmarking tools, such as NICOR, NCBC and the Corporate Benchmarking tools.

The table below provides a summary of the Trusts Cost Improvement programme for 2019/20 by theme. All schemes are subject to a robust QIA and EIA process before implementation.

Table 7: Cost Improvement Plan 2019/20

Efficiency theme	£000s
Other Savings plans	880
Procurement	748
Corporate and Admin	559
Workforce (Nursing)	360
Workforce (Medical)	299
Workforce (Other)	154
Hospital Medicine and Pharmacy	102

Estates and Facilities	100
Workforce (AHP)	25
Pathology	15
Other Savings plans	880
Unidentified	558
Grand Total	3,800

The unidentified gap has significantly reduced from £1.661m in our first submission to £558k. We anticipate reducing this further over the next few months. The QIA process is described in Section 2: Quality.

The Trust is fully engaged in Cheshire and Merseyside STP productivity workstreams, with Trust representatives regularly attending the Finance, Procurement, Radiology and Pathology meetings. We expect that the longer term 3 year CIP programme, currently in development, to be heavily reliant on the delivery of savings through collaborative work streams across the Cheshire and Merseyside footprint.

h) Agency Rules

In 2019/20 our agency ceiling cap is set at £2.057m. We not anticipate exceeding this cap as our use of agency over the past 2 years has been below this level. In 2018/19 we forecast our agency usage to be £1.45m and this is made up of radiographers, digital, junior medical staff within Cardiothoracic Surgery, and nursing in theatres and critical care.

Following installation of the new CT and MR scanners, substantive recruitment of radiographers will reduce the reliance on agency workers. Digital remains an area of concern; however a restructure and the subsequent substantive recruitment should address some of these areas of need. Reliance on agency for junior medical staff is likely to remain throughout 2019/20 due to the shortage of junior doctors throughout the country. We have a substantial bank to cover nursing shortages, but are likely to need agency nursing in key areas such as theatres and critical care.

The expected breakdown of staff costs by substantive, agency and bank in 2019/20 is as follows:

Table 8: Staff costs by type 2019/20

	£000s	2018/19 Forecast	2019/20 Plan
Substantive		73,895	80,326
Bank		2,253	2,429
Agency (<i>nb: cap is £2.057m in 2019/20</i>)		1,453	1,394
Apprenticeship Levy		277	305
Total Staff Costs (inc. capitalised staff)		77,878	84,454

i) Capital Planning

The capital investment plan of £13.3m in 2019/20 is at a slightly higher level than in 2018/19. This plan includes the completion of a number of schemes commenced in 2018/19, such as the Private patient unit, the first phase of Catheter Lab refurbishment and the installation of a new CT scanner and a new MR scanner in summer 2019. These latter two developments are to support the Trust in achieving the diagnostic targets in 2019/20. £3m is to be invested in estates, covering both general maintenance and accommodation. The second phase of cath lab refurbishment will commence in 2019/20, requiring investment of £1m.

The investment will be funded using internally generated capital funds, £5.5m from depreciation and £7.9m from Trust internally generated cash balances.

The capital plan has been prioritised by each divisional/departmental head and then subject to shared scrutiny first at Capital Management Group and then by the Executive team. The final plan was ratified by the Operational Board and approved by the Board of Directors.

Table 9: 2019/20 Capital programme

Capital Investment Plan 2019/20		£000s
2018/19 overarching Schemes	New CT and MR Scanners	4,655
	Cath Lab refurbishment, phase 1	537
	PPU completion	187
	Theatre B replacement	900
	Other	128
	Sub-Total	6,407
Replacement	Estates	1,978
	Medical Equipment	1,143
	Digital Services	143
	Sub-Total	3,351
Development	Digital Services	1,000
	Estates	1,085
	Cath Lab refurbishment, phase 2	1,000
	Sub-Total	4,864
Contingency	Sub-Total	500
Total		13,343

Funded by:	Depreciation	5,485
	Internally generated cash balances	7,858
	Total	13,343

Link to the Local Sustainability and Transformation Plan (STP)

The Cheshire and Merseyside Health and Care Partnership (C&M HCP) has progressed over the last year to promote more system working. The Trust is the lead for the Cardiovascular (CVD) Programme for C&M HCP, and our CEO is Senior Responsible Officer for the programme. In addition, our Director of Strategic Partnerships is the Senior Responsible Officer for the Prevention at scale strategic program.

During 2018/19, the CVD programme has moved from delivery of cases for change for the original eight priorities, towards development of implementation plans and business cases, in partnership with other members of the C&M HCP.

Over the last 12 months LHCH has:

- Led a pilot work to improve access to patients at high risk of heart attack, ensuring they are brought to LHCH directly without need to attend A&E.
- Implemented a new pathway for management of patients with aortic dissection, raising awareness across the region, and reducing mortality.
- Supported the development of an outline service proposal for regional stroke services via hyperacute specialist care and early supported discharge.
- Delivered a series of initiatives for prevention of CVD by improving lifestyle, increasing screening of patients with an abnormal heart rhythm and those with high blood pressure.
- Worked in partnership with the Liverpool Place and delivered a CVD Prevention Strategy for the City of Liverpool, aligned to other regional plans.
- Developed and delivered a new pathway for the identification and management of patients with high cholesterol, working with colleagues in primary and secondary care.
- Partnered with the Cancer Alliance in C&M to roll out a new model of smoking cessation in the NHS, following the example of the Greater Manchester model.
- The Trust has also worked in partnership with the Cheshire and Merseyside Public Health collaborative and NHS Right Care in the development of a web site dedicated to cardiovascular disease which can be found at www.happy-hearts.co.uk

As part of the C&M HCP, the Trust has also been involved in a pilot to test the efficacy of a tool for interoperability of electronic system providers in the city; further work is also been carried out to deploy a system which allows interoperability across primary and secondary care providers. This focus on the digital agenda and the use of electronic system for improvement of patient care is clearly aligned to the NHS Long Term Plan as well as the vision for the future in C&M.

As part of the 2019/20 plan, the Trust is leading on a Single Cardiorespiratory Service pathway for the city of Liverpool; LHCH is working in partnership with Aintree University Hospital and the Royal Liverpool and Broadgreen University Hospital to develop a single model of care for conditions such as Transient Loss of Consciousness (Syncope) and Breathlessness (Heart Failure), plus common central hubs for cardiac and pulmonary rehabilitation and diagnostics.

Development of this Single Service will impact delivery of cardiorespiratory services across the city, by:

- Implementing a single workforce model with a foundation on training and education, formation of new disciplines and up-skilling of staff.
- Operating under same standards and pathways of care independently of provider.
- Sharing of quality measures and key performance indicators.

- Implementing a financial and contractual model that allows risk sharing and facilitates partnership working.

LHCH will continue through 2019/20 to lead on the CVD programme for the City of Liverpool and for the region, and will continue to bring a focus to areas of CVD care on need of improvement.

As an example of new areas of interest for the CVD Programme, LHCH is leading on a new pathway for the management of patients with Infectious Endocarditis; by developing clear guidelines and standards aligned to NICE, and introducing a new regional Multidisciplinary Team meeting supported by the use of technologies, our clinical leads are working to reduce mortality and improve outcomes for these patients.

Membership and Elections

Governor Elections

Governor elections were held in spring 2018 to fill two vacancies in the public constituency – North Wales. This by election was contested (five candidates for two vacancies) and the turnout was 22.41%.

The elections held in the summer of 2018 filled five public seats and three staff governor seats. Two of these seats were vacancies left by some of the Trust's 'founding' public governor seats who had reached the end of their maximum term of office at the Annual Members' Meeting 2018. In these elections the public constituency seat for Merseyside was contested (seven candidates for one seat) and the turnout was 20.8%. The remaining seats in the summer elections were all filled uncontested (two seats in Cheshire, one for Rest of England & Wales and one for North Wales). There were also three Staff Governor seats filled – one in Registered and Non Registered Nurses, Registered Medical Practitioners and Non Clinical classifications.

The Trust held both sets of elections, in accordance with the election rules set out in the Trust's constitution. In 2019, elections are expected to be held for two staff governor seats which are both in the Registered and Non Registered Nurses staff classification. One is currently vacant and the other will be following the Annual Members' Meeting 2019.

Governor Recruitment, Training and Development

Seven new governors were recruited and inducted in 2018/19. The Trust hosts an annual induction day for new Governors in collaboration with neighbouring foundation trusts and an external facilitator is employed to facilitate the day. The programme provides for a mix of presentations and group discussion, with opportunity to network and to hear of the experiences of longer serving governors.

All new governors also attend a local induction meeting with the Chairman and Director of Corporate Affairs and are provided with essential and useful induction material.

The Trust encourages governors to access regional and national development opportunities throughout the year. These include the North West Governors Forum, Mersey Internal Audit Agency Governor Learning Series and Govern Well workshops. This is in addition to planned internal events including an annual joint Council of Governors and Board of Directors development day, executive director led interest groups (quarterly); Chairman's lunch meetings (quarterly); annual planning workshops, scheduled walkabouts to wards and departments, regular update presentations from service leads and membership of governor sub committees and task and finish groups.

An annual calendar of events is organised to give governors the opportunity to engage with members and the public. This includes regular 'Medicine for Members' events as well as the

Annual Members' Meeting. Governors are also invited to attend patient and family listening events - an invaluable way of engaging with patients and families.

All governors participate in an annual evaluation of the training and development provision and contribute to a governor skills audit which informs their development programme.

Membership Strategy

The Council of Governors' Membership and Communications Sub Committee, chaired by a public governor is responsible for the review, delivery and implementation of the Trust's membership strategy. The Trust aims to exceed a minimum target of 8,500 public members (9,595 at 15/01/19). All new permanent employees and those who work for the Trust on a fixed term contract for 12 months or more automatically become a staff member but may 'opt out'.

The membership strategy was reviewed by the Membership and Communications Sub Committee in 2018, along with the communications, recruitment and engagement plan which incorporates a calendar of events which is delivered across the catchment area - Merseyside, North Wales, Cheshire and Rest of England and Wales. The Trust's membership strategy is focused on retention and engagement of members and active targeted recruitment to manage the small turnover rate of members, whilst striving to increase representation in relation to age profile, ethnicity, gender and demographics across the patient and public population. Demographic data analysis is used to inform a programme of targeted recruitment. Primary focus is on the engagement of members and the public and Governors are active in the organisation of a programme of events including regular 'Medicine for Members' meetings, engagement with local community groups and the publication of our 'quarterly Members Matters' Newsletter. The Members' Survey was issued to members in 2018 and achieved a 5.25% response rate. The membership strategy is reviewed every two years and will be reviewed again in 2020.

The Chair of the Council of Governors' Membership and Communications Sub Committee reports regularly to Council of Governor meetings and provides an annual report on the delivery of the Membership Strategy at the Annual Members' meeting.