



# 5 Year Strategic Plan

Presentation to Council of Governors

17 June 2014

# 2 Year Plan

## Plan Submitted in March

|                                | Last Yr<br>2013/14 | Year 1<br>2014/15 | Year 2<br>2015/16 |
|--------------------------------|--------------------|-------------------|-------------------|
|                                | <u>£'000</u>       | <u>£'000</u>      | <u>£'000</u>      |
| Income                         | 269,793            | 268,933           | 266,841           |
| Expenditure                    | (255,891)          | (255,601)         | (252,602)         |
| <b>EBITDA</b>                  | <b>13,902</b>      | <b>13,332</b>     | <b>14,239</b>     |
| Financing & Depreciation       | (13,357)           | (14,052)          | (14,616)          |
| Fixed Asset Impairment         | (1,526)            | -                 | -                 |
| <b>Net Surplus / (Deficit)</b> | <b>(981)</b>       | <b>(720)</b>      | <b>(377)</b>      |
| <b>Cash</b>                    | <b>16,012</b>      | <b>12,310</b>     | <b>11,972</b>     |



## Key Strategic Initiatives

- Vascular Hub
- Advanced Radiotherapy Centre
- Designation as a Hyper Acute Stroke Unit
- Ambulatory Care & Day Surgery
- 7 Day Care
- Electronic Patient Records



# Vascular Hub

- Recommendation of the Vascular Society of Great Britain and Ireland
- Outcome of the External Vascular Clinical Review
- With support of the specialist and local commissioners, plans for establishment of a Vascular centre for the treatment of arterial disease providing elective and emergency arterial vascular surgical care
- Business case includes development of a new hybrid theatre suite and radiology staffing to safely deliver elective and emergency Endovascular Aneurysm Repair (EVAR) and treatment of elective peripheral vascular disease. Capital development in 2014/15



# Advanced Radiotherapy Centre

- Strong reputation acquired over many years for the introduction of advanced radiotherapy techniques for the treatment of cancer patients
- Plans to further develop Stereotactic Radiosurgery (SRS) and Stereotactic Ablative Body Radiotherapy (SABR), comparatively recent advanced techniques to treat complex or inaccessible tumours with radiotherapy, often as alternative to conventional surgery
- Trust is part of a national consortium planning to develop a more sophisticated delivery and accurate technique – Cyberknife, over the next few years with the support of the Delaglio Foundation.



# Designation as a Hyper Acute Stroke Service

- Building on the strength of the service that already exists and the excellent outcomes for stroke patients the Trust is looking to further develop and expand the stroke service
- Work planned to ensure all standards are met for formal accreditation as the hyper acute stroke service for South Essex.



## Ambulatory Care & Day Surgery

- Plans to reduce reliance on inpatient beds through a range of strategies over next few years
- Expansion of the day surgical facilities, development of a 23 hour ward and introduction of a range of ambulatory emergency care pathways.



## 7 Day Care

- Move to 7 day care by 2017
- On-going project with support from external team (NHS Improving Quality)
- Safe 24/7 project
- Emergency/inpatient cover
- More 6/7 day elective working





## Electronic Patient Records(EPR)

- Work is underway to establish EPR strategy for implementation by 2017
- Partial EPR already achieved through existing developments
- Clinically led sub group formed to scope and oversee EPR project
- Outcome – improved care for patients



# Commercial/Financial Opportunities

- Pathology Joint Venture
  - Joint venture with Basildon & Thurrock UHFT and iPP. Contracts signed May 2014
  - Cost saving & revenue opportunity
- Estates Development: commercial development of estates assets in 2017
- Back Office: cost effective provision of support functions

# Financial Overview

## Summary of the 5 Year Plan

|                                | Year 1        | Year 2        | Year 3        | Year 4        | Year 5        |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|
|                                | 2014/15       | 2015/16       | 2016/17       | 2017/18       | 2017/18       |
|                                | <u>£'000</u>  | <u>£'000</u>  | <u>£'000</u>  | <u>£'000</u>  | <u>£'000</u>  |
| Income                         | 268,933       | 266,841       | 266,469       | 269,643       | 274,281       |
| Expenditure                    | (255,601)     | (252,602)     | (250,229)     | (253,388)     | (258,011)     |
| <b>EBITDA</b>                  | <b>13,332</b> | <b>14,239</b> | <b>16,240</b> | <b>16,255</b> | <b>16,270</b> |
| Financing & Depreciation       | (14,052)      | (14,616)      | (15,289)      | (15,471)      | (15,391)      |
| <b>Net Surplus / (Deficit)</b> | <b>(720)</b>  | <b>(377)</b>  | <b>951</b>    | <b>784</b>    | <b>879</b>    |

  

|             |        |        |        |        |        |
|-------------|--------|--------|--------|--------|--------|
| <b>Cash</b> | 12,310 | 11,972 | 10,000 | 11,109 | 11,649 |
|-------------|--------|--------|--------|--------|--------|

# Year on Year Movements

|   | Year 1<br>2014/15 | Year 2<br>2015/16 | Year 3<br>2016/17 | Year 4<br>2017/18 | Year 5<br>2017/18 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | <u>£'000</u>      | <u>£'000</u>      | <u>£'000</u>      | <u>£'000</u>      | <u>£'000</u>      |
| Net <b>Surplus / (Deficit)</b> prior year | <b>981</b>        | <b>(720)</b>      | <b>(377)</b>      | <b>951</b>        | <b>784</b>        |
| Clinical Income Inflation / (deflation)   | (3,093)           | (2,782)           | (922)             | 24                | 88                |
| Cost Inflation                            | (4,104)           | (4,676)           | (5,459)           | (6,249)           | (6,314)           |
| Nursing Development                       | (1,732)           | (1,096)           | -                 | -                 | -                 |
| Commercial Initiatives / CIP              | 9,500             | 10,000            | 9,000             | 7,000             | 7,000             |
| Other                                     | (2,272)           | (1,103)           | (1,291)           | (942)             | (679)             |
|   | -                 | -                 | -                 | -                 | -                 |
| Net <b>Surplus / (Deficit)</b>            | <b>(720)</b>      | <b>(377)</b>      | <b>951</b>        | <b>784</b>        | <b>879</b>        |

# Cost Improvements

| Schemes                               | Year 1       | Year 2        | Year 3       | Year 4       | Year 5       |
|---------------------------------------|--------------|---------------|--------------|--------------|--------------|
|                                       | 2014/15      | 2015/16       | 2016/17      | 2017/18      | 2017/18      |
|                                       | <u>£'000</u> | <u>£'000</u>  | <u>£'000</u> | <u>£'000</u> | <u>£'000</u> |
| Pathology Joint Venture               | -            | -             | 800          | 250          | 250          |
| Ambulatory Care/ Day Surgery          | -            | -             | 500          | 700          | -            |
| Electronic Patient Records            | -            | -             | 250          | 500          | 500          |
| Back Office                           | -            | -             | 800          | 325          | -            |
| Recruitment/Reduction of Agency costs | -            | 1,000         | 1,000        | -            | -            |
| Estates Development                   | -            | -             | -            | -            | 4,000        |
| Private Patients Facility             | -            | -             | -            | -            | 800          |
| Other Commercial Opportunities        | -            | -             | 250          | 500          | 500          |
| Procurement, Drugs                    | 1,150        | 1,150         | 1,150        | 1,150        | 650          |
| Other                                 | 8,350        | 7,850         | 4,250        | 3,575        | 300          |
| <b>Total</b>                          | <b>9,500</b> | <b>10,000</b> | <b>9,000</b> | <b>7,000</b> | <b>7,000</b> |

# Investments / Capital Programme

|                               | Year 1        | Year 2       | Year 3        | Year 4       | Year 5       |
|-------------------------------|---------------|--------------|---------------|--------------|--------------|
|                               | 2014/15       | 2015/16      | 2016/17       | 2017/18      | 2017/18      |
|                               | £'000         | £'000        | £'000         | £'000        | £'000        |
| <b>Capital Schemes</b>        |               |              |               |              |              |
| Medical equipment replacement | 1,500         | 1,500        | 1,500         | 1,500        | 1,500        |
| 2 MRI scanners                | 3,000         | -            | -             | -            | -            |
| X-ray equipment               | 600           | 1,100        | -             | -            | 1,000        |
| Linacc                        | 2,180         | 420          | -             | -            | 2,200        |
| Cardiac Monitoring            | -             | -            | 850           | -            | -            |
| RT CT simulator               | -             | -            | -             | 900          | -            |
| Vascular theatre              | 2,300         |              |               |              |              |
| IT                            | 1,789         | 2,188        | 2,019         | 2,331        | 1,043        |
| E-Prescribing                 | 535           | 24           |               |              |              |
| Estates/Backlog maintenance   | 4,706         | 2,850        | 2,850         | 2,850        | 2,850        |
| Electronic Patient Records    | -             | -            | 4,000         | -            | -            |
| Other                         | 515           | 801          | 500           | 1,000        | 500          |
|                               |               |              |               |              |              |
| <b>Total</b>                  | <b>17,125</b> | <b>8,883</b> | <b>11,719</b> | <b>8,581</b> | <b>9,093</b> |



## Risks & Opportunities

- Demographic impacts, challenge for the whole health economy, working with partners and stakeholders to ensure we are best placed to respond to the challenge
- Joint working with commissioners to improve pathways
- Commissioner funding challenges, address through joint working
- Tariff settlement, lobby through provider bodies
- Further commercial opportunities, continue to seek and develop



## CONCLUSION

- Environment will continue to be challenging
- The Trust has a number of strategic initiatives to improve patient care
- The plan is based upon achieving sustainable clinical performance
- The Plan shows a sustainable financial position