West Hertfordshire Hospitals NHS
NHS Trust

West Hertfordshire Hospitals NHS Trust

Operational Plan 2016/17

Summary

22 August 2016

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1. Introduction

West Hertfordshire Hospitals NHS Trust provides hospital services to 550,000 people living in Hertfordshire and north London. We are one of the largest employers locally, with approximately 4,400 staff and 446 volunteers. We run services across three sites at Watford, St Albans and Hemel Hempstead.

In April 2015, the Care Quality Commission (CQC) inspected our hospitals and identified some significant concerns in relation to how we systematically ensure the quality and safety of our services, for all of our patients, every day.

As a result, the Trust was put into 'special measures', which has provided extra help and support to make the necessary improvements to our services. We developed a quality improvement plan and expect to have completed the majority of the actions by the time the CQC visits to re-inspect the Trust in September 2016.

We have focused on improving mortality and our mortality rates are now not only significantly below the expected level, but also amongst the lowest in the country.

We have also delivered significant improvements in the delivery of the 18 week Referral to Treatment standard, which states that 92% of patients waiting to start treatment should have waited less than 18 weeks. We have exceeded the diagnostic wait standard which states that 99% of patients requiring diagnostics should get them within six weeks and we have also met the cancer 31 and 62 day standards.

Throughout the year we have continued to experience high levels of delayed transfers of care. This is where medically fit patients remain in hospital because of lack of appropriate places to which they can be discharged. This has placed pressure on our bed capacity and our performance against emergency care standards has continued to be below the expected level. Improving this is a priority for 2015/16.

This operational plan builds on the quality improvement plan and on our 2015/16 annual plan and sets out our plan for 2016/17.

Our corporate aims are:

To deliver the best quality care for our patients	To be a great place to work and learn
To improve our finances	To develop a strategy for the future

Our operational plan is aligned with the five-year west Hertfordshire Sustainability and Transformation plan which is currently being developed by Herts Valleys Clinical Commissioning Group.

2. Your Care, Your Future and WHHT clinical and organisational sustainability strategy

In January 2015, the "*Your Care, Your Future*" Strategic Review was established by west Hertfordshire health and social care partners[1], with the aim of clarifying how well patients' health and social needs are currently being met and how services could be reconfigured to better meet their needs.

We worked with our partners to develop a whole system vision for developing more patient-focused, sustainable services for the future and we are now working together to establish an implementation plan to translate the vision into action.

[1] Herts Valleys Clinical Commissioning Group, Hertfordshire Community NHS Trust, Hertfordshire Partnership University NHS Foundation Trust, East of England Ambulance Service, Hertfordshire County Council and West Hertfordshire Hospitals NHS Trust

Our future model will be locally-based networks that bring together primary, community and secondary care clinicians and social care professionals to provide preventative, personalised care as close to home as possible. In 2016/17, we will be developing new models of care for frail older people and for diabetes care. Additionally, we will be working to establish specialist gynaecology services in the community and an enhanced service for people who have had a stroke.

We and our partners recognise the urgent need to address the very poor estate and information technology infrastructure from which the Trust currently provides services. *Your Care, Your Future* confirmed that the future of Hemel Hempstead Hospital is as a local community hospital, with more specialist elements of acute care centralised onto one or two sites. We are currently deciding on this future model of delivery through a detailed options appraisal that we are undertaking jointly with Herts Valleys Clinical Commissioning Group.

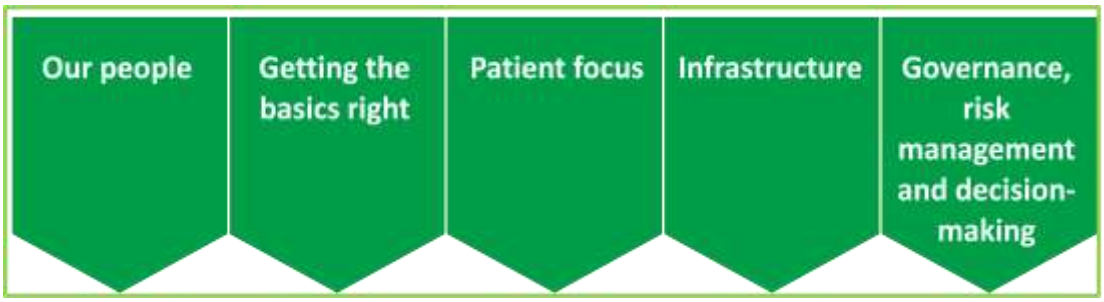
We are also working to finalise our own clinical strategy, in line with the vision set out in *Your Care, Your Future*. We aim to complete this by December 2016. If formal consultation is required, this timeline will extend to June 2017.

3. Ensuring our services are safe, effective and caring

3.1. Our commitment to quality and care

At West Hertfordshire Hospitals NHS Trust, we are committed to providing great care for the 550,000 people who depend on our healthcare services.

Following the CQC's visit in April 2015 and subsequent report in September 2015, after which we were placed in special measures, we developed a comprehensive quality improvement plan under five key themes:



3.2. Our 2016/17 quality priorities

1) **Our people** - Ensuring we have sufficient skilled, well-supported and happy staff is essential to the delivery of safe, high quality patient care. We have worked hard to retain our current staff and to recruit new staff. We have strengthened our leadership and now support our staff more effectively.

2) **Getting the basics right** - We have started to change the culture of the Trust so that all staff feel responsible for getting the basics right – following clinical guidelines and health and safety policies, maintaining patient records, administering medicines correctly and storing patient records securely.

3) **Patient focus** - We need to put patients and patient experience at the centre of everything we do. Working with our local partners, we have worked to improve seven-day access to our services, reduce waiting times and cancellations and reduce length of stay. We have strengthened clinical leadership and started to change the culture of our maternity department to ensure women and their partners consistently receive compassionate care.

We have continued to focus on ensuring our most acutely unwell patients get the very best care. We have improved end of life care and support to relatives and carers of people who have died.

4) **Infrastructure** - We need to ensure we provide a safe, secure environment for staff and visitors. As part of our work to improve our buildings and facilities, we have started the process to secure additional investment for our longer-term plans. We have a programme of investment to upgrade the information technology systems which support patient care.

5) **Governance, risk management and making informed decisions** – We have been working to establish a culture in which all staff feel supported to improve the quality and safety of patient care. We have improved how we manage risk at a corporate level and how we respond to and learn from complaints and incidents.

3.3. Quality governance and assurance

We have robust safety, quality and risk management governance arrangements in place, with comprehensive, integrated performance data to enable board members to assure themselves regarding the quality, safety and responsiveness of our services.

The Integrated Performance Reports and Trust Board papers are available at: http://www.westhertshospitals.nhs.uk/about/board_meetings/default.asp

During 2015/16, we fully reviewed the Trust's risk register at corporate and divisional/departmental level. See *Section 8* for further details.

3.4. Quality improvement

We use a number of approaches to drive quality improvement and in 2016/17, we will build on what we learned and focus on embedding and sustaining the changes:

- *Clinical leadership and divisional ownership:* our quality improvement programme is clinically led and owned at divisional and departmental level,
- *Staff engagement and patient feedback:* we will continue to use the *Friends and Family Test* to get feedback and track our performance over time,
- *Safety Culture:* we undertake regular safety culture surveys across the organisation to understand the progress made and the further work needed,
- *Data to drive improvement and reduce variation:* we have significantly strengthened the way we collect and analyse data,
- *Strong and well understood governance and risk management:* we have worked to strengthen and streamline governance arrangements. In 2016/17, our focus will be to instil a learning culture within the organisation,
- *Clinical and organisational partnerships:* we will continue to work closely with local partners to integrate care and understand and manage system risks. We exploring opportunities for joint working with UCLPartners,
- *Improvement methodologies:* we are exploring opportunities for shared learning with UCLPartners and the Royal Free Hospital.

3.5. Key quality risks

There are three main areas:

- *Emergency care pathway, patient flow and delayed transfers of care* – we continue to work closely with our partners to mitigate risks. We are implementing Emergency Care Improvement Programme recommendations,
- *Workforce retention and engagement* – our new workforce strategy sets out our approach, which includes improving the work environment and our highly proactive recruitment campaign. We have recently recruited over 300 nurses,
- *Finance* – we continue to focus on strengthening quality governance processes and embedding improvements to risk management.

3.6. Quality impact assessment process

All new efficiency programmes undergo a quality impact assessment, which then needs to be approved by the Chief Nurse and Medical Director. Quality is assessed across six areas – (1) duty of quality, (2) patient safety, (3) clinical effectiveness, (4) patient experience, (5) prevention and (6) productivity and innovation. During 2015/16, no schemes were identified as posing a significant risk to the safety and quality of services.

3.7. Academy of Medical Royal Colleges (AOMRC) guidance for taking responsibility

We follow the AOMRC *Guidance for Taking Responsibility: Accountable Clinicians and Informed Patients*, by having boards above the patient's bed identifying the responsible consultant/clinician for the duration of the patient's stay and the named nurse for the current shift. At each shift change, there is a clear agreement on who is the named nurse or midwife for each patient.

4. Ensuring our services are responsive

We will continue to build strong partnerships with a wide range of organisations, individuals and groups to ensure local people are engaged in the work of our hospitals. This includes Hertfordshire Healthwatch, Hertfordshire County Council's Health Scrutiny Committee, Hertfordshire's Health and Wellbeing Board, our own Patients' Panel, local charities, educational establishments, MPs, local councillors, Dacorum Health Action Group and others.

4.1. Emergency care

We are currently implementing our Emergency Care Improvement Plan, to deliver improvements in the following three key areas:

- admissions avoidance/maximising ambulatory care;
- safe, effective and timely emergency assessment and treatment;
- high quality effective inpatient care and timely discharge.

Actions we have already taken to achieve the improvements include:

- starting a new frailty service, which provides rapid access to specialist care for frail, elderly patients arriving at A&E;

- developing a 'pit stop', the area where senior clinicians can assess ambulance arrivals and GP-heralded patients and start treatment plans early in the patient journey;
- starting our Twilight Hospital, which has enhanced staffing between 4pm and midnight;
- starting our Hospital at Night, which operates from 8pm until 8.30am, seven nights a week, to provide emergency care for inpatients overnight.

We are committed to achieving the national four-hour A&E standard, which states that 95% of patients should remain in A&E for a maximum of four hours from arrival to either (1) admission to the hospital, (2) transfer to a specialist service or (3) discharge to home.

In order to achieve the standard, we will work with our local partners so that there are the following changes across west Hertfordshire:

- adherence to agreed catchment areas by East of England Ambulance service;
- development by Herts Valleys Clinical Commissioning Group (HVCCG), Hertfordshire Community Trust and Hertfordshire County Council of new models of care to reduce delayed transfers of care;
- support from HVCCG and Primary Care providers in order that we can provide improved urgent care on all three hospital sites to reduce demand at A&E.

A detailed recovery plan with projected figures has been agreed with NHS Improvement (NHSI).

4.2. Cancer waiting times

The eight national cancer waiting times standards state maximum times that patients should wait from GP referral to diagnosis and treatment. We have improved our 62 day referral to first treatment waiting time and have met seven of the eight cancer waiting times standards.

We will continue to focus on meeting the cancer standards in 2016/17.

4.3. 18 week referral to treatment standard

The national 18 week referral to treatment standard states that patients should not wait longer than 18 weeks from GP referral to first treatment. In 2015/16, we significantly reduced the number of patients waiting over 18 weeks for treatment and achieved the national standard for a number of months over the summer and in to the autumn. This was not sustained during the winter months because we lost capacity through increases in demand for some services, emergency care pressures, unplanned theatre closures related to ventilation/drainage problems and the impact of the junior doctors' industrial action.

In order to achieve full compliance, we will:

- reduce the number of operations cancelled on the day for non-clinical reasons;
- continue the transformation of Outpatient services across all three sites;
- maintain the ring-fenced elective (i.e. non-emergency) bed pool at Watford;

- install new CT and MRI scanners at Watford;
- complete the Endoscopy expansion project.

A detailed recovery plan with projected figures has been agreed with NHSI.

4.4. Diagnostics

The diagnostics waiting standard states that 99% of patients should not wait more than six weeks for a diagnostic test. We exceeded the requirement throughout 2015/16 and are committed to sustaining the standard for 2016/17.

4.5. Seven-day services

NHS England has detailed 10 clinical standards for seven-day services. During 2015/16, we made good progress in implementing five of these standards. We put in place increased consultant cover at weekends and are achieving well against key mortality indicators (below expected for both weekday and weekend mortality). During 2016/17, we will:

- work with clinicians to improve clinical documentation thereby reducing time to first consultant review in paediatrics, gynaecology, surgery and orthopaedics;
- work to maintain our score of 95% in audits of shift handovers in all specialties, including those of our hospital at night;
- develop and centralise our seven-day vascular diagnostic services at Watford General Hospital in order to support stroke and vascular services;
- agree targets with commissioners for key performance indicators for Child and Adolescent Mental Health Services;
- continue to work closely with our partners to develop a local system-wide seven-day plan, with particular emphasis on the transfer to community, primary and social care, which is fundamental in improving patient flow;
- continue the work underway on the remaining five clinical standards.

5. Activity planning

5.1. Activity and income planning

We used forecast activity and income in month 9 of 2015/16 as our baseline for 2016/17. We then applied the agreed inflator figures - those for tariff and for demographic and non-demographic growth – which were based on assumptions in *Your Care, Your Future*. Finally, we worked with commissioners to agree an activity and income plan for 2016/17.

As at 7 April 2016, the Trust's chargeable activity and income plan was as follows:

2015/16 forecast and 2016/17 plan (as at 07/04/2016)

	2015/16 forecast		2016/17 plan		%change
	No.	**£k**	**No.**	**£k**	
Non-elective spells (general & acute)	44,372	76,154	44,705	82,523	0.8%
Maternity spells	5,240	11,734	5,240	11,945	0.0%
Total Non-elective	**49,612**	**87,888**	**49,945**	**94,468**	0.7%
Elective inpatients	7,397	24,097	7,433	24,854	0.5%
Day cases	33,366	26,727	35,990	29,056	7.9%

Total elective	**40,763**	**50,824**	**43,423**	**53,910**	6.5%
Outpatient first attendances[1]	121,366	23,512	129,207	25,633	6.5%
Outpatient maternity pathways[2]	14,211	13,583	13,920	13,372	-2.0%
Outpatient follow-ups[3]	223,107	24,751	234,064	26,628	4.9%
Other outpatients[4]	73,287	7,520	78,045	7,981	6.5%
Total outpatients	**431,971**	**69,366**	**455,236**	**73,614**	5.4%
A & E attendances	112,587	13,697	114,839	14,220	2.0%
Critical care	12,345	9,589	12,509	9,710	1.3%
High cost drugs		9,691		10,022	
Other activity[5]	3,583,802	26,170	3,668,470	27,221	2.4%
CQUIN		5,792		6,829	
Total	**4,231,080**	**273,017**	**4,344,422**	**289,994**	

Forecast @ month 11 used for 2015/16

Figures per Trust plan @ 07 April 2016

[1] Includes outpatient procedures which are firsts
[2] Ante and post natal pathways
[3] includes outpatient procedures which are follow-ups
[4] Non-face to face, unbundled outpatient imaging, outpatient activity in block - paediatric diabetes and multi-disciplinary team income
[5] Various - therapies, audiology, devices, direct access, etc

5.2. Key capacity issues

5.2.1. Emergency Care

In 2015/16, A&E activity increased by 1.9% from 110,878 attendances to 112,958. This does not include Hemel Hempstead Hospital Urgent Care Centre. Two key priorities for 2016/17 are a reduction in:

1) inpatient admission rate. To achieve this, we plan to ring-fence capacity in our ambulatory emergency care area and in the Watford children's observation bay. The new frailty service will also help to reduce inpatient admissions;

2) length of stay. This will involve:

- reducing delayed transfers of care. In 2015/16, we lost an average of 978 bed days each month, the equivalent of over 32 beds;
- continuing to implement the SAFER patient flow bundle. This is a standardised way of managing (and improving) patient flow through hospitals. It also reduces length of stay for all admitted patients.

Achieving these priorities will contribute to our targeted £18.3 efficiency programme.

We are also working to implement the new hyper acute stroke unit and provide services for all acute stroke patients at the Watford site.

5.2.2. Planned care & cancer

Projected referral to treatment performance is based on a consistent volume of referrals per working day and takes into account seasonal variation as well as

assumed growth on 2015/16 figures. This is 2.7-2.8% for all indicators except consultant-led follow up outpatient attendances where it is 0.2%.

A number of services face significant (and more than anticipated) increases in demand, including cardiology, pain and subspecialties within trauma & orthopaedics, including spinal surgery and hand surgery. We will liaise with HVCCG to monitor the situation and mitigate the risks.

Similarly, the impact of new guidance for suspected cancer is likely to result in increased demand for some diagnostic services and cancer treatment.

5.2.3. Women's & children's services

- **Maternity** – NHS deliveries are down by 2.9% on 2014/15 figures (from 5,370 to 5,214). The number of planned deliveries in 2016/17 is 5,327, 2% higher than 2015/16. Our current 'market share' for maternity is lower than expected and we will be developing a strategy to increase the number of births, through our obstetrics service.
- **Neonatal** - Despite a lower birth forecast, we are projecting a small increase in activity through our neonatal unit. This is linked to new ways of working that we are developing, with a view to reducing transfers out to the specialist neonatal intensive care unit at Luton & Dunstable Hospital.
- **Paediatrics** - The paediatric team is targeting an increase in activity in paediatric gastroenterology and allergy services in 2016/17.
- **Gynaecology** - We are working with Hertfordshire Community Gynaecology service to develop a proposal for a new specialist community gynaecology service.

6. Workforce planning

6.1. Introduction

We know we need to attract and retain excellent and capable people to enable us to deliver the very best, for every patient, every day. We need to do more to engage our people fully and we are committed to creating a workplace which our staff are proud to be part of.

6.2. 2015/16 Highlights

We have lots to be proud of. During 2015/16, we:

- launched a new approach to engaging and unlocking the potential of our employees called *Listening into Action*. Since May 2015, we have held six staff-led 'big conversations' and staff have launched 15 new initiatives to improve services. Recent feedback has shown that there have been some measurable improvements in, for example, staff feeling happy and supported and feeling valued for the contribution that they make;
- reduced our overall vacancy rate from 15.9% in April 2015 to 11.4% in March 2016 by recruiting over 300 new Band 5 nurses, a significant number of whom have been from overseas. This reduced Band 5 nurse vacancy rate from a peak of 32% in September 2015 to 6.8% in March 2016;
- reduced our three-month average turnover rate from 14.90% in December 2015 to 13.50% in March 2016;

- reduced our agency costs from 17% of staff budget costs in December 2015 to 15.4% in February 2016.

6.3. Our workforce strategy

We have developed a Workforce & Development Strategy for 2016-2019 in order to address significant organisation and workforce challenges in the months and years ahead and be able to deliver high quality, sustainable care in the right way.

The strategy identifies four key pillars that will determine our 'people priorities':

- **laying the foundations** with the right people in the right roles, with the right leadership skills, doing the right things, in the right way - all adding up to the right culture;
- **helping us to recruit and retain** a stable, competent, cost-effective permanent and temporary workforce that is agile and future-flexible and which includes newly designed roles to help meet our organisational needs;
- **supporting our people** by looking after their wellbeing, listening to and recognising efforts, creating a better place to work, meaning people will stay and flourish;
- **developing our people** with the knowledge and skills needed to do their jobs well, strengthening our leadership capability and offering great education and training. In particular, we want to develop the leadership skills of our clinicians to help us achieve our goal of becoming a clinically-led organisation.

We have also made commitments as part of our Quality Improvement Plan, drawn up in the light of the CQC findings, following their inspection in April 2015. As part of this programme, we will:

- introduce new online systems for mandatory training, making it easier for staff to access training when and where they need it;
- ensure staff are able to attend and carry out mandatory training, to care for and treat patients effectively, particularly regarding annual resuscitation training and deprivation of liberty standards training;
- ensure that all staff are effectively supported with formal clinical and operational supervision and appraisal systems;
- ensure that at all times, there are sufficient numbers of suitably qualified, skilled and experienced staff to ensure that people who use the service are safe and their health and welfare needs are met;
- put in place a clear strategy for leadership development and clinical engagement at all levels, as a response to the recent medical engagement survey which showed poor clinical engagement within the Trust.

6.4. 2016/17 Workforce development priorities

As part of the system-wide west Hertfordshire health and social care collaboration, *Your Care, Your Future* and in line with the emerging Sustainability and Transformation Plan, we have worked and continue to work closely with our partners[2] to develop/agree our 2016/17 priorities.

[2] Herts Valleys Clinical Commissioning Group, Hertfordshire Community NHS Trust, Hertfordshire Partnership University NHS Foundation Trust, East of England Ambulance Service and Hertfordshire County Council

Key workforce priorities are as follows:

Emergency care:

- **medical staffing:** There is a need to strengthen the consultant workforce in the Emergency Department and develop a more sustainable Acute Physician rota. There has been a growing reliance on a small team of doctors to cover increasing service hours into the evenings and at weekends, which has resulted in increasing levels of 'ad hoc' sessional work outside of job plans. In 2016/17, we will determine the case for increased numbers and/or reallocation of specific tasks across the broader medical consultant body;
- **frailty pathway redesign:** This system priority under *Your Care Your Future*, with plans to include a new 'front door' alongside Watford General Hospital emergency department, was successfully launched April 2016;
- **hyper acute stroke services:** The new service will mean improved staffing ratios for nurses and therapists and will ensure specialist expertise is available onsite, seven days a week. It will require significant workforce expansion including an additional dedicated stroke consultant;

Planned care:

- **rapid access clinics**: We plan to open new clinics to support two-week wait cancer pathways;
- **surgery and anaesthetics:** We rely heavily on locum staff and ad hoc consultant sessions. Meanwhile, the Theatres' scheduling project, has revealed scope for significant productivity gain by introducing two-session days. We have already undertaken some scheduling changes, including the introduction of an overseas trainee programme and conversion of locums to substantive staff, which will reduce reliance on agency staff;
- **medicine:** We are currently addressing a broad range of challenges. Notably, we aim to recruit additional doctors in **cardiology**, which will enable a new team job plan which does not rely on locum or ad hoc cover. Similarly, we are aiming to recruit more doctors in **gastroenterology**. A capacity and team job planning exercise in **respiratory services** has already resulted in improved cover across the 52-week period and clear identification of capacity gaps;
- **radiology:** Rapidly growing demand for the service has resulted in heavy reliance on employed consultants to provide additional 'ad hoc' and regular sessions not included in job plans. At the same time, the service - despite great effort - has struggled to recruit to vacancies. However, the service has devised a creative plan to recruit trainees and is also making very cost-effective use of agency locums, as a result of positive relationships with individual workers and the impact of capped rates. In 2016/17, we will establish a trainee programme and continue ongoing work to cover growing reporting requirements with reduced reliance on ad hoc sessions, where feasible;
- **diabetic service redesign:** This is a *Your Care, Your Future* priority and we will be undertaking a full review of the service;

Women's & children's services:

- we have identified some issues with the current job plans for both obstetrics and gynaecology and paediatric consultants and in 2016/17, we will aim to align all job plans to known service needs.
- we plan to develop a specialist community gynaecology service in partnership with Hertfordshire Community Gynaecology service.

6.5 Reducing all agency staffing (nursing, medical, AHP and admin & clerical)

We have strengthened our internal processes for managing temporary staffing and have worked with other NHS organisations across Hertfordshire and Bedfordshire to drive down agency and locum costs and thereby meet the requirements of the newly introduced temporary staffing caps.

We have reduced our vacancy rates which we know, left unchecked, result in increased pressure of work and reduced staff engagement, which in turn means increased turnover and, inevitably, greater use of temporary workers to cover gaps.

During 2016/17, we will:

- implement tighter controls on the booking of temporary staff in medical, allied health professional and admin & clerical roles, to complement the tight controls already in place with nursing & midwifery;
- continue to work with our partner, *NHS Professionals*, to attract more workers to the bank (our internal staff agency);
- ensure that minimal use is made of interim staff, having successfully reduced the numbers from 70 at the start of the 2015/16 to 12 at the year end;
- further reduce vacancy and turnover rates.

The annual agency spend for 2016/17 is projected to be £24.406m.

7. Financial planning

7.1. Financial forecasts and modelling

The Trust has, for a number of years, operated in deficit. Following a series of risk assessments undertaken by the Board and publication of the Francis report[3], the size of the deficit has increased, with unfunded investment being made in quality, increased staffing and infrastructure costs. In 2015/16, costs have continued to rise, mainly due to the Trust having to create additional clinical capacity to accommodate increasing numbers of patients delayed in their transfer of care. This new clinical capacity had to be supported by costly temporary staff. Increased costs also relate to corrective actions, following the Trust's CQC inspection.

Following detailed discussion with NHS Improvement, the Trust has agreed a financial plan for the year. Key elements can be summarised as:

- revenue £325.9m (of which NHS £302.3m);
- operating expenditure £344.6m (of which staff costs £223.5m);
- other expenditure £3.9m (primarily financing costs).

Detailed reports provided monthly to the Trust can be accessed under the *Key Documents* link at: http://www.westhertshospitals.nhs.uk/about/.

7.2. Efficiency savings for 2016/17

Total cost improvement programmes of £18.3m for the year have been agreed. This will be challenging to achieve. £11.7m has been identified to date, including:

- £4.1m workforce-related schemes;

[3] https://www.gov.uk/government/publications/report-of-the-mid-staffordshire-nhs-foundation-trust-public-inquiry

- £2.8m non-pay schemes, with significant contribution from procurement;
- £1.3m data quality schemes;
- £3.5m service developments across operating divisions.

Lord Carter of Coles' independent report for the Department of Health on operational productivity and performance in English NHS acute hospitals[4] contains an index to measure the relative efficiencies of NHS Trusts. Our score of 98 suggests that the Trust is 2% more efficient than average. However, the work has highlighted some potential opportunities which we have developed into an action plan to deliver £4m of savings.

In 2015/16, delivery of savings was supported by an external company which is in the process of being replaced by a dedicated internal team.

7.3. Capital planning

Maintaining safety of infrastructure and meeting the capacity to care for patients is critical. To do this, we require capital investment of £19.46m, which is similar to that made in each of the last three years.

Initial funding is sufficient to complete projects that are in progress. These include replacement of equipment, adaptation to buildings towards coping with patient volumes, critical maintenance to buildings, plant and machinery, information technology and clinical training facility improvement.

Additional funding is needed to replace equipment that becomes too expensive to maintain, or equipment that is no longer safe. Building and engineering refurbishment is also a continual process to ensure facilities meet standards.

Two major developments are underway, each of which is likely to cost £10m. The first of these is redevelopment of the theatre suite at Watford Hospital. This will increase capacity to meet expected demand for the next five years and equip them to modern standards. The second is redevelopment of the A&E department, again to keep pace with demand and improve patient facilities.

The Trust has applied to NHSI for £12.6m of new borrowing. However, as there are limited funds available, award of the total is uncertain.

8. Planning, delivery, leadership and governance

8.1. Planning approach

We continue to develop and strengthen our internal planning processes to ensure alignment between activity/capacity/workforce and financial planning assumptions.

The financial plan for 2016/17 has been developed utilising both a top-down analysis of the activity and financial baseline which captures known changes for 2016/17 and a bottom-up construction of divisional financial plans. The planning approach builds on 2015/16 activity, capacity and workforce recurrent baselines and models incremental changes into 2016/17.

Led by the executive team, we have used the challenge and confirm method, incorporating sensitivity testing and lessons learned from previous years, to ensure

[4] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/499229/Operational_productivity_A.pdf

divisions fully understand and own all the key assumptions within the 2016/17 plan. Clinical leads have been engaged in reviewing and signing off the activity, capacity, workforce, income and expenditure plans for their services.

8.2. Delivery and performance management

In 2016/17, the Trust will be strengthening in-house project management and delivery capabilities to ensure that all change programmes are effectively tracked and risk managed.

8.3. Leadership

In 2015/16, we continued to strengthen our leadership team with the appointment of a new Chairman, Steve Barnett in November 2015**.** We have a full complement of non executive directors who bring a range knowledge and expertise to the Trust.

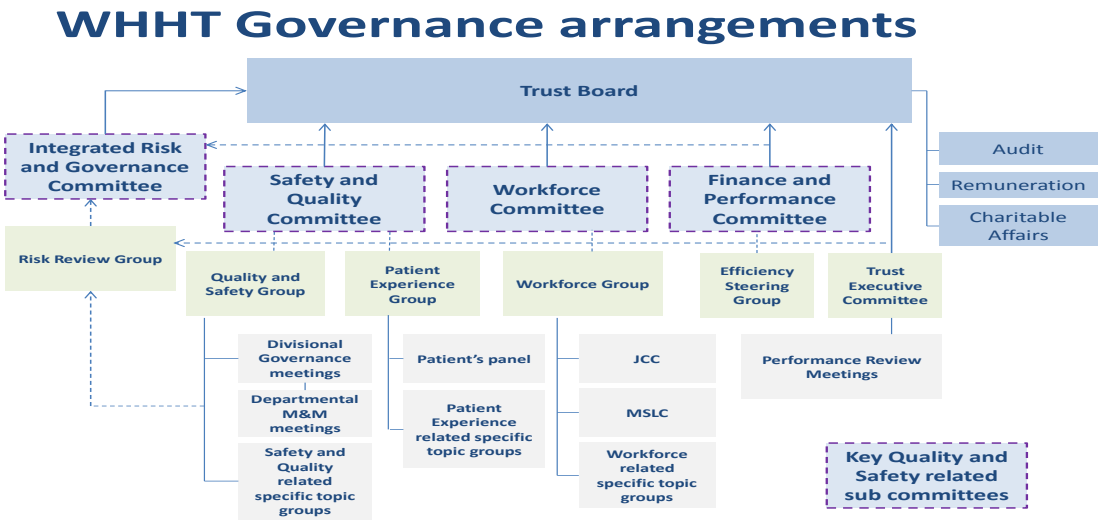
Katie Fisher joined the team as Chief Executive in July 2016 and all Director posts are now filled substantively with the exception of the Chief Operating Officer. An experienced internal leader has been seconded to cover this role whilst we put in place new substantive leadership arrangements within the Operations division.

We continue to work to strengthen clinical engagement and to support and empower clinical leaders within the Trust. Divisional leadership triumvirates (clinical divisional director, non-clinical divisional manager and lead nurse) will play a key role in delivering the plan.

A Board development plan has been put in place to respond to the Board's self assessment against the "well led" framework and the findings of the external board capability review commissioned by the Trust Development Authority (known as NHS Improvement since April 2016), following the Trust being put into special measures. Additionally, the Trust will be working with the Royal Free Hospital through the 'buddying' arrangement, also put in place as part of the special measures support package. This work will focus on risk and governance, developing clinical leadership, end of life care and reviewing options for the future of pathology services.

8.4. Governance

During 2015/16, we worked to strengthen our governance and assurance arrangements, the key aspects of which are shown below.



8.5. Integrated performance reporting

The Board receives a monthly Integrated Performance Report which brings together quality, safety, workforce and finance metrics. We have substantially developed this reporting mechanism during 2015/16 (including, for example, the addition of ward scorecards and safe nursing staffing metrics) and will further strengthen our approach to reporting in 2016/17.

8.6. Board assurance framework and risk management

We have updated our board assurance framework and identified 10 'principal risks' to the delivery of our organisational aims and objectives. We have risk-rated our assurance around each risk and agreed a programme of work to strengthen controls and assurance against each of the identified risks. Our corporate risk register provides a more detailed view of specific risks within the organisation at divisional and departmental level.

9. Summary

In this document, we have:

- set out our corporate aims and linked them and our clinical and organisational strategy with the system-wide west Hertfordshire *Your Care, Your Future* strategic review and the emerging sustainability &transformation fund;
- outlined our approach to quality, including providing assurance on the robustness our workforce plans. We have described how we are addressing the concerns of the Care Quality Commission, following its visit to the Trust in 2015, through our quality improvement plan;
- outlined affordable, value-for-money capital plans that are consistent with our clinical strategy and which demonstrate the delivery of safe services;
- aligned our plans with commissioner plans;
- summarised our approach to planning, governance and assurance.