The Nottingham University Hospitals NHS Trust

Service Productivity and Efficiency Plan

Version 7.0

MARCH 2008

Table of contents

Main Plan	**Page**
Executive Summary	3
Introduction	4
Plan Content	4
Financial Background	6
2008/09 Plan	8
Bed Productivity	11
Ward Productivity	12
Theatre Productivity	13
Outpatient Productivity	15
Elective Productivity	16
Diagnostic Productivity	17
Staff Productivity	18
Clinical Quality/Patient Safety	21
Finance Productivity	22
Estates Productivity	23
Reducing Waste and Other Economies	24
Summary of 2008/09	25
Next Steps and Planning for Future Years	27
Appendices	
A. Management, communication and governance of the process	29
B. List of Workstreams 2008/09	34
Annex A	
Detailed description of 2008/09 Workstreams	

Executive Summary

- This document sets out the Trust's 2008/09 plans to achieve service efficiencies, productivity improvements and cost savings to meet service and financial targets and allow improvements to clinical outcomes and patient experience.
- It is the latest version of the plans that have helped the Trust to move from a significant projected income and expenditure deficit early in 2006 to monthly financial balance in 2007.
- This movement included financial savings achieved through specific projects (workstreams) of £10.4m in 2006/07 and £21.7m (forecast) in 2007/08
- In 2008/09, the Trust needs to deliver further savings of £26.96m to achieve financial balance. The focus of the workstreams that will meet this target has changed from cost reduction to service productivity and efficiency. Workstreams relating to clinical quality and patient safety are now also included in the plan.
- The 2008/09 workstreams have been grouped together into productivity and quality categories. There are 41 workstreams grouped into 11 categories
- A description of the coverage of each of the workstream categories forms the main part of this plan. The categories cover productivity on beds, wards, theatres, outpatients, electives, diagnostics, staff, finance, estates, reducing waste and also clinical quality and patient safety.
- This plan sets out the activities for 2008/09 and the plans for 2009/10 and 2010/11 will be developed in April and May. Much will be based on 'lean' principles as the Trust develops its longer term plans
- The financial savings for 2008/09 planned by the Clinical Directorates and Corporate Departments have been attributed to workstreams categories on a provisional basis. This attribution and the linkages to workstreams will continue to be developed for the next version of the plan.
- Performance management of this plan will be through a rigorous and disciplined approach linked to both the project leads for each workstream and Clinical Directorates / Corporate Departments

Introduction

- This document is Version 7.0 of the Service Productivity and Efficiency Plan for Nottingham University Hospitals NHS Trust (NUH). The plan is comprised of the workstreams that are in progress or development to ensure that the financial strategy of the Trust is achieved as the basis for improving patient outcomes and experience.
- The opening Financial Recovery Plan for 2007/08 (Version 4.0) was approved by the Trust Board on 5 April 2007 and Version 5.0 on 2 August 2007.
- Version (6.0) became the Financial Recovery and Service Productivity Plan, a title change that correctly reflected a change in emphasis. The scope of the workstreams was expanded from the previous concentration on financial savings to include service efficiency and productivity.
- This new version (7.0) completes the transformation and becomes the Service Productivity and Efficiency Plan. This reflects the fact that the Trust is now in monthly financial balance and that the workstreams focus on productivity and service issues that will deliver improvements in patients services and cost efficiencies. However, the management and delivery of the financial savings element of the plan remains critical to the future performance of the Trust.
- The plan will continue as a 'living document', with developed and updated versions, subject to quarterly re-approval by the Trust Board.

Plan Content

- A new structure has been adopted for this version of the plan to include more description of the productivity areas and actions for 2008/09 and exclude much of the historical detail. Previous versions of the plan, that were structured in a format agreed with the SHA and PwC are available on request.
- This version brings together financial turnaround workstreams and service improvement projects into a single process that will be built on the rigour and discipline of the turnaround process.
- The plan:-
    1. Reports on the financial background including 2006/07 actual financial performance and cost improvement achieved and the latest financial projection for 2007/08 and performance on individual workstreams;
    2. Sets out the financial challenge for 2008/09 and the cost improvements required from the productivity workstreams to contribute to the balanced financial plan;
    3. Describes the 2008/09 workstreams grouped together into productivity and quality categories as follows:

- Bed Productivity
- Ward Productivity
- Theatre Productivity
- Outpatient Productivity
- Elective Productivity
- Diagnostic Productivity
- Staff Productivity
- Clinical Quality and Patient Safety
- Financial Productivity
- Estates Productivity
- Reducing Waste and Other Economies

- The Appendices to the plan cover:
  1. The management, governance and communication of the service productivity and efficiency process.
  2. A summary list of the 2008/09 workstreams.

- The plan is supported by an Annex. This sets out detailed information on each of the 2008/09 workstreams that make up the plan, the description of each workstream includes:
  1. Project definition
  2. Situation/background
  3. Achievements to date
  4. Next steps/milestones
  5. Risks to delivery
  6. Patient benefits
  7. Service and productivity benefits
  8. Staff benefits
  9. Financial benefits
  10. Key performance indicators
- The Annex is not distributed with the plan but is available on the Trust intranet.

Financial Background

- Nottingham University Hospitals NHS Trust (NUH) was formed on 1 April 2006 following the merger of the Queen's Medical Centre Nottingham University Hospital NHS Trust and Nottingham City Hospital NHS Trust.

- NUH provides care from two main campuses:
  - Queen's Medical Centre Campus
  - City Hospital Campus

- The vision and ambition of NUH is to be 'the country's leading teaching Trust by 2016'.

2006/07

- During the merger process in 2005 an underlying income / expenditure gap was identified. At the start of 2006/07 this was quantified at £60m and a savings plan was put in place to achieve financial balance involving post reductions of 1,200 WTE and potentially significant redundancy costs.
- In the event, with the help of the local health community and the implementation of very stringent cost reduction measures the Trust achieved a deficit for 2006/07 of £6.8m with only a small number of redundancies.
- The total savings achieved in 2006/07 were £54m. The contribution of the turnaround workstreams to this was £10.4m as set out below:

2006/07 Workstream Cost Improvement Savings

	2006/07 Actual £000's
Procurement	4,156
Admin & Clerical Staffing	469
Nursing & Midwifery	2,334
Medical Pay	507
Theatres	613
Flexible Benefits	62
Medicines Management	699
Outpatients	588
Radiology / Pathology	978
Total Workstream Savings	**10,406**

2007/08

- The financial forecast for 2007/08 identified that further cost reductions were required for NUH to achieve financial balance as follows:

	£M
Underlying Financial Deficit	11.8
Income Reductions and Cost Pressures	23.5
Initial Gap	**35.3**
Additional Income (above 06/07 outturn)	(6.5)
Directorate Workforce Savings	(8.3)
Workstream Cost Savings	(20.5)
2007/2008 Forecast	**0.0**

- The main focus of the financial recovery plans for 2007/08 was cost reduction and efficiency improvement. Saving targets were identified and agreed with all Clinical Directorates and Corporate Departments and the plans to achieve them were based on both workstreams and individual items identified by Directorates.

- The savings from the workstreams were fully incorporated with the savings identified by Directorates/Departments into their overall CIP plans. The Directorates/ Departments were responsible for the delivery of the savings with the help and advice of the workstreams.

- As at month 11 of 2007/08, the projected savings for the workstreams are around £1.3m above plan as follows:

Workstream	Forecast £000's
Procurement	4,829
Admin & Clerical Staffing	702
Nursing & Midwifery	2,743
Medical Pay - Junior Doctors	1,443
Medical Pay - Consultants	2,125
Theatres	600
Flexible Benefits	109
Medicines Management	360
Other Projects	1,237
Other Directorate Savings	2,993
Corporate Savings	4,595
Total 2007/08	**21,736**

2008/09 Plan

- The financial forecast for 2008/09 has identified that the cost efficiencies required for NUH to achieve financial balance total £26.96m.

- The total CIP requirement has largely been driven by external factors, mainly the 2008/09 tariff reduction (£17.9m) and loss of income for research and SIFT (£5.2m). However the prospective gap is also informed by a number of underlying recurrent "cost pressures" and potential shortfalls associated with the Independent Sector Treatment Centre due to open on the QMC campus in mid 2008.

- Despite the size of this pressure, we are planning that the Trust will no longer be in "turnaround" in 2008/09 as long as financial balance is achieved in 2007/08. Many NHS Trusts will be facing similar cost saving requirements.

- The Trust's overall cost improvement target has been allocated to Clinical Directorates and Corporate Departments mostly on a proportionate share but including a part on a differential basis related to 2007/08 financial performance and distance from income target as follows:

Directorate	Minimum (3% Tariff Reduction; Teaching & Research Reduction; Treatment Centre Shortfall) £ 000s	Adjusted by 2007/08 Financial Performance & Distance from Income Target £ 000s	Total CIP Target £ 000s	CIP %
Acute Medicine	2,719	(81)	2,638	4.86%
Cancer & Associated Specialties	2,012	102	2,114	5.27%
Diabetic, Renal & Cardiovascular	2,334	61	2,395	5.15%
Diagnostic & Clinical Support	3,724	(86)	3,638	4.90%
Family Health	3,184	(8)	3,176	5.00%
Head & Neck	1,200	8	1,208	5.05%
Musculoskeletal & Neurosciences	1,835	(22)	1,813	4.95%
Specialist Support	3,240	280	3,520	5.45%
Thoracic & Digestive Diseases	1,400	(107)	1,293	4.63%
Facilities	2,100	68	2,168	5.18%
Corporate	1,455	50	1,505	5.19%
Central	1,319	175	1,494	
Total	**26,522**	**440**	**26,962**	**5.12%**

- Following two successful years of turnaround programmes, it is important that the emphasis of this plan now moves from cost reduction to service productivity and efficiency. The financial savings still have to be made, but rather than being the primary objective of the plan, they will be as a result of improvements in efficiency and productivity, reducing waste and doing things right first time.
- The 2008/09 workstreams have been developed in order to help Clinical Directorates achieve the cost improvement targets. They are categorised around the theme of improving productivity as follows:

Category	No of Workstreams
Bed Productivity	2
Ward Productivity	2
Theatre Productivity	5
Outpatient Productivity	3
Elective Productivity	1
Diagnostic Productivity	3
Staff Productivity	8
Clinical Quality and Patient Safety	5
Financial Productivity	8
Estate productivity	3
Reducing Waste and Other Economies	1

2008/09 Plan – Cont'd

- New workstreams that do not have a direct or immediate link to financial savings have been introduced. For example there are seven projects that relate to clinical quality and patient safety that will improve the patient experience and outcome and potentially reduce costs in the long term, but there are few savings attached to them in this plan. The rigour of the turnaround process has benefits longer term for the organisation and it can be extended beyond traditional financially motivated projects
- Overall management and monitoring of the plan will continue at the workstream level but the reporting process will focus on the workstream categories and Clinical Directorates.
- The performance management arrangements have changed for 2008/09 as the process of delivering efficiency becomes embedded in the Trust's normal performance management process. These are set out in the chapter on governance.

2008/09 Workstreams

- The following chapters of the plan describe each of the workstream categories. They set out the objectives of the activity, achievements in 2007/08 and plans for 2008/09.
- The overall plan and individual workstreams are currently focused on delivery for 2008/09. The follow on plans for 2009/10 and 2010/11 will be developed during April and May to feed into the next version of the plan and the long term financial model (LTFM).

Bed Productivity

- Analysis of bed capacity and utilisation will ensure all beds are cost effectively deployed. Rationalisation of beds will provide capacity where it is most required
- Reduction of medical outliers to a level below that of the top performing Trusts will allow directorates to focus on improvement in their own field of expertise
- Specific, targeted projects around length of stay involve learning from 07/08 work and using best practice models from peer Trusts around the country

2007/08

- The introduction of an on the day admission service at City Campus has resulted in an increase in the proportion of patients admitted on day of surgery (DOSA) from 57% in April 07 to 70% in December 07
- The new referral pathway for urgent cardiac surgery has reduced length of stay for cardiac catheterisation (HRG E14) from 3.2 days in April to 1.4 in December. NUH now has the lowest length of stay in HRG E14 amongst peer Trusts
- Removing inconsistencies in approach to pre-operative treatment to patients in Gynaecology has resulted in a reduction in length of stay in antenatal admission not related to delivery event (HRG N12) from 1.0 days to 0.7 days from April to December 2007
- Since the discharge planning project commenced and with the introduction of weekly discharge monitoring, the overall length of stay for NUH has reduced by half a day. This has also contributed to an improvement in 4 hour access performance

2008/09

- Activity and bed capacity is to be analysed at Health Resource Group (HRG) level to identify areas where existing bed stock is in excess of the needs of Directorates.
- A strategy is to be developed between the Bed Reallocation Project Group and Directorates to agree a plan for reallocation of beds
- Directorate specific length of stay projects are to be drawn up using detailed length of stay data from the Dr Foster software analysis tool as a means to benchmark performance and identify opportunities. These are being worked up into plans in Acute Medicine, Thoracic & Digestive Diseases and Diabetic, Renal &Cardiovascular
- Length of stay in Coronary Artery Bypass Graft (Cardiac Surgery) is to be reduced by introducing same day discharge. This will free up capacity and allow for increased throughput

Financial Implications

- Clinical Directorates have estimated a saving of £1.22m from this category for 2008/09.

Ward Productivity

- The 'Productive Ward' aims to equip ward based staff to deliver improvements in the delivery of safe, reliable and efficient patient care enabling those same staff to " *Release time to care*"
- This is a continuation of the work carried out in 2007/08 with an additional workstream relating to readmissions
- The Trust is aiming to reduce readmission rates to below those of the best performing trusts

2007/08

- The Trust successfully launched the 'Productive Ward' workstream backed by the Institute for Innovation and Improvement
- The Trust worked with the Institute to test the prototype toolkit with NUH implementing the 'Productive Ward' model on 18 wards as at the end of February 2008
- By the end of March 2008 the programme will have been rolled out across 26 wards.
- Detailed performance data benchmarked against other teaching hospitals has been distributed to Directorates

2008/09

- After success in pilot wards a schedule has been developed for a full roll out
- Increased focus on patient care leads to reduction in length of stay, reduced levels of hospital acquired infection, standardised care across the Trust and more direct patient care from nursing and therapy staff
- Reduction in length of stay releases beds on wards and allows for greater throughput of patients. There is also a reduced stock holding on wards and a greater focus on cost drivers at ward level
- The project to reduce readmissions fits well with the productive ward concept in increasing focus on patient care
- After reviewing Dr Foster benchmark data on readmissions, specialty targets will be established and agreed across all Directorates
- Reduction in readmission rates leads to more effective bed utilisation and better performance against activity contracts.

Financial Implications

- Clinical Directorates have estimated no financial savings from this category for 2008/09.

Theatre Productivity

- The objective of the theatre productivity workstreams is to increase efficiency and productivity in theatres whilst maintaining quality of care.

2007/08

- During 2007/08, three workstreams were progressed on theatres – efficiency, scheduling and staffing.
- New theatre scheduling processes have now been put in place and a new staffing complement has been agreed and funded for the 2008/9 budget.
- In terms of efficiency, a £600k improvement arising from improved theatre utilisation was achieved.
- In orthopaedic theatres, green list principles have been established and a number of green lists are permanently in place.
- The ORMIS computer system is installed in theatres and information and reports have been developed to better measure performance
- Recent improvements in the number of theatre sessions utilised and in session utilisation are shown on the graph over page

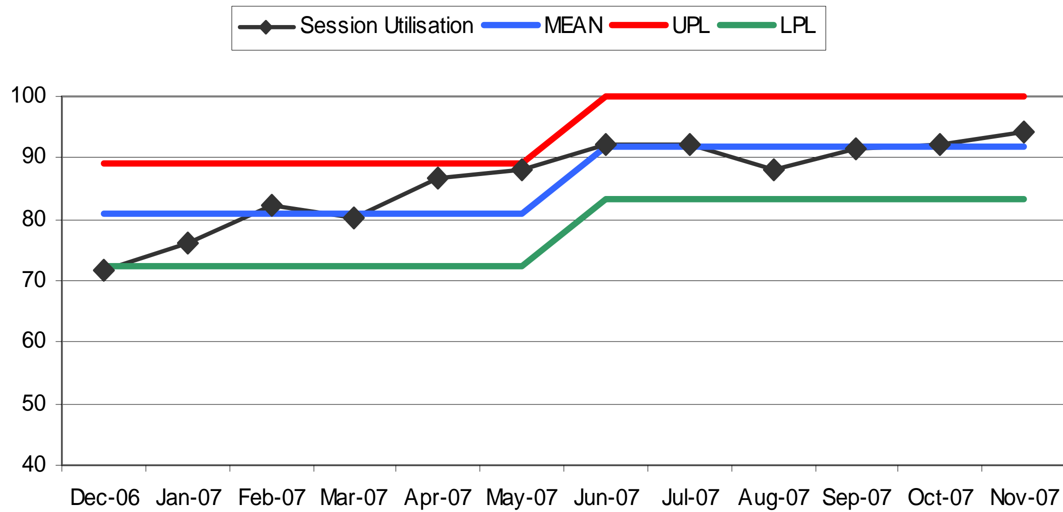
2008/09

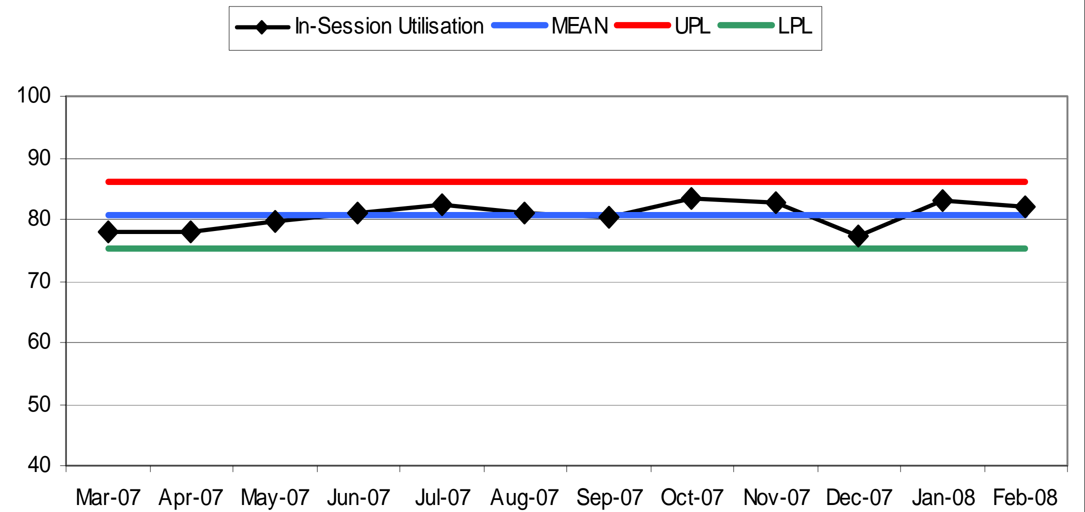
- For 2008/9, existing work will continue with more focus on productivity, i.e. increased patient throughput as well as increased utilisation. This will be supported by a second workstream to increase our ability to forecast theatre utilisation through effective scheduling
- 'Green lists' will become predominant in orthopaedics where additional patients will be treated on each list. 'Green lists' will be extended to other specialties.
- The third workstream for 2008/09 involves improving productivity by increasing rates of day surgery. Current performance on the 'basket case' of procedures is low in comparison to other hospitals. Utilisation of day case theatres is also low.
- The target is to increase use of day case surgery and utilisation of day case theatres to a level achieved in the best performing Trusts.
- The fourth workstream will review the management of emergency patients within theatres
- The fifth theatres productivity workstream is focused on reducing non-pay spend in theatres, through improved recording and analysis of expenditure to allow rationalisation and improved purchasing. Theatres spend over £16m per annum on consumables and savings of around £1m are planned in 2008/09.

Financial Implications

- Clinical Directorates have estimated a saving of £1.85m from this category for 2008/09.

NUH Theatres – Session and In-session Utilisation





Outpatient Productivity

- The two main outpatient departments came under a common management approach in May 2006. In addition to the main outpatients there are numerous specialty departments providing a similar outpatient service, each with different processes and standards.
- These workstreams aim to improve productivity and processes in the outpatient work that remains in the Trust following the transfer of much of this work to the independent sector treatment centre.

2007/08

- A standardised appointment booking process was implemented
- Specific roles, responsibilities and grades have been standardised across the outpatient booking service
- Centralisation of new appointment booking is almost complete
- A trust wide validation exercise to understand 'Do Not Attends' (DNA's) has been carried out
- A number of initiatives are underway to reduce DNA's
- All specialties have reviewed 'New to Follow – Up' (N:F/UP) ratios

2008/09

- A review will be undertaken to examine whether the lessons learned from the 'Productive Ward' can be applied to outpatient clinics
- The centralisation of new appointment booking will be completed for those outpatients that remain to be treated within the trust
- A major part of outpatient activity will be transferred to the independent sector treatment centre
- For the work that remains within the Trusts DNA's will be reduced and N:F/UP ratios will be reduced to levels agreed with the commissioners.

Financial Implications

- Clinical Directorates have estimated a saving of £0.023m from this category for 2008/09.

Elective Productivity

- Waiting times for elective procedures have steadily reduced over recent years in line with NHS targets. The current national maximum time to wait for a first outpatient appointment is 13 weeks with the maximum wait for in-patient admission being 26 weeks.
- The target for 2008/09 is to have a maximum waiting time of 18 weeks from referral to treatment. To achieve this the wait will have to reduce at each stage of the patient pathway from outpatient appointment and diagnostic testing through to inpatient treatment.
- Many of the workstreams make a contribution to this key target but this workstream category has the specific focus to make sure it is achieved.

2007/08

- At the beginning of 2007/08 64% of our admitted patients were seen within the 18 week timeframe
- We have, during this year used indicative waiting times for 'stages of treatment' to manage delivery of the 18 week referral to treatment targets
- Early indications from the ICT department are that the March milestone of 85% of patients being admitted within 18 weeks will be met. There is still significant work to be carried out in March 08 to ensure that this is the case.
- We have substantially reduced diagnostic waits in order to deliver the targets.

2008/09

- This work is focused into a single workstream
- Data validation will continue to be carried out to ensure 18 week wait targets are met.
- We will continue to prioritise patient treatment from the 18 week target perspective as opposed to the Stage of Treatment perspective.
- By December 2008 90% of our admitted patients and 95% of our non-admitted patients will be treated within 18 weeks
- A revised infrastructure will be put in place to deliver, maintain and support the on-going achievement of these targets

Financial Implications

- Clinical Directorates have estimated a saving of £2.287m from this category for 2008/09.

Diagnostic Productivity

- There has been a steady growth in the use of diagnostics, particularly pathology over the past decade which significantly exceeds the trend in patient activity
- The diagnostic testing services are coming under increasing pressure to reduce waiting times and improve productivity. This results from the '18 week wait' target and the consequent 6 week wait target for diagnostic tests
- In addition, the Clinical Directorates support the introduction of internal trading so that they can take greater control of the number and cost of tests that they request
- These workstreams aim to improve the efficiency and timeliness of diagnostic services whilst making Clinical Directorates responsible for the tests that they request through a system of internal trading

2007/08

- Baseline audit completed of all diagnostic processes to support review of 18 week pathways, including development of reporting and monitoring systems
- Significant reduction of waiting times and service redesign to support cancer and 18 week pathways
- Confirmation of data on demand and capacity for diagnostic services
- Introduction of internal trading in radiology
- Development of similar process for pathology.
- Improved information systems for radiology and pathology which provide real time data on activity

2008/09

- Refinement of radiology internal trading.
- Introduction of pathology internal trading.
- All services to put in place systems to ensure that no patient waits more than 6 week for a diagnostic test.
- Increasing use of Ordercomms to support diagnostic protocols.
- Expansion of diagnostic capacity and services available to primary care supported by protocols.
- Electronic results reporting to GP's.

Financial Implications

- Clinical Directorates have estimated a saving of £1.148m from this category for 2008/09.

Staff Productivity

- Over 60% of NUH expenditure relates to pay costs. Making sure we have the optimum deployment of staff through control of workforce numbers and costs is therefore key to achieving financial balance, long term financial viability and quality patient services
- From merger in April 2006 the number of *Whole Time Equivalent staff* (WTE) has reduced from 10738 to 9749 in February 2008 mostly through natural turnover as we have undertaken a series of establishment reviews and merged functions / departments across the Trust.
- We are also increasingly interested however in ensuring we make the best use of staff time, so that as much time as possible is spent on caring for patients and providing the most efficient and effective services.

2007/08

- During 2007/08 a number of workstreams resulted in agreed establishments for:
    - Nursing & Midwifery
    - Admin & Clerical
    - Corporate and Clinical Support Functions
- The Trust has actively promoted and rolled out the benefits of Hospital @ Night for Junior Doctors as a mechanism for reducing working hours in line with the European Working Time Directive (EWTD) with significant savings being achieved.
- Modernising Medical Careers (MMC) was launched in 2007/08
- Consultant productivity increased when opportunities arose to review job plans. After wide consultation a Consultant Job Planning Principles document has been produced.
- A project to examine the potential for enhancing portering services was commenced

2008/09

- The Hospital @ Night initiative will continue to be rolled out in those specialties not yet compliant with the EWTD for first (F1) and second (F2) year junior doctors. We are legally required to be compliant at F1 and F2 levels by August 2008.
- A robust process will be put in place to control junior doctor staffing in HR and finance
- The Specialist Training junior doctor posts are expected to be EWTD compliant by August 2009; work will commence in this year to develop methods / models to deliver care and to reduce bandings by August 2008 where possible.
- Consultant Job Planning is underway for 2008/09 and is expected to be complete by May 2008; a database package is being purchased to hold all job plans
- A new process will be put in place to control the establishment implications of MMC
- Consultant Productivity is being examined using benchmarking tools (‘Civil Eyes’) allowing comparison with other Trusts.
- Admin & Clerical staff will benefit from the roll out of Medical Office and Electronic Discharge summaries

- Corporate Functions will be the subject of a review to ensure value for money and effective service
- The scoping exercise for portering services will be completed and a plan for enhancement will be developed if appropriate.

Financial Implications

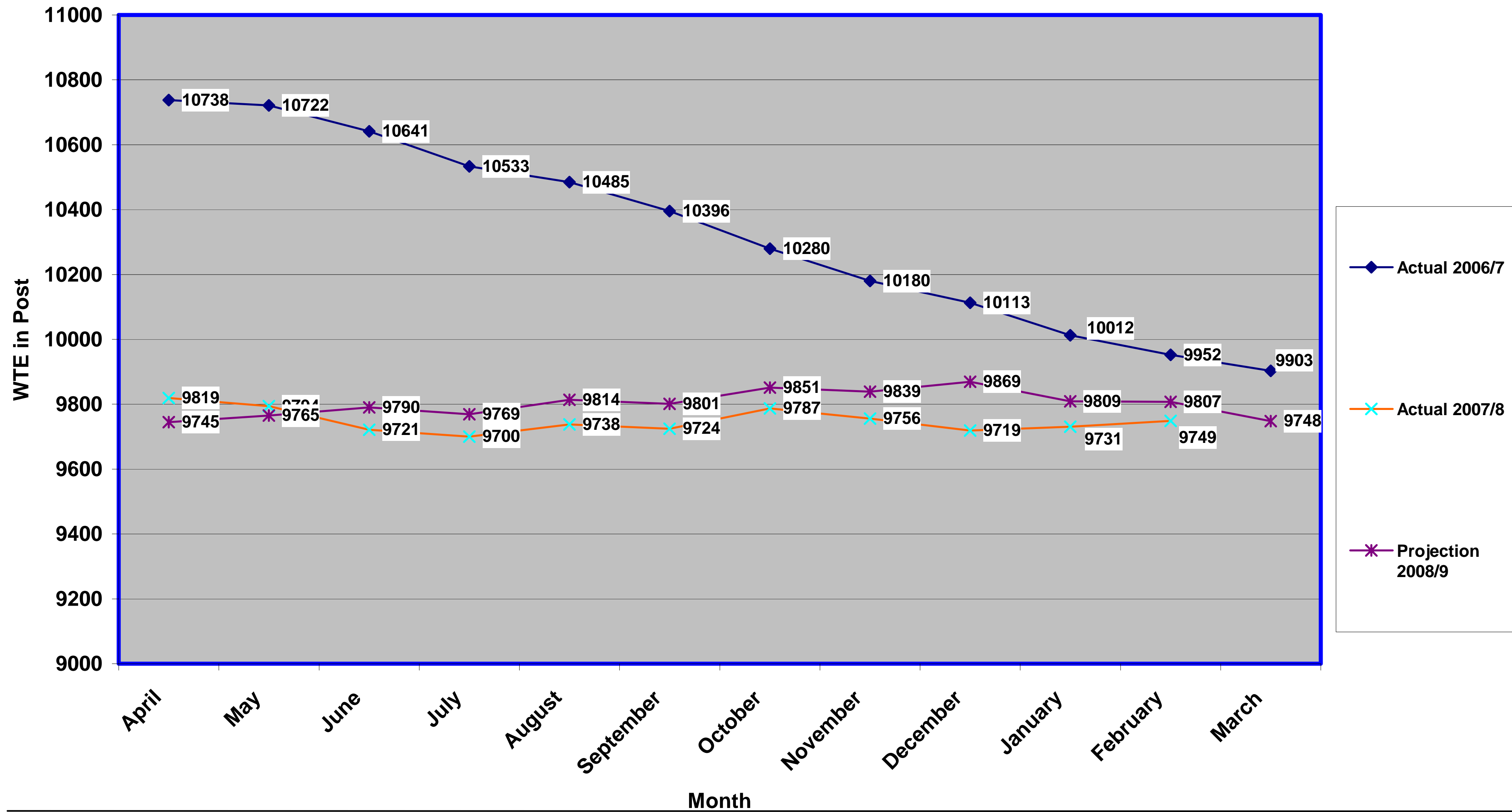
- Clinical Directorates have estimated a saving of £8.386m from this category for 2008/09.

Workforce Numbers

- The graph over the page shows the year on year movements in WTE with a forecast position for 2008/09

Workforce Numbers

Staff in Post, by WTE, 2006/07, 2007/08 (Actual)and 2008/09 (Forecast)



Clinical Quality & Patient Safety

- Clinical Quality & Patient Safety remains a key part of the Trusts' aims for 2008/09. There are specific arrangements for the monitoring of the Clinical Quality & Patient Safety workstream through a weekly meeting chaired by the Chief Executive.

2007/08

- Reduction of NUH cases of C Difficile to meet trajectory for 2007/8
- Slow but steady reduction in NUH MRSA Bacteraemia rates
- Improvements against Trust HCAI action plan.
- Successful introduction of high impact intervention care bundles
- Increased MRSA screening and decolonisation
- Introduction of hydrogen peroxide cleaning
- Introduction of strong performance management framework and performance at trust and directorate level
- Strong clinical and senior leadership and ownership of infection prevention and control throughout the organisation

2008/09

- We will performance manage the Trust plan to ensure that improvements at an operational level are in line with National guidelines on Infection Control
- The measure for C Difficile for 08/09 has been amended to include all cases in patients of 2 years or over. Previously only those cases involving patients of 65 years or over were counted. The NUH target for 08/09 is 46 cases. Financial penalties are in place for breaches
- For MRSA the target is 4 cases per month at NUH from 1st April 08.
- A project is underway to improve identification, assessment and management of unscheduled adult admissions to NUH with incontinence in line with the Continence Advisory Service audit/study
- The project on Falls Prevention aims to reduce the number of inpatient falls by assessing bone health in patients presenting with fractures after a fall and identifying clinical pathways to specialist care
- As part of Frailty Management older people identified as at risk of poor outcomes could receive pre-procedure assessment to recognise, anticipate and ameliorate factors contributing that risk
- Identification and nutritional management of patients at risk of poor outcomes aids faster recovery in older inpatients for whom maintaining adequate nutritional intake may be difficult

Financial Implications

- Clinical Directorates have estimated a saving of £0.053m from this category for 2008/09.

Financial Productivity

- The Financial Productivity schemes aim to bring about efficiencies and benefits to Clinical Directorates by means of improved processes and procedures in administrative functions to support better clinical practice
- The 2008/09 schemes focus on improving purchasing, promoting salary conversion, adopting new procedures for private patients and setting up internal trading arrangements

2007/08

- Flexible benefits schemes have contributed savings of £109,000 as at month 11, mostly through car parking.
- E-Procurement has been rolled out to a number of pilot sites including Renal, Laundry and MESU
- Internal Trading was successfully piloted in Radiology for the whole of 2007/08
- An internal audit report made a number of recommendations for improvement of private patient procedures consequently a new Private Patients policy was drafted and agreed

2008/09

- The E-Procurement scheme introduces electronic procurement and releases savings by improving purchasing processes, rationalising products used and buying more cost effectively. It will be rolled out across the Trust during 2008/09. Further savings are expected in the longer term as staff are able to take full advantage of the improved systems
- Internal trading within NUH devolves responsibility for costs of support services to the department utilising the service. Not only does this make Directorates accountable for usage, it also gives end users an incentive to change their practice if it can be improved
- The flexible benefits scheme actively promote opportunities for the Trust to benefit from various salary conversion schemes. These schemes allow individual staff members to have the cost of items provided by the Trust (e.g. car parking), to be deducted from salary before tax thus providing savings for the staff members and the Trust
- In line with internal audit recommendations a new policy to guide all members of Trust staff in dealing with private patients has been drafted and accepted. The Trusts internal process and procedures will now be improved to allow full advantage to be taken of this income stream

Financial Implications

- Clinical Directorates have estimated a saving of £7.385m from this category for 2008/09.

Estates Productivity

- The Trust presently delivers its clinical care in a multifaceted and complex health facility on two main campuses in Nottingham. The total asset value of these facilities presently stands at £446m. The operation of these facilities forms a major part of the Trust's operational overhead and is a significant port of the Trust reference costs.
- These schemes aim to move towards the optimum estate size and to support the reduction of the operational overhead, providing an optimal environment for the delivery of excellent patient services and care.

2007/08

- During 2007/08 a new Director of Estates & Facilities was appointed
- A comprehensive review of the Trusts estate was commissioned
- A rates rebate was successfully pursued
- A Property and Land Manager was appointed

2008/09

- The review of existing Estate will be completed (6 facet survey).
- Quick wins will be implemented to rationalise Estate and demolish unoccupied buildings (where appropriate).
- We will set up a Space Management Group, ensuring this is driven by Operations and Strategy.
- We will review Business rating liability and potential savings from demolitions.
- We will recover revenue savings from vacated space.
- The Estates and Facilities cost improvement programme will be delivered

Financial Implications

- The Estates department has estimated a saving of £2.168m from this category for 2008/09.

Reducing Waste and Other Economies

- Although most of the workstreams can be classified under one of the productivity categories, there are some that are either specific to one Directorate, cut across a number of categories or are central initiatives covering the whole Trust. These workstreams are collected under this general category of reducing waste and other economies.

2007/08

- In the analysis of cost improvements used during 2007/08 these schemes were entitled "Other previously identified savings"
- They included a large number of small schemes across all Directorates covering pay and non-pay items.

2008/09

- The same situation applies in 2008/09.
- There are a large number of small schemes that do not link directly into the productivity categories and they have been included here.
- Further analysis work will be performed on these schemes for the next version of the plan so that they can be accurately attributed. In the interim the monitoring of these schemes will form part of Clinical Directorate performance management.

Financial Implications

- Clinical Directorates have estimated a saving of £2.437m from this category for 2008/09.

Service Productivity and Efficiency Plan Financial Summary for 2008/09

Service Productivity and Efficiency Plan - Financial Summary 2008/09

		Apr £000s	May £000s	Jun £000s	Jul £000s	Aug £000s	Sep £000s	Oct £000s	Nov £000s	Dec £000s	Jan £000s	Feb £000s	Mar £000s	In Year Phased Saving 2007/08
Bed Productivity	PLAN Version 7.0	£55	£55	£55	£72	£91	£113	£119	£131	£131	£137	£137	£125	£1,221
	ACTUAL / FORECAST													£0
Ward Productivity	PLAN Version 7.0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	ACTUAL / FORECAST													£0
Theatre Productivity	PLAN Version 7.0	£150	£150	£150	£154	£154	£154	£155	£156	£156	£158	£158	£158	£1,853
	ACTUAL / FORECAST													£0
Outpatient Productivity	PLAN Version 7.0	£0	£0	£0	£0	£0	£3	£3	£3	£3	£3	£4	£4	£23
	ACTUAL / FORECAST													£0
Elective Productivity	PLAN Version 7.0	£170	£170	£170	£198	£197	£198	£197	£197	£198	£197	£197	£198	£2,287
	ACTUAL / FORECAST													£0
Diagnostic Productivity	PLAN Version 7.0	£91	£92	£96	£97	£96	£97	£96	£97	£96	£97	£96	£97	£1,148
	ACTUAL / FORECAST													£0
Staff Productivity	PLAN Version 7.0	£630	£622	£608	£629	£714	£714	£754	£743	£743	£743	£743	£743	£8,386
	ACTUAL / FORECAST													£0
Clinical Quality / Patient Safety	PLAN Version 7.0	£4	£4	£4	£5	£4	£5	£4	£5	£4	£5	£4	£5	£53
	ACTUAL / FORECAST													£0
Finance Productivity	PLAN Version 7.0	£593	£593	£607	£610	£610	£617	£622	£623	£627	£628	£627	£628	£7,385
	ACTUAL / FORECAST													£0
Estates Productivity	PLAN Version 7.0	£167	£167	£173	£177	£182	£182	£186	£187	£186	£187	£187	£187	£2,168
	ACTUAL / FORECAST													£0
Reducing Waste and Other Economies	PLAN Version 7.0	£185	£185	£185	£187	£187	£199	£219	£218	£218	£219	£218	£218	£2,438
	ACTUAL / FORECAST													£0
TOTAL	**PLAN Version 7**	**£2,045**	**£2,038**	**£2,048**	**£2,129**	**£2,235**	**£2,282**	**£2,355**	**£2,360**	**£2,362**	**£2,374**	**£2,371**	**£2,363**	**£26,962**
	ACTUAL / FORECAST	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**

Note: The savings set out in this table have been allocated to categories on a provisional basis that will be revised for the next version of the plan

Next Steps and Planning for Future Years

Planning for the Future

- Once the opening 2008/09 plan is in place, the Trust's longer term plans will be addressed. Having a successful turnaround programme for two years has removed the quick gains from the system, and the Trust will have to put new mechanisms into place to ensure continuing productivity and efficiency gains. The NHS annual efficiency requirement is likely to continue to be in the order of 3% to 4% per annum and the simple adoption of an annual "cost cutting" process of this magnitude is unlikely to be successful. In its place, the Trust needs to adopt longer term planning and a process of continuous improvement that is embedded in the culture of the organisation.
- The 'Productive Ward' or 'Releasing Time to Care' initiative has been well received in the Trust as a process to improve efficiency and productivity and allow ward nurses to spend more time on direct patient care. There are proposals to extend this to 'productive theatres', 'productive clinics' and ultimately the 'productive hospital'. These initiatives are based around the 'lean' discipline.
- "Lean" thinking thus becomes an important component in the vision for the operational culture of the organisation. However, it is important that it is not used in isolation and that the Trust adopts other techniques and strategies to ensure that the Trust becomes as productive as possible, taking advantage of service redesign.
- The other elements that form part of the Trust's continuous improvement culture include:
  - a revised performance management system;
  - monitoring that incorporates the rigour and discipline of the previous turnaround process;
  - the principles of devolution, taking account of Monitor's approach to service line management;
  - an education programme for managers and clinical leaders in the techniques for organisational development.
- The continuous improvement culture will deliver what is externally expected of the trust and what the trust itself aspires to be – a Foundation Trust and the Country's Leading Teaching Trust by 2016.

2009/10 and 2010/11

- As part of this culture it is essential that service productivity and efficiency projects are planned well in advance and developed and implemented over an appropriate timescale.
- Over the next two months (April and May) the CIP programmes for 2009/10 and 2010/11 will be developed. These will be incorporated into the next version of the Service Productivity and Efficiency Plan.
- This work will run alongside and take account of the work on the Integrated Business Plan and the Foundation Trust application.
- Our Integrated Business Plan, once finalised, will outline the services that we expect to provide over the next five years with the underpinning information on activity, income, expenditure (including workforce) and the future configuration of services.
- We are also developing a range of other strategies and plans to underpin our 5-year business plan including an Estates Strategy and Marketing plan. Each supporting workstream is being overseen by one of the Trusts Directors who are collectively leading the delivery of our vision.
- Work is also underway with regards to our Foundation Trust application process. The Trust has a detailed project plan and has just appointed a dedicated project manager. Once again Directors are playing a key part in owning the delivery of the various workstreams identified

Appendix A

Management, Governance and Communication of the Service Productivity and Efficiency Process

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Internal Management of the Service Productivity and Efficiency Process

- During the creation of their project plans, project leads are responsible for identifying:
  - Milestones;
  - Key tasks required to complete those milestones;
  - Completion dates of key tasks and milestones;
  - Key performance indicators;
  - Financial impact of savings.
- Project leads together with their Executive Director sponsors will be responsible for delivering the milestones they have identified. Project plan delivery and achievement of milestones will be monitored by the Service Productivity and Efficiency Group (SPEG).
- Missed milestones are likely to have an impact on the quantum and/or the timing of savings. If milestones are not on target to be achieved, the project leads, the Executive Director sponsors and the Service Improvement Team will work together to clear any blockages and to bring those specific projects back on track.
- The Service Productivity and Efficiency Group meets weekly and includes the Director of Finance, Head of Service Improvement and Director of Turnaround.
- Currently the TPO meets every Wednesday morning. Workstream Leads are held accountable for progress on the delivery of their plans and milestones.
- Targets are set at workstream level and each workstream is measured against a detailed plan. Actions are agreed and set out in the minutes each week. Issues around delivery are raised with responsible Directors each week. If the workstreams are delivering, the frequency of attendance is reduced up to a minimum of once per month. The success of the meeting is that it is Director lead, is output and action orientated and focuses on unblocking problems.
- From May, the Service Productivity and Efficiency Group will continue to meet on Wednesdays and continue to meet Workstream Leads as necessary to ensure delivery. In addition, it will meet Directorate General Managers (and other appropriate members of the Directorate team) on a monthly basis to performance manage cost improvement programmes at a detailed level.
- It is proposed that alternative meetings of the SPEG will meet exclusively with workstream leads and Directorate representatives.
- Targets will be agreed at both workstream and Directorate level. Actions from the minutes will be raised immediately either at the Chief Executives Team (CET) or with Clinical Directors.
- Monthly reports are provided to the Financial Turnaround Committee (FTC) which is a committee of the Trust Board. The FTC is chaired by the Trust Chairman and also comprises all the other non-executive directors. In addition, the executive team are in attendance, including the CEO and Director of Finance, together with other senior officers, a representative of the external auditor and a representative of the Patient & Public Involvement Forum.

- In addition to SPEG meetings, the overall delivery of Directorates at a strategic level is examined at monthly performance meetings with the Directors of Finance and Service Improvement.

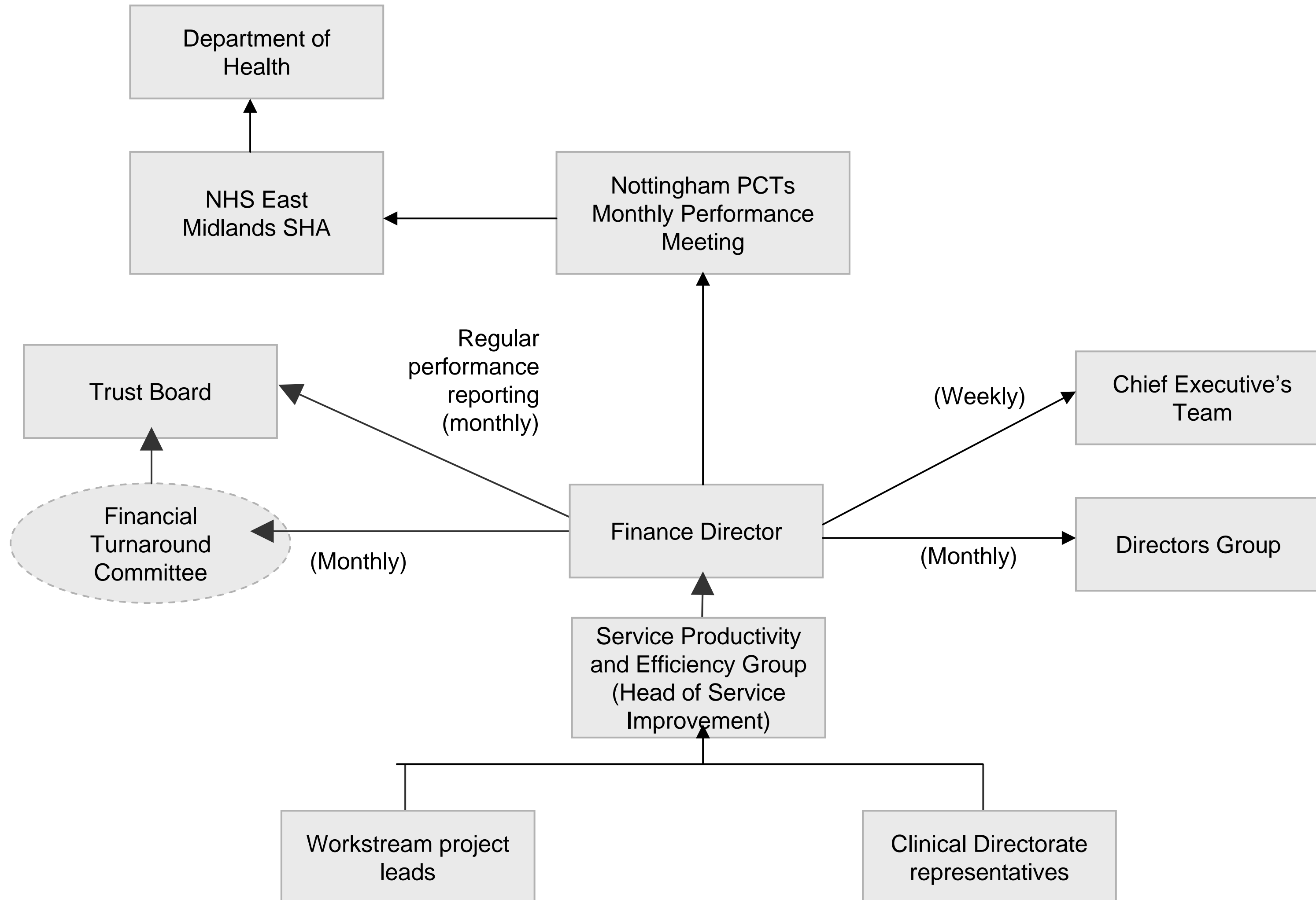
External Communication and Governance Structure

- The monthly meeting with the PCTs is the external reporting mechanism for the overall Trust performance.
- The structure and escalation process for internal reporting is set out on the diagram over page.

Governance

- This version of the recovery plan will be presented at the following key meetings for discussion and agreement:
  - Chief Executives Team
  - Circulated for Directors Group
  - Financial Turnaround Committee:
  - NUH Trust Board:
- The document presented to the Trust Board will be a living document as work progresses. The updates are managed through a strict version control. Updates will be reported internally as outlined below to ensure continued support and buy-in from key internal stakeholders:
- Weekly: Chief Executive's Team
- Monthly: Directors Group (DG), Financial Turnaround Committee (FTC) and Board
- Quarterly: An in depth detailed update will be provided to the board for re-approval on a quarterly basis
- The efficiency gains delivered through the workstreams will remove the requirement for some posts within the Trust. These will be managed through agreed workforce policies.
- Version 7.0 us specifically focused on 2008/09 and will be implemented from April 2008.

Service Productivity and Efficiency Group Reporting and Issue Escalation structure



Trust Communication Principles

- Honest in the use and sharing of information by ensuring the quality of its work and published information is accurate
- Open to enquiry and sharing information
- Accessible to all members of the public, stakeholders, users, potential users, their carers and families
- Corporate and consistent in style
- Relevant and targeted to the audience(s) by recognising their particular requirements and interests and the different communication needs of diverse communities
- Timely and regular, with publications following an agreed schedule
- Involve patients wherever possible, in line with the Trust's Patient and Public Involvement Strategy
- Clear and concise
- Trust's key objectives will be reflected in the communications priorities.

Communication programme with stakeholders

- Key stakeholders identified and communication needs assessed
- Internal and external communication mechanisms established:
  - Web site
  - Bespoke briefing
  - Team briefing
  - Business plan publication
  - Media relations
  - Staff side engagement via human resources supported by communications.

Key messages

- Trust continuing to successfully implement productivity and efficiency schemes.
- All staff are key to successful delivery
- Patient focussed – more patients treated, faster and to highest standards
- We must continue to manage our finances so that we can realise our future ambitions for service reconfiguration
- Getting best value for taxpayers money.

LIST OF 2008/09 WORKSTREAMS

2008 / 09 Productivity Workstreams – Summary of Scope

Bed Productivity

- Length of Stay
  - To increase the number of patients admitted on the day of surgery in line with National 'top' performing trusts
  - A HRG review of patients length of stay using Dr Foster data
  - To improve discharge processes and daily variation in numbers of discharged patients
  - A review of activity where patients are admitted for less than one day to identify alternate pathways and care in agreement with other health providers
  - To minimise patient stay when connected to an emergency admission
  - To review and reduce excess bed days
- Bed utilisation, bed reallocation
  - To ensure that beds within the trust are cost effectively deployed and allocated to meet demand

Ward Productivity

- Productive Ward
  - Releasing nursing time for direct patient care
- Readmissions
  - To reduce unnecessary re-admissions to below the level of the best performing trusts

Staff Productivity

- Junior Doctors – Hospital at Night, 1b rota
  - To introduce a 1b rota for F1 and F2 grades
  - To use tools such as Hospital at Night to facilitate this reduction in junior doctor hours
- Junior Doctors – WTE and MMC
  - To standardise the process for recruitment of Junior Doctors and to agree a process between Finance and HR that reconciles both junior doctor numbers and funding
- Specialist Training Posts – Rota compliance
  - To introduce a model of service delivery that supports a reduction in hours to achieve EWTD compliance in August 2009

2008 / 09 Productivity Workstreams – Summary of Scope

Staff Productivity

- Consultant Productivity
  - To determine the baseline position for Consultant PA's and benchmark this at specialty level with other similar organisations
  - To use a benchmark package (Civil Eyes) to compare Consultant productivity
- Consultant Job Planning
  - To establish a consistent process for annual consultant job planning
- A&C Staffing review
  - To reduce the workload of secretaries through the introduction of electronic discharge summaries
- Corporate Review
  - To review corporate departments to ensure value for money and provision of a cost effective service for the organisation
  - To use available benchmark data and examples of best practice to inform service model
- Portering Review
  - This is a project scoping exercise to determine whether there are any merits in the centralisation of Portering services
  - The project will determine whether opportunities exist to provide a more efficient and viable support infrastructure that meets current and future requirements of the Trust

Clinical Quality / Patient Safety

- Infection Control
  - To implement an infrastructure that manages the reduction of hospital acquired infections
- Continence
  - To establish case identification, assessment and management of incontinence as part of routine clinical care
- Falls Prevention
  - To reduce the numbers of in-patient falls
- Frailty Management
  - To ensure that older people in scheduled care at risk of poor outcomes receive appropriate pre-procedure assessment and interventions

2008 / 09 Productivity Workstreams – Summary of Scope

Clinical Quality / Patient Safety

- Nutrition
  - To improve the identification and nutritional management of inpatients at risk of poor outcomes

Reducing Waste and Other Economies

- Directorate Projects
  - To reduce waste in all areas of the Trusts operations
  - These are projects that are specific to individual directorates, cut across a number of workstreams or central initiatives covering the whole trust

Financial Productivity

- Procurement – Clinical
  - To review expenditure on clinical supplies across all specialties and theatres
- Procurement – ICT
  - Roll out of combined printers, faxes and photocopiers
- Procurement – Medicines Management
  - To negotiate price and volume discounts with pharmaceutical suppliers

Financial Productivity

- Medicines Management
  - To review the appropriateness of drug usage and agree methods for increasing efficiency and cost effectiveness
- E-Procurement
  - To link ordering, receipt and payment of goods electronically
- Flexible Benefits
  - Continuation of the car parking scheme and the development of the cashless catering system for City campus
- Private Patients
  - To ensure that a common system is adopted across both sites for the processing of private patient activity.
  - To maximise the opportunity for additional income if appropriate
- Internal Trading
  - To develop a devolved costing system for diagnostic and clinical support functions

2008 / 09 Productivity Workstreams – Summary of Scope

Theatre Productivity

- Theatre Efficiency
  - Introduction of 'Green Lists' methodology where appropriate
- Theatre Scheduling
  - To review theatre scheduling and theatre utilisation
  - To review the reasons and minimise the levels of theatre cancellations
- Day Case Rates
  - To improve the Trusts performance against the Healthcare Commission basket case procedures by increasing the number of recognised day case procedures performed as day case and not inpatient
- Emergency Operating Theatre
  - To improve the care of the patient requiring emergency surgery by reducing waits
- Non Pay Expenditure
  - To reduce theatre non pay expenditure through rationalisation of products, improved purchasing and reduced waste

Outpatient Productivity

- Productive Clinic
  - To review outpatient capacity and processes in response to the 18 week targets
- Centralisation of Outpatient Booking
  - To centralise the booking of new appointments
- Increased Efficiency
  - To increase patient throughput and activity by reducing the numbers of non attenders
  - Review of New to Follow Up ratios with aim of reducing to comparable peer performance

Elective Productivity

- 18 Week elective pathway
  - To put in place appropriate patient pathways to ensure delivery of the 18 week referral to treatment target

Diagnostic Productivity

- Pathology
  - To ensure that all pathology diagnostic tests are delivered efficiently and in a timely manner
- Radiology
  - To ensure that all radiology diagnostic tests are delivered efficiently and in a timely manner

2008 / 09 Productivity Workstreams – Summary of Scope

- Other Tests
  - To ensure that all diagnostic tests are delivered in an efficient and timely manner

Estates Productivity

- Estates Rationalisation
  - To seek opportunities to reduce the size of the Trusts estate and the operational overhead
- Estates and Facilities Cost Improvement Plans
  - To deliver the target financial savings for 2008/09
- Estates and Facilities Procurement
  - Renegotiation of contracts, introduction of E-Procurement and review of postage costs