AGENDA ITEM NO:

UNIVERSITY HOSPITALS BIRMINGHAM NHS FOUNDATION TRUST
BOARD OF DIRECTORS
THURSDAY 24 OCTOBER 2019

Title:	**Strategy Refresh (including quarter 2 19/20 Strategy Implementation Plan Progress Update)**
Responsible Director:	**Lawrence Tallon, Director of Strategy, Planning and Performance**
Contact:	**Phillippa Hentsch, Head of Strategy and Analysis**

Purpose:	To receive an update on plans for a strategy refresh and second quarter review of the 2019/20 strategy implementation plan
Confidentiality Level & Reason:	Confidential, pending Board approval.
Strategy Implementation Plan Ref:	Affects all strategic objectives.
Key Issues Summary:	• It is good practice to periodically review our Trust's strategy to ensure it is up to date and that we are on top of new opportunities and risks. • April 2020 will represent two years since the merger of the trust, so would be a good time to update our strategy. • This paper explores a number of key internal and external developments which might affect how we position our strategy from 2020/21. • An initial review of evidence does not suggest that the strategy needs comprehensive change, but we could do more to communicate it widely internally. • The paper also covers the second quarterly update on progress against the 2019/20 strategy implementation plan, covering the period July – September 2019.
Recommendations:	The Board of Directors is asked to: **Agree** the proposed approach to the Strategy Refresh and **Accept** the quarter two update against the 2019/20 implementation plan.

Signed: Lawrence Tallon	**Date:** 16 October 2019

UNIVERSITY HOSPITALS BIRMINGHAM NHS FOUNDATION TRUST

BOARD OF DIRECTORS

24 OCTOBER 2019

STRATEGY REFRESH (INCLUDING QUARTER 2 19/20 STRATEGY IMPLEMENTATION PLAN PROGRESS UPDATE)

PRESENTED BY THE DIRECTOR OF STRATEGY, PLANNING & PERFORMANCE

1. Introduction

Following the launch of the organisation's multi-year strategy, the Board agreed to a refreshed planning process to support the delivery of the Trust's strategic objectives at its meeting in April 2019.

A key part of the process is to ensure that the strategy remains up to date and relevant. April 2020 will represent two years since the merger and is a good opportunity to refresh our organisational strategy.

This paper also includes the second quarterly Board update (covering the period July-September) against the 2019/20 implementation plan.

2. Strategy refresh

Appendix 1 outlines the initial stage of our strategy refresh. It brings together a number of internal changes and external developments which have an impact on our strategic plans.

Currently, our three overarching strategic objectives are:

- To maintain high quality care, through effective day-to-day operational and financial performance across our hospitals and services;
- To integrate our clinical services and corporate functions across sites so that our patients can expect the same high standards and joined-up care wherever they are;
- To transform the model of healthcare by using new technology to care for patients in the most appropriate settings and to better meet demand.

Based on an initial review, we do not propose changes to our strategic objectives, but we might need a repositioning in light of the following key developments:

- A deterioration in operational performance, sharpening the focus around the need for service and digital transformation to help us manage the growth in demand.
- A significant new collaboration with Babylon Health, as a key part of our Digital First programme, providing more structure around how we plan to digitally transform the model of healthcare.

- Good progress made towards integrating individual services, in particular aligning governance structures. Work will now need to move on to aligning service strategies, identifying the estates, digital, workforce and reconfiguration requirements.
- Developments at the BSOL STP level, including the implications of an emerging integrated care system, and the relationships and direction of travel between UHB with other primary and secondary care providers.

We will use the Governors Strategy and Planning Reference Group and then the joint Council of Governors/Board of Directors seminar in December to further discuss the strategy refresh, with the aim of updating our communications in time for April 2020.

3. Quarter 2 review of the 2019/20 strategy implementation plan

3.1 Updates in the policy landscape over the last quarter

Since the quarter 1 review of the plan, there have been a number of national policy developments that are pertinent to the Trust's future strategy and plan. In addition to the below policy developments, the trust has carried on No Deal Exit planning in light of political developments. This is covered in more detail in the Corporate Risk Register.

Proposals for New Legislation

NHS England & NHS Improvement (NHSE/I) has set out its recommendations to the Government for a new NHS Bill which proposes quite wide-ranging reform. This would see a reduction in the role of competition and a greater emphasis on integration, but not wholesale repeal of Health and Social Care Act 2012 (HSCA2012) or an end to separate commissioner/provider roles.

Under the proposals NHS England and NHS Improvement would be permitted to merge fully. The new organisation would have two new powers: to set annual capital spending limits for foundation trusts and to vary tariff in-year (for example to reflect the costs of new drugs), The new power around capital limits would be narrow with each use only applying to a single FT and automatically ceasing at the end of the financial year. The proposals do not include the power to direct mergers between foundation trusts and would remove the roles of the Competition and Markets Authority and Monitor in relation to competition. This, together with the abolition of section 75 of HSCA2012 would remove the presumption of automatic tendering NHS healthcare services over £615k. The Secretary of State would still be able to establish new NHS Trusts which will support the creation of Integrated Care Providers (ICPs).

A new 'triple aim' of better health for the whole population, better quality care for all patients and financially sustainable services for the taxpayer would be introduced with reciprocal goals for NHS commissioners and providers alike. NHS commissioners and providers

would be allowed to form joint decision-making committees on a voluntary basis, rather than creating Integrated Care Systems (ICS) as new statutory bodies. NHSE/I regional teams would be able to participate in such committees (e.g. in relation to specialised commissioning) and local authorities will be encouraged to join. Such closer collaboration between NHS commissioners and providers may bring an increased risk of conflicts of interest which will be covered through updated central guidance. The application of the new procurement regime would continue to be reserved to the CCG and not be delegable to the ICS joint committee. NHSE/I will develop statutory guidance on the governance of ICS joint committees. They should meet in public, hold an AGM and publish an annual report. Their decisions should be subject to scrutiny by Local Authority Overview and Scrutiny Committees.

Integrated Care Providers

NHSE/I has published the Integrated Care Provider contract which is intended to streamline the commissioning of health and social care providers by reducing the number of contracts in a system and setting objectives to improve population health outcomes. These contracts can be awarded for up to ten years and can be fully or partially integrated with a variable scope that can include acute, mental health, public health and/or social care, as well as primary care. The majority of the funding will be available in monthly instalments from a Whole Population Annual Payment (WPAP), akin to a block contract.

Health Infrastructure Plan

Following the announcement of £1.8bn of capital funding for the NHS in August, the Department of Health and Social Care announced a new Health Infrastructure Plan in October. This sets out a five-year rolling programme of investment in infrastructure with six major rebuilding projects to receive funding before 2025, subject to business case approval. A further 21 trusts will receive seed funding for projects planned for 2025-30 and a third set of projects for 2030-25 will be selected based on open consultation. A new system for capital allocation has also been outlined that is intended to improve the links between local and national planning and better allow multi-year planning.

New Financial Regime

NHSE/I have released details of the future financial system or the NHS from April 2020. This aims to reduce the overall deficit of the provider sector and, year on year, reduce the number of trusts in deficit. From 2020/21 the current system of control totals and the Provider Sustainability Fund will be removed, to be replaced with a new Financial Recovery Fund (FRF) which will be targeted at trusts in deficit. A separately funded transitional award payment of 0.5% of turnover will be available to trusts in surplus. It is intended that the target for providers will be more realistic (with those in surplus allowed to set their own year-end position) and there will be a lower efficiency requirement (although this will be 0.5% higher for trusts in deficit). Each STP or ICS and every provider and CCG has been set a deficit reduction trajectory for each year to 2023/24.

NHS Oversight Framework

The new oversight framework set out by NHSE/I is broadly a merger of the existing provider and commissioner regimes. Where appropriate these will be considered across a system. There will be an increasing move towards involving ICSs and emerging ICSs in the oversight of organisations in the system with regional teams deciding the level of oversight that gives them assurance in 2019/20.

Primary Care Networks

Primary Care Networks across England have been established from 1 July 2019 beginning recruitment of pharmacists and social prescribers and working to deliver initial priorities including extended hours access, MDT working and urgent care responsiveness. From April 2020 they will be expected to focus on providing support into care homes and developing an MDT approach informed by population health management.

3.2 <u>Changes to and progress on the 2019/20 implementation plan</u>

Since the approval of the 2019/20 implementation plan, there have been a number of national policy developments that are pertinent to the Trust's future strategy and plan, which are carried over from quarter 1.

- Estates and capital infrastructure (objective 9): there have been substantial delays in securing national capital funding for ACAD. In August 2019, we received confirmation that ACAD would now be funded but NHSE and the Treasury want to complete a Full Business Case review process before the contract to commence building works can be signed and before funds are released.

- Digital healthcare (objective 5): a new strategic collaboration with Babylon Health has been developed to take forward substantial elements of our Digital First programme. Since quarter 1, the Board has agreed the contractual terms for the collaboration.

- IT and clinical information systems (objective 6): there have been further delays to the implementation timetable for key clinical information systems to be implemented at the Heartlands, Good Hope and Solihull sites.

Further detail is included in table 1.

Table 1: significant changes to the 19/20 plan

Reference	Q1 Update	Q2 Update
Estates and Capital Infrastructure *(Objective 9)*	**ACAD and capital funding** • £3.5m capital funding has been allocated to Heartlands Good Hope and Solihull Hospitals for schemes below £100k. • No capital had been allocated to Estates projects over £100k at any site.	• Capital funding for ACAD announced in August 2019. • Further evaluation to be undertaken by NHSE and the Treasury before funds are released.
Digital Healthcare and transformation *(Objective 5)*	**Babylon** • In May 2019, the Board approved in principle a new strategic collaboration with Babylon Health to develop improved triage and decision support tools for emergency care and develop options for outpatient transformation, including the use of video technologies. • Work stream leads have been identified, and a programme structure has been agreed. • Our first deliverable as part of the partnership will be "A&E online" (working title), a symptom checker for patients to use in time for winter 2019.	• A&E online (now branded as "Ask A&E") will be launched on 23 October. • Contractual discussions between Babylon and UHB successfully concluded.
IT Solutions *(Objective 6)*	**PAS & PICS** • There were delays in the introduction of PAS and PICS to Heartlands, Good Hope and Solihull, pushing back to November 2019 and February 2020 respectively.	• Master Patient Index consolidation ongoing, linking 50,000 patient records. • A "Business Change Road Show" will commence at the end of October 2019 to engage staff in the key changes they will expect to see with the introduction of PAS and PICS at Heartlands, Good Hope and Solihull. • The go-live date for PAS has now been delayed to March 2020. • Underpinning configuration and coding work support multi-site PICS on track. • PICS due to go live in April in Critical Care at BHH and GHH

4. Key updates against the 2019/20 plan

In addition to the significant changes to, or deviations from, the plan identified in section 3, key areas of progress against the plan are outlined in appendix 2. This is not intended to be an exhaustive overview of progress against the 19/20 plan but instead intended to provide a snapshot of some of the key activities delivered over the past three months against the strategic objectives.

The Board of Directors is asked to:

Agree the proposed approach to the Strategy Refresh and **Accept** the quarter two update against the 2019/20 implementation plan.

Lawrence Tallon
Director of Strategy, Planning and Performance

Appendix 1: Strategy refresh

1. Our current strategic objectives
2. Changes in internal and external context
3. Revising our strategy

1. **Our current strategic objectives**
2. **Changes in internal and external context**
3. **Revising our strategy**

Our three current objectives

1. To maintain high quality care, through effective day-to-day operational and financial performance across our hospitals and services

2. To integrate our clinical services and corporate functions across sites so that our patients can expect the same high standards and joined-up care wherever they are

3. To transform the model of healthcare by using new technology to care for patients in the most appropriate settings and to better meet demand

20 strategic objectives for 19/20

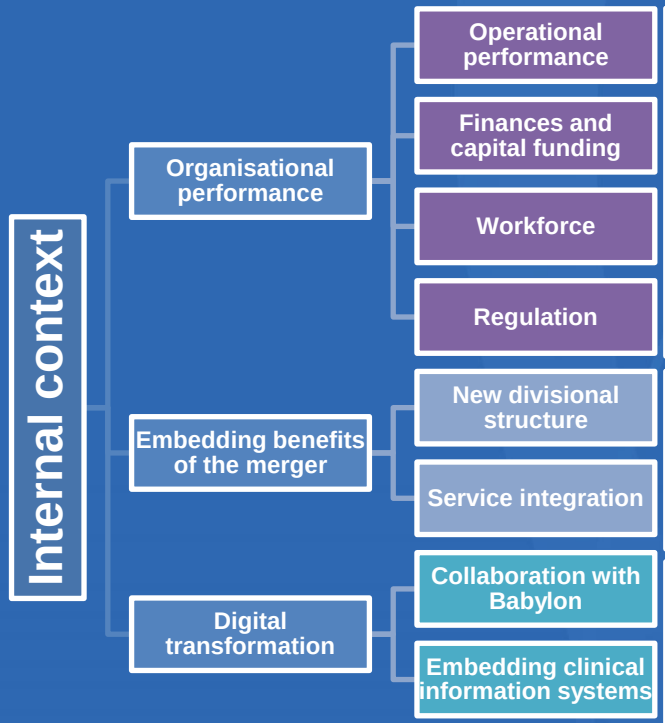
	Strategic objective
1	Increase alignment of corporate and clinical services across UHB
2	Eliminate unwarranted variation in services for patients through aligning and standardising pathways and service delivery
3	Provide the highest quality of care to patients through a comprehensive quality improvement programme
4	Meet regulatory requirements and operational performance standards, in line with agreed trajectories
5	Substantially improve digital healthcare offer to patients
6	Ensure all parts of UHB can access optimal clinical IT solutions
7	Achieve the highest standards in cybersecurity
8	Use our resources as efficiently as possible to meet our financial improvement trajectory
9	Invest in our estates and capital infrastructure to provide high quality facilities for patients and minimise under-utilised clinical space
10	Transform the model of care to ensure patients are seen in the right settings and to move lower acuity care off acute/specialist sites
11	Optimise workforce supply to ensure sufficient staff and roles to meet patient demand
12	Expand range of employment opportunities and support for new starters
13	Foster positive staff engagement and inclusive culture
14	Develop our leaders at all levels of the Trust
15	Align clinical and corporate service planning across other providers within the BSOL STP to improve integration for patients
16	Work with international partners to develop health care services and forward UHB's reputation
17	Align the trust's research activities to its operational challenges
18	Increase research and innovation activities associated with artificial intelligence
19	Standardise research and development processes across the trust
20	Align emergency preparedness and business continuity planning across our sites

1 Our current strategic objectives

2 **Changes in internal and external context**

3 Revising our strategy

How have things changed internally?

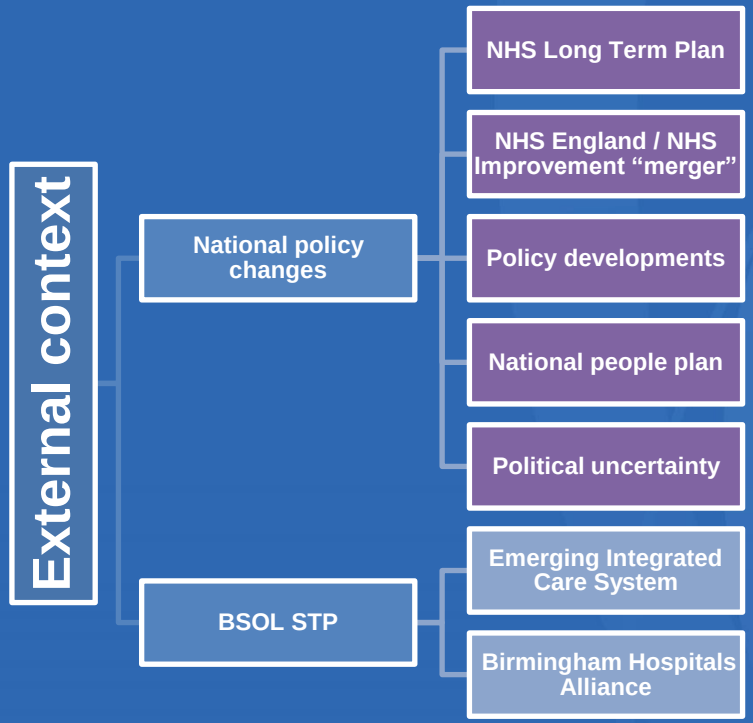


- **Operational performance:** substantial demand and operational pressures across our sites, translating to a deterioration in key performance targets.
- **Capital:** protracted discussions with NHSE/NHSI over the funding for ACAD, but the scheme has now been approved. Continued uncertainty over future national capital allocation for UHB/BSOL STP.
- **Finances:** ambitious financial improvement programme in place to deliver a breakeven position in 19/20 (dependent on £36.2m of PSF/FRF/MRET).
- **Workforce:** national staff survey results stable post merger; scaling up apprenticeships across UHB, in particular nursing associates; commitment made to a comprehensive leadership programme; progress made in filling vacancies, now 383 fewer registered nursing and midwifery vacancies than August 2018.
- **Regulatory activity:** rated as "Good" by the CQC in Feb 2019; conditions have now been imposed on our registration following an unannounced inspection in Sep 2019, owing to issues with our radiology information systems. A further CQC inspection is due at the beginning of 2020.

- **Divisional restructure:** new divisional structures implemented in June 2019; appointment of CSLs progressing well with 30 (out of 45) appointed to date.
- **Functional integration:** work ongoing to implement a single ESR , single payroll system, and unified ledger, which in time will support the full integration of services.
- **Reconfiguration:** first significant reconfiguration post merger (gynaecology and T&O) proceeding, following successful business case and public consultation.

- **Digital First programme:** significant new collaboration with Babylon agreed, signalling our intent for a long-term relationship with a leading technology player in the NHS; positively received by national stakeholders.
- **Clinical information systems:** delays in implementing clinical IT systems (PAS and PICS), with implications for the speed at which benefits can be realised across sites.

How have things changed externally?



- **LTP:** in Jan 19, a new 10-year vision for healthcare was published. Subsequent national planning process has required local systems to demonstrate how they will meet all commitments over the next five years, creating a significant delivery and financial challenge for UHB/BSOL STP.
- **NHS England/NHS Improvement merger:** NHSE/NHSI now operating together, with enlarged regional teams, aimed at devolving regulation/decision making to a local level.
- **New health legislation:** new legislation will likely include additional powers to set annual capital spending for NHS FTs, remove the CMA's role in mergers, amend the national payment system, and limit the role of procurement.
- **New financial framework:** a new framework for provider finances will be introduced from 20/21; trusts in surplus able to move away from a control total and current PSF/FRF rules amended so that only trusts in deficit will be able to benefit in exchange for signing-up to a deficit reduction trajectory.
- **Interim NHS People Plan:** published in June 2019, with a particular focus on the need to create inclusive and compassionate cultures in the NHS, and an increasing expectation that workforce planning and transformation will be delegated locally.
- **Brexit:** increased risk of no-deal, requiring no-deal preparations to be stepped up.

- **Integrated care system:** BSOL STP partners have agreed develop an integrated care system, creating a forum for collective decision making, a coordinated approach to change management, a new strategic commissioning function and the further development of provider alliances.
- **Birmingham Hospitals Alliance:** BWCH, UHB and ROH have developed a shared forum to discuss, develop and agree areas of mutual collaboration. Early successes have been the implementation of a shared procurement function and proposals for a shared pathology function, with new areas of collaboration being identified.

1 Our current strategic objectives

2 Changes in internal and external context

3 **Revising our strategy**

Proposed updates for the strategy

To maintain	To update	(Gaps) to address
• The overarching three objectives for our strategy: strong day-to-day operational and financial performance, service integration and transformation. • An annual strategy implementation plan (updating 19/20 objectives for 20/21 objectives) and quarterly review.	• The nine strategic themes originally agreed under the strategy. • The relationship between the corporate strategy and individual supporting strategies e.g. estates, workforce strategy. • Communications approach with staff, so that any and every member of staff can see their role in the strategy. • Next stages of the Digital First Programme	•A renewed approach to horizon scanning to support strategy development. •Identification of new priorities and programmes e.g. quality improvement approach, inclusion agenda, sustainability. •Understanding what the development of BSOL STP in to an ICS means for UHB. •Bolder approach to investment opportunities and income generation e.g. commercialising IP in IT products

Next steps

- Further discussion at the Governors Strategy and Planning Reference Group in November and at the Council of Governors/Board of Directors seminar in December.
- Refresh communications with staff – need to bring to life what the strategy means to everyone.
- More comprehensive horizon scanning to inform the strategy refresh.

Appendix 2 - Key updates against the 2019/20 plan

Reference	Update
Service Integration ***(Objective 1)***	**New Divisional Structure** • The integration of clinical services continues, with Clinical Service Leads appointed in 30 (out of 45) specialities.
Eliminating Unwarranted Variation and Transforming Care ***(Objectives 2 and 10)***	**Gynaecology and T&O services** • Proposals presented and reviewed by the Health Overview and Scrutiny Committee in September and evidence for the proposed realignment presented to NHSE/I, with positive feedback received. • Work has commenced to convert part of the Princess of Wales Women's Unit at BHH into a Gynaecology Assessment Unit (GAU); available early November 2019. • Consultations with all affected staff on proposed plans are in place. **Early Intervention (EI) Programme and Healthcare for Older People** • First phase of the Healthcare for Older People Delivery Group (HOPDG) and refresh of work-streams now complete with a new focus on discharge, dementia and delirium. • Celebration event held to highlight the 8 wards 8 months programme • EI work now started at BHH and GHH with consultation underway with affected staff groups. • Good progress with EI test sites, agreement across the system in Birmingham to move to an integrated Early Intervention Community Team model. • Data collection undertaken at OPAL sites and progress made on establishing a common front-door service.
Regulatory Requirements and Operational Performance Standards ***(Objective 4)***	**CQC Inspection** • Schedule of mock inspections now in place and underway, focussing on areas the Trust foresees the CQC visiting at their next inspection. • Work programme in place to address CQC concerns around the radiology information system at Good Hope.
Digital transformation & IT ***(Objectives 5,6 and 7)***	**5G** • Ernst and Young appointed (funded by the West Midlands Combined Authority) to support with next phase of the 5G programme, specifically to identify the case studies we might wish to take forward under the programme. **E-consultation programme** • Integration of video appointments within the Clinical Portal now complete. • Upgrade video platform to deliver video appointments at scale also completed. • Delivery of myHealth mobile app due October 2019 • Scoping use of Babylon video software for next phase of scale up during 2020. **IT developments** • Darktrace now live across the whole Trust, supporting the IT Security Team in identifying potential security weakness/threats. • Currently deploying 802.1X solution across all sites to provide an additional layer of network security.
Financial Improvement ***(Objective 8)***	**Financial improvement trajectory** • See Board finance report. **Agency reduction programme** • Agency reduction programme continues to be implemented across the trust; agency spending is starting to reduce for both

Reference	Update
	medical and nursing staff. **Coding and costing** • Selected as a pilot site for a national initiative around efficiency and savings opportunities; commenced working with multidisciplinary specialty teams within Vascular, Dermatology and Trauma and Orthopaedics. The project will be finalised and evaluated by the end of Q3.
Estates and capital infrastructure ***(Objective 9)***	**ACAD** • Please refer to the main report. One of twenty schemes announced by the Prime Minister in August 2019. **Service operating model with HCA** • Negotiation and agreement of service operating model with HCA ongoing.
Workforce ***(Objectives 11,12,13 and 14)***	**Nursing Associate Programme** • There are 145 Trainee Nursing Associates Trust wide on the programme; further 70 commencing in October 2019. • There will be three cohorts of Trainee Nursing Associates in 2020 which will take the numbers in training to in excess of 425. **Workforce and HR** • Three potential technology solutions are being appraised and discussed to support the merger of ESR systems. An outline Business Case has been updated and will be presented to CEAG in September. • Meeting with Birmingham Hospitals Alliance HR deputies to progress staff passport, with UHB exploring potential to digitise the staff passport process via an app to ensure an efficient, safe and secure method of employment checks. • The EU Workforce has increased marginally and the Workforce Risk Register has been revised with an update on workforce presented at Team Brief in September 2019. • Advert published for recruitment of cohort of GPs directly employed by UHB. **Learning Hub** • The focus for the Learning Hub has been on the delivery of our Youth Promise Plus (YPP) Project and the finalising of the European Social Fund (ESF) World at Work programme; currently finalising funding and outputs for the ESF programme. • The Hub has supported various community events and information sessions at local jobcentres in order to increase referrals for forthcoming courses. • UHB has become a recognised partner in the WMCA's "Movement to Work". • The Hub remain proactive in engaging with local Jobcentres, colleges and other training providers in order to maintain referrals onto programme. **International fellowship programme** • On track for recruitment in 2019/20; advert circulation expanded and closing date extended. • MoUs have been signed, in the final discussion phase with external parties for programmes to commence during 2019/20. **Inclusion** • Inclusion Strategy launched; Board seminar in September to discuss UHB's approach to inclusion. **Wellbeing** • Received multi-year funding for a new training package around

Reference	Update
	domestic abuse; secured grants for £15,000 from HEE and £100,000 from The Home Office to carry out this work. • 10 Menopause Awareness sessions carried out Trust wide to some 500 participants; objective to build Menopause Champions to help reduce the associated stigma. **Leadership** • A leadership and management prospectus will be published in October**.** • Mentoring training for senior leaders commenced in July, to commence the Trust's formal mentoring programme.
Partnerships ***(Objectives 15 and16)***	**Birmingham Hospitals Alliance (BHA)** • Programme of collaborative work for the year agreed by the BHA board: o Estates o Digital Healthcare o Review and assessment of BUMP o Workforce • Work in progress to support BWCH with their new estate options appraisal. **STP** • Comprehensive national planning exercise to support the Long Term Plan commenced; draft plan submitted in September 2019. **International partnerships** • Discussions ongoing regarding the proposed new build of Zhongyuan International Hospital, and associated relationships. • Zhengzhou University representatives visited UHB in early September 2019. Discussed a number of potential projects and developed example costed proposals.
Research & Innovation ***(Objectives 17,18 and 19)***	**Aligning research to operational challenges** • MD-TEC in its final phase of European Regional Development Fund (ERDF) funded activity; on target to complete by the end of December 2019. • MD-TEC will facilitate the identification of broader use cases for the application of 5G within our health and care system. **Rapid Response Research** • First rapid response project around flu vaccination has now been published. • To support delivery of this research the new 'virtual' Margaret Peters Centre for data evaluation will be officially opened in November 2019. **Collaboration** • Establishing greater links between NIHR Applied Research Collaboration (ARC) West Midlands and the NIHR Birmingham, RAND and Cambridge Evaluation (BRACE) centre at the University of Birmingham (UoB); working to create a new infrastructure for social care research. • Maternity triage tool from CLAHRC WM (BSOTS) won two West Midlands Academic Health Science Network (WMAHSN) innovation awards in July • ARC WM presented at the WMAHSN Digital Health Summit in September 2019. **Artificial Intelligence** • £10.4 million in funding awarded for the INSIGHT Digital Innovation Hub bid focusing on Eye Disease. • Recruitment to key posts in progress and hub leadership meetings

Reference	Update
	established. • Second bid focusing on Acute Admissions led by UoB and supported by UHB also awarded as part of this funding round. • First review of all studies using AI for diagnosis across all diseases completed and published in the Lancet Digital Health; substantial positive media coverage received. • Radiology AI working group has now been set up and governance structure to be created. **Alignment of UHB Research function** • Single feasibility process and Quality Assurance team process now in place across all sites. • Governance Portal Go Live achieved on the 10 September 2019
Emergency preparedness ***(Objective 20)***	**Emergency preparedness** • Work still ongoing to migrate existing business continuity plans in to the new divisional structures • Emergency Plans continue to be aligned and are due for annual review.

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