

# Council of Governors with the Board 11th May 2011

**3 Year Strategic Plan  
2011/12 – 2013/14**

**Rob Forster**  
Deputy Director of Finance

*your hospitals, your health, **our priority***

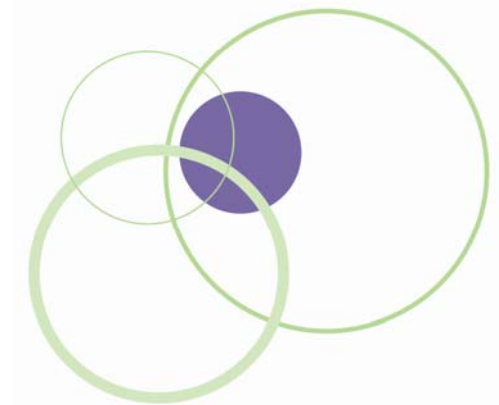
# Background

---

Monitor require a rolling three year business plan

- Three year plan details; activity, workforce, financial strategy
- Current year 2011/12, 2012/13, 2013/14
- Prediction of activity levels
- Anticipate national policy
- Reflect local service and commissioning intentions - TCS
- Anticipate early service and site impact

*your hospitals, your health, our priority*



# Key Messages

	2010/11 £m	2011/12 £m	2012/13 £m	2013/14 £m
Operating Income	231	229	228	225
Operating Expenditure	215	212	211	208
EBITDA	16.0	17.0	17.3	16.9
Depreciation / other costs	11.9	13.0	13.3	12.9
Trading Surplus	4.1	4.0	4.0	4.0
Cash	17.2	12.5	13.7	15.9
Capital	12.1	16.0	10.7	9.3
EBITDA % Income	6.9%	7.4%	7.6%	7.5%
CiP Requirement	12.7	13.8	11.9	10.2
Finance Risk Rating	4	4	4	4
WTE	4,090	3,976	3,851	3,699

- Income reduction
- Incorporation of TCS
- Significant CiP required
- Maintaining surplus and risk rating to facilitate Service and Site

*your hospitals, your health, our priority*

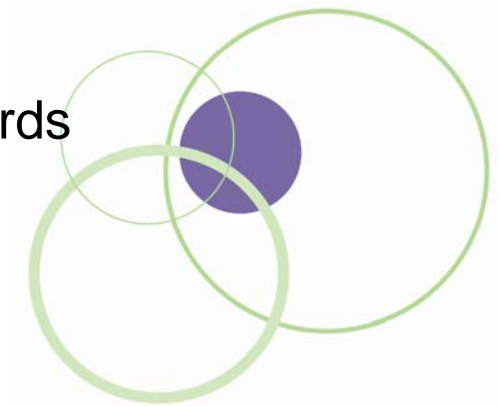


# Key Assumptions

---

- Activity plan 'as is' except:
  - MSK +3% elective growth
- National tariff reduction 1.5% per annum
- Pay freeze year 1 and 2 (except employees earning < £21k per annum)  
year 3 +2.5%
- Non-pay inflation averages 4%
- Increased efficiency and productivity
- Workforce reduction in line with operational strategy
- Incorporating community services (TCS) Year 2 onwards

*your hospitals, your health, our priority*



# TCS

---

- New services to incorporate from the community:
  - Community Matrons
  - Hospital at Home Service
  - ACTS Team & Community Physician Advisor
  - GP Triage Service
  - Advanced Nurse Practitioners
  - Intermediate Care Coordinators
- Better control of unscheduled care demand
- Transfer in of circa 90 employees
- Circa £5m annual income/cost

*your hospitals, your health, our priority*



# Operational Strategy

---

- Vision remains to be best 10% for all we do.
- 3 Key Strategic Objectives
- Service redesign.
  - Full range of DGH services with the development of specialist Orthopaedic services, outpatient and day case services.
  - Further implementation of pathway redesign
- Market
  - Maintain DGH market share
  - Increase Orthopaedic West Lancashire market share
- Quality
  - Improve patient experience via delivery of high quality services.
  - Focus remains on improving patient safety, waiting times, cleanliness, ease of access and staff responsiveness.

*your hospitals, your health, our priority*

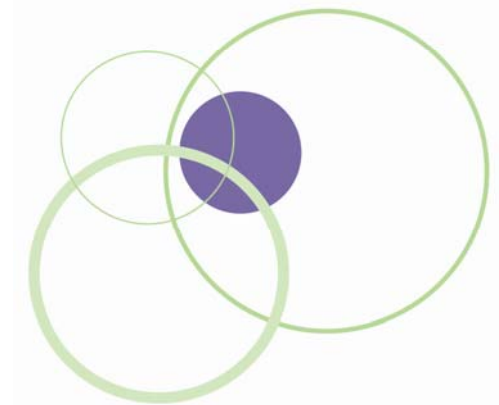


# Key Risks / Opportunities

---

- Changes to White Paper
- Continual developments to GP Consortia and Commissioning priorities
- TCS – integration
- Royal Alliance (WWL Salford & Bolton)
- Service & Site Review

*your hospitals, your health, our priority*



# Summary

---

1. Real terms reduction in funding levels
2. CIP levels are significant (£14m, £12m, £10m)
3. Continued period of change and uncertainty – politically, nationally and locally
4. Integration with Community Services (TCS)
5. Service and site plans being developed
6. Service, workforce and financial plans under constant review

*your hospitals, your health, our priority*

