North Staffordshire Combined Healthcare NHS Trust

# Operational Plan

## 2017/18 and 2018/19

Final Version – December 2016

The following table details the document version changes:

| Version | Date | Author | Description of change |
|---|---|---|---|
| 0.1 | 08/11/16 | TT | First initial draft |
| 0.2 | 08/11/16 | KD/ KW | Second initial draft and inclusion of draft sections from leads |
| 0.3 | 16/11/16 | KD/ KW | Third draft and re-wording of plan |
| 0.4 | 23/11/16 | TT/KD | Rewording and updates |
| 2.0 | 24/12/16 | TT/KD | Including feedback from NHSI letter 15.12.16 |
| 2.0 | 10/01/17 | KW | New values added on footer |
| 2.0 | 17/01/17 | JS | Rewording |

## Document distribution

The table below details the distribution of the Operating Plan:

| Version | Date of issue | Name | Notes |
|---|---|---|---|
| Version 2 | 23.12.16 | Executive team and non-executives | Circulated to Trust Board |
| Version 2 | 23.12.16 | Executive and non-executives | Final submission version |
| Version 2 | 23.12.16 | Submission to NHS Improvement | Submitted |

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## Welcome

We are pleased to present our two-year Operating Plan for 2017/18 and 2018/19. This plan brings together our clinical and quality ambitions and describes the workforce, financial and wider infrastructure commitments that underpins their delivery.

To further support the progress the organisation has made we are able to report that we have received our draft CQC rating following our comprehensive inspection in September 2016. We are delighted to report that the organisation has been classified as 'Good' with areas of outstanding practice. This is a significant step and endorsement of the continuing journey of improvement we articulated in the last submission and provides the foundation for the next step to 'Outstanding'.

The plan details the key developments for the Trust recognising the Five Year Forward View for Mental Health (5YFV), General Practice Forward View, Staffordshire Sustainability and Transformation Plan (STP) and the organisational five year strategy. We are committed to delivering on each of these aspects and have detailed the key steps over the next two years for North Staffordshire Combined Healthcare NHS Trust.

The key developments for the organisation within the next 24 months is to realise the strategic goals of both the Trust and those of the health economy recognising our strategic aim of developing an enhanced and co-ordinated health and social care provision for North Staffordshire and Stoke-on-Trent.

The Trust has reviewed and accepted the control total and therefore planning to deliver a £1.4m surplus in 2017/18 and 2018/19; which includes £500k of STF funding.

A summary of our ambitions are to:

- Be proactive in integrating physical health and mental health services through the development of a North Staffordshire Multi-speciality Care Provider (MCP) with partner organisations.
- To completed the development of the Psychiatric Intensive Care Unit (PICU) which we will open in autumn 2017.
- To deploy through our Raising our Service Excellence programme (ROSE) the latest electronic patient record in May 2016.
- To continue to reduce the waiting lists to access children's mental health services.
- To manage the financial challenges to the Substance Misuse services and continue to provide the highest quality services with partners.
- To make good progress in strengthening our Learning Disability services to integrate with social care.
- We will work with commissioners to develop additional capacity in line with year on year demand increases and enhanced acuity requirements.

As we publish our plan we commit to:

- Engaging with staff, service users, partners and carers.
- Continuing our quality improvement drive.
- Leading with partners in the pan-Staffordshire Sustainability Transformation Plan, Together We're Better.
- Being amongst the very best in the country at developing and delivering services, with the ability to understand and communicate their impact.
- Focussing on the core skills and knowledge that we need to be the best at what we do.
- Making sure that we have the right resources in place so we can deliver on our promises.

We thank you for your support and for your interest.

**David Rogers**
**Chairman**

**Caroline Donovan**
**Chief Executive**

## 1. Approach to Activity Planning

We are working with our commissioners in delivering a realistic and aligned demand and capacity approach for 2017-19.

A baseline position based on actual output projected forward from 2016/17 taking account of any contract variations has been shared between the two lead Commissioners and the Trust and agreed as an effective starting point, as summarised below in table 1:

| **Table 1: Projected Activity 2017/18** | | | | | | | | **2018/19** |
|---|---|---|---|---|---|---|---|---|
| **Directorate** | **CCG** | **Community** | **Day Case** | **Inpatients** | **OP** | **Therapy** | **Grand total** | **Projected totals** |
| AMH Community | SoT CCG | 82,507 | 31,689 | 0 | 6,323 | 0 | **120,519** | 126,545 |
| | NS CCG | 47,506 | 11,357 | 0 | 4,960 | 0 | **63,823** | 67,014 |
| **Sub-total Community AMH** | | **130,013** | **43,046** | **0** | **11,283** | **0** | **184,342** | 193,559 |
| AMH Inpatient | SoT CCG | 0 | 0 | 23,969 | 0 | 0 | **23,969** | 25,167 |
| | NS CCG | 0 | 0 | 10,225 | 0 | 0 | **10,225** | 10,736 |
| **Sub-total Inpatient AMH** | | **0** | **0** | **34,194** | **0** | **0** | **34,194** | 35,903 |
| CYP | SoT CCG | 13,493 | 2 | 2,841 | 2,600 | 0 | **18,936** | 19,883 |
| | NS CCG | 8,663 | 0 | 2,024 | 1,821 | 0 | **12,508** | 13,133 |
| **Sub-total CYP** | | **22,156** | **2** | **4,865** | **4,421** | **0** | **31,444** | 33,016 |
| LD | SoT CCG | 10,748 | 6 | 930 | 874 | 0 | **12,558** | 13,186 |
| | NS CCG | 4,862 | 2 | 1,573 | 508 | 0 | **6,945** | 7,292 |
| **Sub-total LD** | | **15,610** | **8** | **2,503** | **1,382** | **0** | **19,503** | 20,478 |
| SM | SoT CCG | 0 | 0 | 1,968 | 0 | 0 | **1,968** | 2,066 |
| | NS CCG | 0 | 0 | 1,697 | 0 | 0 | **1,697** | 1,782 |
| **Sub-total SM** | | **0** | **0** | **3,665** | **0** | **0** | **3,665** | 3,848 |
| NOAP | SoT CCG | 25,862 | 0 | 12,613 | 6,670 | 267 | **45,412** | 47,683 |
| | NS CCG | 21,063 | 2 | 8,688 | 5,930 | 277 | **35,960** | 37,758 |
| **Sub-total NOAP** | | **46,925** | **2** | **21,301** | **12,600** | **544** | **81,372** | 85,441 |
| **Grand total** | | **214,704** | **43,058** | **66,528** | **29,686** | **544** | **354,520** | 372,245 |

**Contract commissioning developments**

Table 1 will form the baseline of the 2017/18 offer, together with variances currently being calculated including:

- Mental Health Urgent Care Centre.
- Additional EMI bed provision based on ward 4.
- Dual care beds.
- RAID 24/7.
- Out of Area repatriation
    - Personality Disorder pathways
    - PICU
    - Learning Disabilities
- Place of Safety (two sites).
- Five Year Forward View – additional services and capacity.
- Additional capacity to meet demand.

The contract has been broken down by service line allowing us to identify gaps in funding and to address as part of our planning discussions with Commissioners. Work has also commenced to shadow-test an episodic payment approach using national currencies so we can begin to compare the resource intensity of our activities with what we would expect under a tariff based approach. This work will begin to build in an increased proportion of outcome measures and help facilitate increased access to evidence-based mental health services.

The ongoing planning discussions encompass local commissioning intentions, the national FYFV and the need for the local health economy to align activity to maximise the benefits for service users. It is clear that there are a number of gaps in funding that will need to be rectified within the 2017-19 contracts as part of the Mental Health Investment Standard. CAMHS demand and activity is included in the contract with Commissioners to support the national transformation requirements and provisional Care Quality Commission (CQC) recommendations.

We recognise the requirements of the FYFV of increasing capacity in mental health services across a broad range of services that are aligned with the Mental Health STP work stream. These specific enhancements are in the process of defining with Commissioners to be reflected in our future contract.

In line with place based care service delivery we will be working with commissioners to move towards locality population based activity demand profiles to support the delivery of a North Staffordshire and Stoke-on-Trent MCP.

The Trust has signed the NHS Standard Contract with the CCG on 21 December 2016 and with NHSE on 22 December 2016.

**National targets**
Based on anticipated demand we have built in necessary capacity to achieve national access targets, as demonstrated by our shadow monitoring of the newly developed mental health access targets.

## 2. Approach to Quality Planning

### 2.1 Approach to Quality Planning and Governance

Our Quality Strategy is developed in line with local population needs across North Staffordshire and Stoke-on-Trent serving a total population of 661,884.

Our four key quality priorities are SPAR:

- Our services will be consistently **Safe**
- Our care will be **Personalised** to the individual needs of our service users.
- Our processes and structures will guarantee **Access** for service users and their carers.
- Our focus will be on the **Recovery** needs of those with mental illness.

Key to the successful delivery of our quality objectives and influencing/leading desired changes in our quality and safety culture is strong clinical leadership. The workforce strategy supports this through initiatives such as staff engagement, clinical supervision, staffing and recruitment thus ensuring staff are supported and engaged to deliver high quality care. We have also introduced a role of a Quality Assurance and Improvement Manager to further enhance our approach to quality.

We can demonstrate evidence that the assessment of risk helps to drive and shape our approach to quality governance by using reporting and trend analysis through identification of risks from Team to Board level triangulated with data from incidents, complaints, workforce and finance.

Our quality governance approach and successful achievement of a 'Good' CQC overall rating has been supported by the introduction of a monthly Senior Leadership Team meeting (comprising the Executive Team, Clinical Directors and Head of Directorates) with a quality improvement focus to the agenda. The monthly performance agenda based on quality, workforce, clinical effectiveness and finance with associated Key Performance Indicators ensures a focussed approach to continuous improvement.

Quality improvement is monitored through a number of methods overseen by the Quality Committee including:

- The BAF containing a description of our quality goals.
- Delivery against our CQC Action / Improvement Plans.
- Listening into Action: Improving staff engagement, raising the bar and creating ambition.
- Learning Lessons: Learning, sharing and taking action to provide safe and effective services through monthly publications and interactive learning events.
- CQUIN initiatives: Identifying clear priorities on which to base the annual initiatives
- A programme of quality assurance / improvement visits including:
    - External announced visits led by the CCG and Healthwatch
    - Internal unannounced CQC type visits led by the Executive Team and Non-Executive Directors
- The Commissioner led, Clinical Quality Review Meeting (CQRM).
- The annual Trust Quality Account.

We will further develop our capacity and capability to implement quality improvement and change through a review of services to ensure that we have the right resources in the right place at the right time ensuring increased productivity. In order to achieve this we have;

- Commissioned Meridian Productivity Services to undertake a review of CAMHS and Adult Community Clinical Services.
- Developed a business case for the procurement of an E-rostering system to ensure staffing efficiencies according to activity and acuity and to reduce reliance on temporary staffing and reduce costs.

We will continue to develop and refine methods to demonstrate and evidence the impact of the investment in quality improvement by use of national benchmarking data including:

- National NHS Benchmarking Data Annual Report Measures.
- National Reporting and Learning System (NRLS) six monthly organisational report.
- Friends and Family Test data.
- NHS Choices.
- Safety Thermometer.
- Patient Led Care Assessments (PLACE).
- Mortality Surveillance.
- National Safer Staffing developments.

Further to our CQC comprehensive re-inspection during September 2016, concerns identified at the time of the inspection related to waiting times for Community CAMHS services however the Trust already had a plan and trajectory in place to reduce waiting times from referral to assessment and assessment to treatment and was able to demonstrate progress made to date. This has been recognised within the draft inspection report, with improvements across the range of criteria on CAMHS community service.

### 2.2 Summary of Quality Improvement Plan

Our quality improvement plans are driven by national and local priorities and underpinned by our four key priorities, **S**afe, **P**ersonalised, **A**ccessible and **R**ecovery focussed. Under each domain, below is a sample of these initiatives that form our plans for the forthcoming year:

**Safe**

*National initiatives*

- National Confidential Inquiry into Suicide and Homicide by People with Mental Illness (NCISH).
- Learning Disability Mortality Review.
- Prescribing high dose and combined antipsychotics.
- Physical Health.
- Safety thermometer.

*Local initiatives*

- Implementation of an Inpatient Safety Matrix.
- Suicide Prevention Strategy development.
- Rapid Improvement Falls prevention plan.
- Enhancing our approach to Mortality Surveillance and Serious Incident Investigation.
- Enhancing our anti-microbial stewardship.

- Maintaining our zero tolerance approach to MRSA, MSSA, E.coli bacteraemia and C.difficile infections.
- Improving our safer staffing fill rates.
- Building on our Harm Free Care performance.
- MaPSaF CQUIN initiative.
- Implementing Safe Ward and Productive ward methodology.
- Implementation of a programme of unannounced assurance visits to all clinical areas.
- Team level KPI dashboards.

**Personalised**

*National initiatives*

- Enhancing Service User and Carer feedback through NHS Choices, FFT, Patient Opinion.
- Development of "Always Events" initiative.
- Community Mental Health Survey.
- Development of Outcome Measures.
- Transforming Care agenda.

*Local initiatives*

- Consistent service user involvement in care planning.
- Implementation of electronic risk assessment and care planning.
- Clinical Improvement process to monitor progress.

**Accessible**

*National initiatives*

- KPIs for Early Intervention and IAPT services.

*Local initiatives*

- Improve the use of technology to undertake appointments and reviews through our Digital by Choice strategy.
- Ensure accessibility of electronic notes to enhance timely response and interventions by use of available clinical information.
- Ensure accessible information is available in the form of information leaflets, effective signposting and an informative external website.

**Recovery focussed**

*National initiatives*

- Dementia Diagnosis rates.
- The number of people moving into recovery following IAPT intervention.
- Introduction of the Recovery College model.

*Local initiatives*

- Implementation a mandatory clinical evidence based education programme for risk assessment and care planning with strong emphasis on recovery and wellbeing.
- Review the acute care pathway strengthening all community based interventions and reducing reliance on bed-based services.
- Continue to develop evidence based psychological interventions in our adult acute wards.
- Consistently use outcome measures to assess the level of recovery for our service users.

**Affordability of quality plan**
The above quality improvements are embedded in the Trust's day to day operations and will be developed at reduced cost through enhanced data systems developed from the deployment of the electronic patient record. This will be further enhanced through the delivery of place based care to ensure the highest quality outcome from every contact with a service user or carer.

### 2.3 Summary of Quality Impact Assessment (QIA) Process

We have a fully integrated governance approach to the QIA process. The Trust's overall strategy for the development and delivery of CIP is to implement changes that support the achievement of our strategic objectives including service redesign and modernisation, rationalisation of estate, review of back office and support functions, productivity gains, and workforce redesign.

Quality Impact is assessed for any scheme deemed to have potential impact on the quality of care for the likelihood and impact of risk across three domains:

- Impact on Patient Safety.
- Impact on Clinical Effectiveness.
- Impact on Patient Experience.

A 5x5 risk assessment methodology is used for each domain, producing a gross risk figure for each category and a section for mitigation.

The overall responsibility and leadership of the QIA process of a CIP sits jointly with the Medical Director and the Executive Director of Nursing & Quality. They are required to approve the QIA prior to a scheme commencing delivery. The schemes are reviewed at Confirm and Challenge meetings, where deliverability confidence scores are applied. Viable schemes are then quality assessed by the Medical Director and Executive Director of Nursing & Quality with regular oversight reporting to the Quality Committee and through to the Trust Board.

## 3. Approach to Workforce Planning

**Workforce planning**
There is a robust system whereby organisational plans are triangulated to ensure key sharing of organisational data is utilised, this comprises of Quality; Performance; Workforce and Finance. We routinely report core workforce data to the Trust Board and the Trusts People and Culture Development (PCD) Committee as part of an integrated balanced scorecard. Adverse deviations from plan trigger a rectification plan which is open to challenge. Data is routinely used to provide assurance on safer staffing levels and to justify the merits of future business development. Further scrutiny is provided by the establishment control panel, which ensures the quality, affordability and innovation is going into vacant posts.

We use the West Midlands HEE modelling tool as part of our annual workforce planning cycle which is described in the following key strategic intentions:

- Attract, retain and develop.
- Well-being inclusion.
- Leadership.
- Sustainable and Partnership working.
- Digital.
- Efficiency.

These workforce strategic intentions draw from both our Trust and system wide service priorities. The strategy acknowledges that productivity gains, workforce remodelling, embracing digital technology and working with our partners to achieve placed based care are core to future success.

**Attract, retain and develop**
There will be enhanced entry level recruitment and innovation, e.g. in domiciliary care and healthcare navigation, leading to reduced pressure on patient flow and professional workloads through smarter take-up and development roles. Skill bases of existing staff will be enhanced to ensure flexibility to work in placed based setting including practices. New competencies and skills will be influenced within HEI programmes and internally, encouraging a more preventative and proactive approach to care than has previously been commissioned.

We offer a range of apprenticeships and apprentice qualifications at different levels to draw maximum benefit from the funding available. We understand our current staff qualification levels to further enhance the skills of the workforce through apprentice qualifications and are developing new roles and pathways to enable staff to progress their career examples include the development of Assistant Practitioner and Associate Nurse Roles. We are doing this by working with partner organisations to maximise our buying potential with Approved Training Providers.

Apprentice targets will be met by recruiting new apprentices into the organisation, through the CPD of existing staff and discussions with our contractors. This is expected to be in the region of 37 apprentices for 2017/18 and we are expecting the levy payment to be circa £270,000 in the same period. Figures for 2018/19 will similarly be based on headcount (2.3% of the workforce) and our pay bill (levy calculation at 0.5% of our pay bill).

Through the development of core role based competencies we will enhance non-medical roles tailored to local need with appropriate local supervision. We are fully engaged with Shropshire and Staffordshire Local Workforce Assurance Board (SaSLWAB) and West Midlands Mental Health and Learning Disability Transformation Theme where our Chief Executive is chair. We are leading the approach to extend this model to the whole of Midlands and East. We also ensure operational delivery of objectives and development, secure and confidential information sharing occurs between all partners.

Further developments are planned that will impact the workforce in 2017 such as the provision of a new Psychiatric Intensive Care Unit (PICU) and the repatriation of people from out of area working with commissioners to develop different models to deliver care closer to home and more cost effectively.

We are also developing a business case for an Urgent Care Centre to support better access for people to service and avoid Emergency Department admissions. The staffing model for this has been developed and included in our plans. We are also actively looking to extend our substance misuse service provision delivered in partnership with colleagues in the third sector which will further enhance our workforce opportunities.

**Wellbeing and inclusion**
Frontline staff engagement is critical to our success and we use a range of approaches including Listening into Action (LiA) through big conversations, specific improvement teams, large Pass it On events and general service improvement approaches); team visits; monthly Director Q&A sessions across different teams; staff survey; LIA Pulse Check; friends and family test; Aston Team Development; service user and carer feedback; ad hoc events such as #NHSFabChangeDay where we broadcast on YouTube for four hours demonstrating some of the great work our staff deliver. These have demonstrably provided efficiencies and improvements in our care provision. We plan to build on this success with the introduction of Go Engage process to help us really understand where teams are in respect to engagement and support them accordingly.

**Sustainable and partnership working**
The Staffordshire STP supports the need to work in partnership to continually improve services across Staffordshire and Stoke-on-Trent. We continue to work collaboratively with our Commissioners to ensure investment comes to mental health through the implementation of a North Staffordshire MCP, managing the common resources to deliver place-based care. The sustainability plan will initially focus on primary care. It will then proceed to ensure mental health, social care and community workforce planning aids efficient development of EPCC and urgent care pathways.

Workforce resourcing in the Staffordshire STP is best being released by the formation of place based care hubs. These structures will enable the community capacity we currently have across all facets of health and care to be deployed more efficiently with less duplication, therefore increasing capacity to care. The 23 care hubs will receive transition funding via the STP, which will be utilised enhance multi-disciplinary working, gel previously disparate teams from different organisations into one cohesive team and explore the pursuit of new, sustainable roles e.g. healthcare navigation. NSCHT is already playing its part in this transition by re-engineering the role of the CPN in Leek and in working in a collaborative team across health and care in Meir to identify holistic care plans of complex families.

The STP is also looking to advance the take up of entry level posts in the county, initially focused on improving domiciliary care capacity, but later extending to a full range of support and apprentice level positions. This will include stimulating the HEI community to provide new courses and making health and care a more attractive proposition for the citizens of Staffordshire to pursue though enhancing role profile, improved conditions and inclusive advertising.

The STP and NSCHT are very aware of the inequity in supply and demand across different sectors of our system. The STP is very keen to bolster and sustain primary care capacity, which will be achieved by more innovative workforce planning and skill mix work with our local practices. For supply and demand we also need to ensure those students trained in Staffordshire, wish to stay in Staffordshire, this is being supported by trailing portfolio careers post training as opposed to rigid single focused roles.

Finally there are large changes in the shift from acute to placed based care planned across Staffordshire. A shared redeployment agreement across all providers will ensure supply and demand is matched appropriately, with adequate retraining supported where required.

The voluntary sector is a key partner and many of our clinical services work alongside various voluntary sector organisations to deliver more effective care to service users and carers within our local communities.

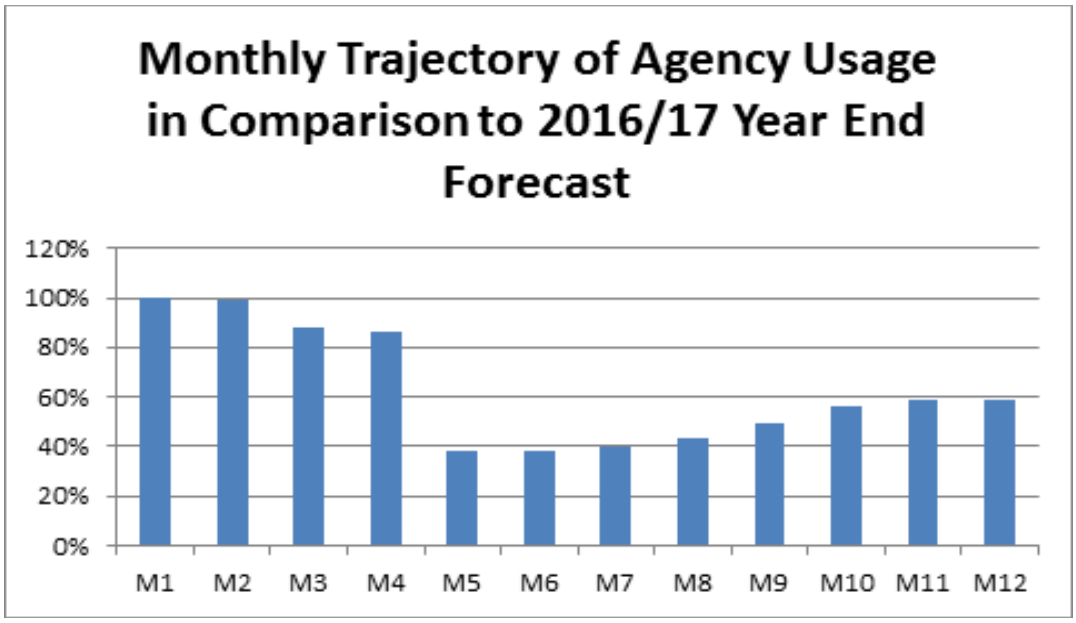
**Digital**
Our goal is to be a national leader in the use of digital technology. ROSE is designed to revolutionise care and drive improvement across the organisation. We have a central role in developing the regions digital roadmap and through our influence will ensure engagement and participation from frontline staff and users is encouraged at every opportunity as this projects progresses.

**Efficiency**
A study regarding potential efficiencies and productivity improvements is underway within our Adult Mental Health Community Services and Children and Young People Services. Providing viable and sustainable opportunities to improve the way we deliver our services in order to remove any of the operating issues impacting on delivering the best service to our patients and service users. The STP workforce taskforce is currently looking to curb agency costs by pursuing means to maximise utilisation of bank. One option proposed is a county wide bank we all contribute staff toward.

We will strengthen our Temporary Staffing function to allow a greater provision and flexible model which is more adaptive to service needs and removes the need for agency provision. Our staff Bank processes will be further enhanced working towards the introduction of e-rostering in 2017. Our digital programme will ensure effective use of relevant information to enable our workforce to respond in an effective and efficient manner.

We have created agency monthly trajectories for 2017/18 compared against forecast year-end figures for 2016/17. The agency usage demonstrates a remarked reduction in spend starting late in quarter 1 and extending through quarter 2 before steadily rising in quarter 3 to account for winter pressures. As graph 1 below shows the quarter 4 figures for 2017/18 remain 40% lower than quarter 4 figures for 2016/17. The breach in 16/17 agency usage is entirely attributable to 2 specific programmes of work that fall outside the core operational delivery. The introduction of the new electronic patient record (EPR) which will be completed in May 2017 and the urgent opening of ward 4 to support the health system pressures.

**Graph 1 – Agency usage trajectory**




We utilise shared back office and support functions where possible. We host an Estates Shared Service and buy in support from other NHS partners on payroll, pathology and informatics. We are working with partners to review how we can optimise these and additional functions to support our approach to efficiency, effectiveness and quality.

## 4. Approach to Financial Planning

### 4.1 Financial Forecasts and Modelling

**Summary financial position**
The Trust has achieved a surplus in 17 consecutive years since 1998/99 and is forecasting to make a surplus of £343k in 2017/18 as shown in table 2 below. The Trust has accepted the Control Total of £1.4m (inclusive of £500k of STF funding) for 2017/18 and 2018/19.

In 2017/18 the Trust plans to achieve;

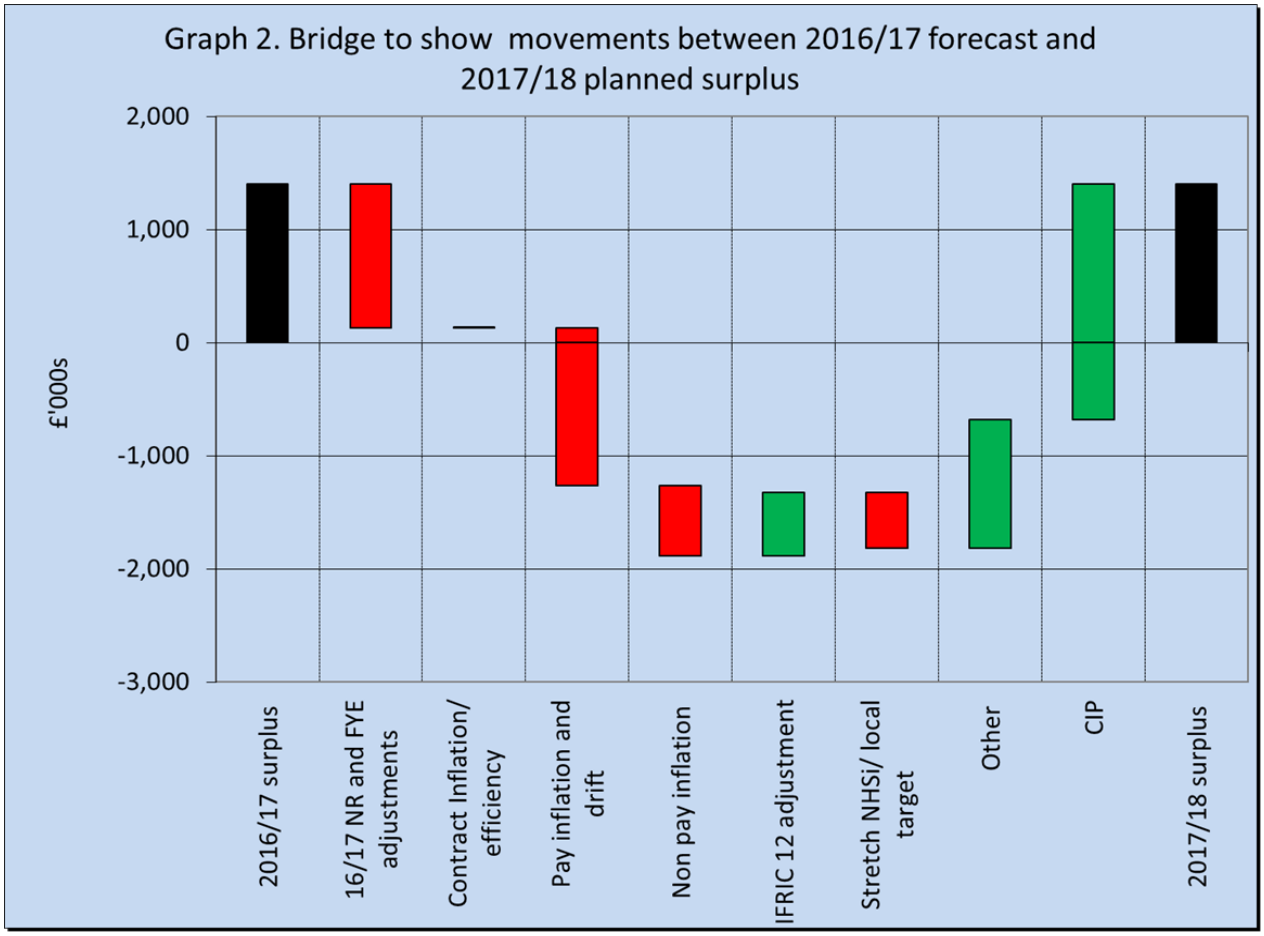
- Our statutory duty to break-even and deliver a surplus of £900k
- 4.0% efficiency savings which equate to £3.2m
- Implement a capital resource programme that is within the Trust's Capital Resource Limit
- A score of 1 for the Single oversight Framework Finance Metrics by the end of the Financial Year
- Continue to meet our statutory duty of staying within our Cash Resource Limit
- The Better Payment Practice Code Target
- Meet the agency Spend Cap of £2.068m as agreed with NHSi (the agency cap relates to the operational agency)
    - ROSE agency allocation for the delivery of the electronic patient record
    - Ward 4 EMI assessment - agency in line with Local Health Economy winter bed pressures response due to end in current form by 31 March 2017.

The agency spend cap will remain at the same level as 2016/17 at £2.068m for both years.

Table 4 below shows the financial performance as forecasting as surplus position despite a number of cost pressures.

| Table 4: Summary Statement of Comprehensive Income | Actual 2015/16 £m | Forecast 2016/17 £m | Plan 2017/18 £m | Plan 2018/19 £m |
|---|---|---|---|---|
| Revenue from patient care activities | (69.7) | (68.8) | (68.9) | (68.2) |
| Other operating revenue | (8.9) | (10.9) | (10.8) | (10.3) |
| **Total Income** | **(78.6)** | **(79.7)** | **(79.7)** | **(78.4)** |
| Gross employee benefits | 56.1 | 59.2 | 58.8 | 57.6 |
| Other operating costs | 18.4 | 18.3 | 18.1 | 18.1 |
| **EBITDA (surplus)/ deficit** | **(4.0)** | **(2.2)** | **(2.8)** | **(2.8)** |
| Other costs (inc IFRIC 12) | 3.2 | 1.9 | 1.9 | 1.8 |
| **Retained position (surplus)/ deficit** | **(0.8)** | **(0.3)** | **(0.9)** | **(1.0)** |
| Sustainability & Transformation funding | 0.0 | (0.5) | (0.5) | (0.5) |
| **Control total** | **(0.8)** | **(0.8)** | **(1.4)** | **(1.5)** |

**Graph 2 - Bridge analysis**



**Income and expenditure**
Planned income for 2017/18 is based upon:

- The application of the net tariff inflator of 0.01%.
- CQUIN remaining at 2.5% of baseline contract values on the basis of delivering against all national targets [1.5%] , active involvement in STP [0.5%] and achievement of 16-17 control held in reserve [0.5%].
- Full-year effect of contract variations/service developments that started during the 2016/17 financial year.
- Investment in line with the Mental Health Investment Standard (increase spending on mental health services at least in line with the amount by which CCG allocation has increased (16/17 3.05% 17/18 2% and 18/19 2%).

Investments in relation to the 5YFV (except eating disorders which is included) and new developments have been excluded from the contract at this stage. Table 7 details the services which NSCHT will request funding for from the Commissioners on the basis of a Business Case which will inform the investment decision. As investments are agreed, they will be added to the contract by variation in 2017/18 and will inform the full year effect in the 2018/19 contract value.

| **Table 7: 5YFV and new developments** |
|---|
| **5YFV** |
| Increased access to mental health services for CYP |
| 24/7 urgent and emergency meant health service for CYP (including Intensive Outreach) |
| Crisis Response and Home Treatment Teams |
| Mental Health Liaison (including RAID 24/7) |
| Psychosis Early Intervention |
| **New developments** |
| Place of safety |
| Personality Disorder Pathway |
| Emergency Care Centre |
| PICU - Six-bedded unit |

Non-clinical income budgets have been set based upon SLAs and relevant agreements for Education, Training and Research.

Planned expenditure for 2017/18 takes into account the impact of:

- Inflation based upon NHS Improvement planning guidance.
- Known cost pressures.
- Service developments as listed above.
- Cost improvement programmes to delivery efficiency savings.

The PFI agreement has been uplifted by RPI of 1.3% in line with the contractual terms and conditions.

**Statement of financial position**

The statement of financial position (table 8) below is based upon the income and expenditure detailed above and the capital expenditure plans as detailed within section 3. While we are planning to spend £2.98m in capital during 2017/18 we are still planning to maintain a healthy cash balance of £5.97m by the end of the 2017/18 financial year. Non-current liabilities reflect the obligation regarding the PFI scheme.

| Table 8: Statement of Financial Position | Actual 2015/16 £m | Forecast 2016/17 £m | Plan 2017/18 £m | Plan 2018/19 £m |
|---|---|---|---|---|
| **NON-CURRENT ASSETS:** | | | | |
| Property, plant and equipment | 30.7 | 31.9 | 33.8 | 35.3 |
| Intangible assets | 0.0 | 0.0 | 0.0 | 0.0 |
| Trade and other receivables | 0.6 | 2.0 | 2.0 | 1.3 |
| **TOTAL NON-CURRENT ASSETS** | **31.3** | **33.9** | **35.8** | **36.6** |
| **CURRENT ASSETS:** | | | | |
| Inventories | 0.1 | 0.1 | 0.1 | 0.1 |
| Trade and other receivables | 3.8 | 3.1 | 3.1 | 3.1 |
| Cash and cash equivalents | 7.9 | 7.0 | 6.2 | 7.6 |
| **Sub total current assets** | **11.8** | **10.2** | **9.4** | **10.7** |
| Non-current assets held for sale | 2.2 | 0.0 | 0.0 | 0.0 |
| **TOTAL ASSETS** | **45.3** | **44.1** | **45.2** | **47.3** |
| **CURRENT LIABILITIES:** | | | | |
| Trade and other payables | (6.9) | (6.4) | (6.4) | (6.4) |
| Borrowings | (0.3) | 0.0 | 0.0 | 0.0 |
| Provisions for liabilities and charges | (1.3) | (1.0) | (1.2) | (1.2) |
| **Total current liabilities** | **(8.5)** | **(7.4)** | **(7.6)** | **(7.6)** |
| **NET CURRENT ASSETS/(LIABILITIES)** | **5.5** | **2.8** | **1.8** | **3.1** |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | **36.8** | **36.7** | **37.5** | **39.6** |
| **NON-CURRENT LIABILITIES:** | | | | |
| Trade and other payables | 0.0 | (0.6) | 0.0 | 0.0 |
| Provisions for liabilities and charges | (0.4) | (0.7) | (0.4) | (0.4) |
| Borrowings | (12.6) | (12.3) | (11.6) | (10.9) |
| **Total non-current liabilities** | **(13.0)** | **(13.5)** | **(11.9)** | **(11.3)** |
| **ASSETS LESS LIABILITIES (Total Assets Employed)** | **23.8** | **23.1** | **25.6** | **28.3** |

| TAXPAYERS EQUITY: | | | | |
|---|---|---|---|---|
| Public dividend capital | 7.6 | 7.6 | 7.6 | 7.6 |
| Retained earnings reserve | 1.8 | 2.4 | 3.8 | 5.2 |
| Revaluation reserve | 13.8 | 13.7 | 13.6 | 14.9 |
| Other reserves | 0.6 | (0.6) | 0.6 | 0.6 |
| **TOTAL TAXPAYERS EQUITY** | **23.8** | **23.1** | **25.6** | **28.3** |

**Single Oversight Framework finance metrics**
The Trust is forecasting to achieve a score of 3 against the finance metrics for the Single Oversight Framework introduced in 2016/17. The reason for the low score is the reach of the agency cap in year due to the Lorenzo electronic patient record (EPR) implementation project and the inability to adjust the cap due to the non-recurrent nature of the project.

The plan for 2017/18 is to improve this score to 2 as shown in table 9.

| Table 9: Single Oversight Framework Risk Rating | Forecast 2016/17 | Plan 2017/18 | Plan 2018/19 |
|---|---|---|---|
| Capital Service Cover Rating | 2 | 2 | 2 |
| Liquidity Ratio (days) | 1 | 1 | 1 |
| I&E Margin | 1 | 1 | 1 |
| Variance from control total | 1 | 1 | 1 |
| Agency Spend | 4 | 1 | 1 |
| **Overall Continuity of Services Risk Rating** | **3** | **1** | **1** |

| Table 10. Monthly continuity of service risk rating | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Overall Risk Rating** | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 1 |

**Five Year Forward View**
The Five Year View for Mental Health was published in year and describes the case for transforming Mental Health Care in England. It outlines the plans and a roadmap for the delivery of the improved mental health services and will see additional investment into the Trusts services as detailed in section 1.

### 4.2 Efficiency Savings for 2017/18 to 2018/19

**Overview of efficiency savings**
The Trust has a robust plan in place for realising efficiency savings in order to achieve its planned adjusted performance break-even position in 2017/18. The Trust has developed a number of cost improvement programme (CIP) schemes that focus on reducing expenditure across corporate areas and clinical divisions whilst avoiding any adverse impact on the delivery of services to patients. The Trust has a £2.6m CIP target for 2017/18 which equates to an efficiency target of 3.25% against turnover. Within this target, the non-recurrent delivery of 2016/17 schemes to the value of £0.2m has been taken into account. The Trust has a robust process in place to ensure that CIP schemes are subject to a Quality Impact Assessment prior to the scheme being implemented.

| Table 11: Cost Improvement Programme by recurrent/ non-recurrent | Actual 2015/16 £m | Forecast 2016/17 £m | Plan 2017/18 £m | Plan 2018/19 £m |
|---|---|---|---|---|
| Recurrent | 2.0 | 1.6 | 2.5 | 1.0 |
| Non-recurrent | 0.6 | 0.6 | 0.0 | 0.0 |
| Unidentified/ TBC | 0.0 | 0.4 | 0.7 | 1.8 |
| **TOTAL CIP** | **2.7** | **2.6** | **3.2** | **2.8** |

| Table 12: Cost Improvement Programme by risk | Plan 2017/18 £m | Plan 2018/19 £m |
|---|---|---|
| Low | 0.1 | 0.0 |
| Medium | 2.5 | 0.9 |
| High (unidentified) | 0.7 | 1.9 |
| **TOTAL CIP** | **3.2** | **2.8** |

**Lord Carter's provider productivity work programme**
In response to the communication from Lord Carter of Coles the Trust has reviewed the opportunities set out and have developed cost improvement schemes in the following areas:

- The implementation and of the e-Rostering system. The system has recently been implemented for medical staffing within the Trust and will be introduced for nursing staffing by 1st April 2017. This will allow shifts and working patterns to be maintained in a more efficient way and will create savings as a result.
- A review of financial services provided by the CSU has taken place and will be bought back in house in 2017/18. In addition, the payroll service as provided by the CSU is also being reviewed with consideration being given to alternative providers in line with LHE STP back office reviews.
- Meridian productivity review and 17-18 impact.
- University Hospitals of North Midlands NHS Trust (UHNM) provides the Trust with a multitude of services through a shared service model across the Staffordshire. The team are leading on the national scheme establishing a core set of NHS products to be used by all NHS provider trusts, in conjunction with NHS Supplies and NHS Improvement, and are leading on the procurement of 3 of the 12 core products.

**Agency rules**
The trust was given an agency spending limit in 2016/17 to the value of £2.068m and is forecasting to meet this target based on the expenditure for operational services. Above this is the agency spend in relation to the ROSE project to the value of £1.395m which is also being counted against the cap also as approval was not granted to adjust the cap or exclude it from the cap to reflect the non-recurrent nature of the project. This spending limit has been carried forward into 2017/18 and 2018/19 at the same level of £2.068m for each year.

The Trust has implemented a number of additional controls in 2016/17 in order to ensure agency spend is at an absolute minimum going forward including Executive Director approval for all agency spend.

| Table 13: Agency costs | Actual 2015/16 £m | Forecast 2016/17 £m | Plan 2017/18 £m | Plan 2018/19 £m |
|---|---|---|---|---|
| Nursing agency costs | 1.1 | 0.7 | 0.4 | 0.5 |
| Medical agency costs | 1.2 | 0.9 | 0.9 | 0.9 |
| Other agency costs | 1.4 | 1.8 | 0.8 | 0.8 |
| **Total** | **3.7** | **3.5** | **2.1** | **2.1** |
| **AGENCY % TOTAL PAY EXPENDITURE** | **6.6%** | **5.8%** | **3.5%** | **3.6%** |

The procurement team at UHNM are heavily involved in the national scheme establishing a core set of NHS products to be used by all NHS provider trusts, in conjunction with NHS Supplies and NHSi, and are leading on the procurement of 3 of the 12 core products.

### 4.3 Capital Planning

**Overview of capital programme**
Our Capital Programme has been developed to enable investment in projects that will improve the quality and range of our services and tie in with our aim to increase the portfolio of services we provide. The planned capital expenditure is within the total capital funds available to the Trust and will still allow the Trust to maintain a healthy cash balance as shown in table 14 below.

| Table 14: Capital Programme | Forecast 2016/17 £m | Plan 2017/18 £m | Plan 2018/19 £m | Plan 2019/20 £m | Plan 2020/21 £m | Plan 2021/22 £m |
|---|---|---|---|---|---|---|
| Darwin Unit upgrade | 0.8 | | | | | |
| A & T Telford purchase | 0.4 | | | | | |
| A & T Telford upgrade | | 0.4 | 0.4 | | | |
| Hazelhurst Unit Development | 0.3 | 0.3 | | | | |
| Substance misuse unit additional beds | | 0.1 | | | | |
| Psychiatric Intensive Care Unit (PICU) | 0.1 | 2.1 | | | | |
| E-rostering | | 0.1 | | | | |
| Information technology | 0.5 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Environment Improvements (backlog maintenance) | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Reduced ligature risks | 0.2 | 0.3 | 0.7 | 0.4 | 0.4 | 0.4 |
| Equipment | 0.1 | 0.1 | 0.2 | 0.2 | 0.1 | 0.1 |
| Contingency | 0.3 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| **Total capital expenditure** | **2.8** | **3.7** | **1.6** | **0.9** | **0.8** | **0.8** |
| Bucknall Hospital | (0.2) | (0.7) | (0.7) | (0.7) | | |
| **Total disposals** | **(0.2)** | **(0.7)** | **(0.7)** | **(0.7)** | | |
| **TOTAL NET CAPITAL EXPENDITURE** | **2.7** | **3.0** | **0.9** | **0.2** | **0.8** | **0.8** |

**Digital by Choice**
The Trust's Digital by Choice programme is a key enabler for the implementation of a channels shift in the approach to the delivery of care supporting service users, staff and partners to work together easily and effectively. The next two years will see significant transformation of the digital services for the trust including a new electronic patient record (EPR) and the collective delivery of an integrated care record for Staffordshire and Stoke-on-Trent.

**Year 2017/18**
The Trust will implement the latest Lorenzo EPR in May 2017. The plan for implementation is on track for delivery and includes a comprehensive training and business change programme to the services built on the enhanced functionality of the Lorenzo system. We will be able to provide enhanced care to our services users and reduce the administrative burden to our clinicians. There has been strong clinical engagement in developing the news ways of working, enhancing the quality and efficiency of our services. The deployment of the EPR underpins the organisational strategy to integrate mental health services with physical health and social care to provide effective and efficient holistic care for all our service users.

In addition to this we have a lead role on the digital work stream for Staffordshire STP which aligns the digital capabilities of the provider organisation into a local delivery road map which facilitate the clinical transformation articulated in the STP. These are covered by a series of sub programmes and facilitation work streams that deliver and integrated care record for Staffordshire , enhanced digital adoption through the TECS (technology enabled care services) programme and business intelligence function which draws on the data systems across Staffordshire to deliver locality based intelligence of population need and services capacity.

**Year 2018/19**
The successful deployment of the EPR system will lead to the realisation of quality and financial benefits as articulated in the benefits realisation plan. These will support the delivery of our quality programme and the delivery of efficiency savings in line with the financial control totals. In addition the shift to place based care will be enabled by the Digital STP programme of work and the staged roll out of an integrated care record. Through this we see the following benefits being realised in 2018/19:

1. Realisation of reduced estate overhead costs due to increased mobile working and shared estate with North Staffordshire and Stoke providers.
2. Through integrated care record reduced duplication of assessments and diagnostics.
3. Increased delivery of self-care through enhanced remote interventions resulting in reduced demand.

**Estates optimisation plan**
The focus of the Trust's estates optimisation plan is to operate from fewer sites to reduce the cost of occupancy and to improve the therapeutic and work environment this includes the response to risk assessments of ligature risks across the organisational Trust estate as highlighted in the national benchmarking.

Options are being explored regarding the development of an Emergency Care Centre on the Harplands Hospital site, which has the potential to deliver significant cross-directorate quality benefits and afford significant opportunity for estate optimisation. Directorates are fully involved in the estates optimisation work to ensure investments are in-line with clinical strategies. The key impact on estates by directorate is as follows:

- Adult Inpatient: construct a 6-bed Psychiatric Intensive Care Unit adjacent to Ward 1 on the Harplands Hospital site, completion autumn 2017.
- Improve environment across sites in relation to reducing ligature risk.
- Working with Estates STP work-stream and the enhanced primary and community care work-stream to seek to reduce the total estate footprint currently utilised across the local health economy.

## 5. Link to the emerging Sustainability and Transformation Plan (STP)

### 5.1 National Five Year Forward Must Dos for 2016/17:

We have a key role in delivering the transformation of Health and Social Care for the population of North Staffordshire and Stoke-on-Trent. We strongly support the principle that Mental Health should not remain an isolated service and should form a key part of the place based care model. In line with the STP we are committed to the development and deployment of place based care for North Staffordshire and Stoke-on-Trent across the 10 defined localities. We recognise the significant dependence on effective integration of mental health with primary care and as a result, we have entered into a formal partnership arrangement with the GP Federation of North Staffordshire and Stoke-on-Trent to deliver the place based care model.

Table 15 below describes the golden threads from the Five Year Forward View (FYFV) nine national must dos through to the Staffordshire STP work streams and how this is led and then reflected in the Trust's 2 year plan:

| Nine Must Dos | STP work stream | Trust representation and engagement | North Staffordshire Combined 2 year plan |
|---|---|---|---|
| **STP alignment** | All work streams | CEO lead on 3 work streams engagement across all activities | Key engagement in Mental Health, Enhanced primary and community care (EPCC), digital and urgent and emergency care. |
| **Finance** | All work streams | Director of Finance and Director of Strategy | Trust delivery of control total. Key programmes include:<br>• Meridian Productivity activity<br>• agency cost reduction<br>• Estate reduction<br>• Benefit realisation of New EPR<br>• Carter recommendation deployment through STP cost reduction programme.<br>• Demand reduction through delivery of MCPs |

| Nine Must Dos | STP work stream | Trust representation and engagement | North Staffordshire Combined 2 year plan |
|---|---|---|---|
| **Primary Care** | Enhanced Primary and Community Care (EPCC) | Director of Strategy and Clinical Director of Primary Care | Engagement of delivery of placed based care models through STP EPCC work stream. Partnership agreement with GP federation of North Staffordshire and Stoke-on-Trent. |
| | | | |
| **Referral to treatment times and elective care** | Planned care reconfiguration | Medical Director | IAPT access enhancements alongside Physical health care pathways. Increase in Care provision outside hospital through optimisation of community assets. Delivery of care control centre to coordinate. Care pathway development including mental health impact. |
| **Cancer** | Cancer Pathway reconfiguration | Link to EPCC | Recognition of chronic nature of cancer diagnosis and emotional and mental burden for patients and carers. Increase access in community to mental health support. |
| **Mental Health** | Mental Health | Led by Trust CEO<br>Medical Director<br>Director of Strategy | Delivery of Five Year Forward View for Mental Health, ensure mental health included development of clinical pathways. Reduce out of area placements. IAPT expansion alongside EPCC. Increasing capacity to CAMHS mental health services with enhanced links into schools and third sector providers. Psychosis treatment pathway capacity development in line with national target. Expand community eating disorder services. Develop and deploy suicide prevention strategy Deliver increased access to community crisis resolution teams. Continue to deliver high level dementia diagnosis rates. Coordinate reduction in out of areas placements. Development of PICU capacity at Harplands site to support aim. |

| | | | |
|---|---|---|---|
| **People with Learning Disabilities** | Mental Health | Led by Trust CEO | Bed reduction in line with commissioned beds per million population. Transforming care partnerships in place and Staffordshire wide programme for delivery. Links to place based care models to develop holistic model of care for people with Learning Disabilities. |
| **Improving quality** | Digital Workforce Organisational development | Led by Trust CEO | Building on September 2016 CQC inspection and integrating quality drive into new models of care underpinned by local and Staffordshire wide digital road map. Adverse incident reporting in line with national requirements. |

Table below 16 highlights the four key STP work streams which reflect in the Trust's Operating Plan and the anticipated key milestones, financial, activity, workforce and quality impact.

| STP work stream | 2 year critical milestones | Finance | Activity | Workforce | Quality |
|---|---|---|---|---|---|
| **Enhanced Primary and community care** | Natural communities & localities of care agreed & plans for locality community hubs developed - Dec 16<br><br>July 2017 – Local Community hubs established<br><br>MCP delivery March 2019 | Modelling and commissioning to support increasing care within MCP structure | Shift to capitated budgets and measures of outcomes around core MCP framework | Workforce modelling based on Skill set requirements and local innovation. Greater local development and training proportional to locality need | Reduced hand offs great front loading of access to Mental health services alongside social care and physical health need. Delivering early intervention and greater population resilience |

| | | | | | |
|---|---|---|---|---|---|
| **Mental Health** | Delivery of 5yFV in line with national timeline<br><br>Joint Provider and Commissioner plan for reduction in out of area placements Jan 2016 | Increase investment in local inpatient and community facilities in line with repatriation of activity. | Increase capacity under the 5YFV for MH for CAMHS, eating disorders and crisis. | Significant requirement for mental health practitioner training for projected activity levels.<br>Increase primary care Mental health training | Increase access to mental health services with capacity and removal of barriers through place based care.<br>Limit to stigma for mental health support though holistic care based in the community. |
| **Urgent and Emergency care** | Phased Deployment of integrated urgent care hubs April 2017 to March 2019<br>Deployment of Mental health urgent care service September 17 | Reduced investment in Accident and Emergency provision and increase investment in Locality urgent care services | Transfer of activity to local urgent care provision alongside place based care models | Alignment of ambulance workforce with urgent care workforce for primary care, community services and Mental health | Increase local care and citizen self-care through relevant and proportional local care provision. |
| **Digital** | Single Care Record: Commencement of Integrated Care Record – Staffordshire Connected April 17 to March 18<br><br>Real-time Data Analytics/Population Health: Exploration and deployment of wider-scale analytics and population health capabilities - March 19 | Agile commissioning based on accurate and timely data.<br><br>Proportional allocation of resources and predictive capacity deployment<br><br>Reduced cost per outcome | Minimise redundant activity and support transfer into the community provision | Supported increase virtual appointments and greater reach of expertise and productivity of clinical teams.<br><br>Increased access to acute expertise in the community supporting developing roles and decision making. | Effective information sharing resulting in improved outcomes from informed consultations.<br>Data systems support reliable shift to outcome based commissioning ensuring relevant and appropriate access to interventions to locality populations. |