Operational Plan Document for 2016-17

Hertfordshire Partnership University NHS Foundation Trust

1. Introduction

Having improved the quality of Trust services through its recently completed Transformation Programme the Trust was recently rated as good by the CQC. The Trust is now focused on moving from **Good to Great.**

The Trust is moving progressively towards this vision through a focus on four themes that will also underpin our work during 2016-17:

1. **Great Care, Great Outcomes:** *Outcomes and experience will be amongst the best nationally*
2. **Great People:** *Colleagues can and do make decisions to improve care*
3. **Great Organisation:** *We continuously make measurable improvements in how services are delivered*
4. **Great Networks and Partnerships**: *Partnerships are in place that support the delivery of joined up care*

The work under each of these themes informs and supports the Trust's ability to sustain quality services and play its full role in the development of high quality and sustainable services across the local health and social care system.

2. Link to the emerging 'Sustainability and Transformation Plan' (STP)

HPFT is committed to playing a leading role in the delivery of more joined up care working with our partners in our local health and care systems across Hertfordshire, Essex and Norfolk. Across Hertfordshire, where we deliver the large majority of our services, we have played a leading role in shaping the vision for the future model of care across both West Hertfordshire and East and North Hertfordshire working closely with the respective CCGs..

West Hertfordshire

The *Your Care, Your Future (YCYF)* review was launched in November 2014 and is informed by the Five Year Forward View. It involves NHS organisations in West Hertfordshire working together with Hertfordshire County Council to consider how to

organise health and social care to best meet the needs of people now and for future years. The review has developed a vision and future model of care for health and social care across West Hertfordshire and we are currently working with Herts Valleys CCG, the County Council and partner providers to develop the detailed implementation plan. The new model of care is underpinned by the following key principles:

- More effective prevention.
- Delivering joined-up care more effectively for the frail elderly, children and young people, people with long term conditions, and people with a mental health illness or a learning disability.
- An approach to care that seeks to maintain stability and prevent escalation to more acute levels of care with greater use of the third sector to promote this change.
- Centralised and rationalised care that needs to be delivered to high standards, efficiently and in modern facilities.
- A locality-based, community-focused delivery model.

The key emerging priorities for 2016/17 include:

- Developing and commencing implementation of integrated pathways for frail elderly and diabetes
- Establishing a summary care record and data information sharing process which supports front line MDTs in risk stratification, case finding and case management
- Finalising the blueprint for out of hospital service delivery including locality hubs
- Sign-off of the full business case for reconfiguration of the acute hospital estate (West Herts Hospital NHS Trust)
- Developing and rolling out a consistent OD approach to whole system change management

East and North Hertfordshire

The East and North Hertfordshire Integrated Care Programme Board (ICPB) was commissioned by East and North Hertfordshire CCG in October 2014. It is responsible for the development and implementation new models of care, aligned with the 'Five Year Forward View', through a whole system partnership approach to integrating care for the population of East and North Hertfordshire.

HPFT's CEO is designated as the provider system lead for integrated care and chair of the ICPB. The immediate priority is to improve the care, independence and health of over 65 year olds with multiple complex needs and patients with long term chronic physical and mental health conditions focusing on:

- Proactive care management by health and social care staff together to keep people as healthy as possible in the community for as long as possible
- Crisis and urgent care management in the community to support the

maintenance of more community proactive care management

- Coordinated and joined up care (wherever that care is provided) that makes services more efficient and easier to understand and use
- Promoting more independence, choice and personalisation of the care delivered around the needs of individuals and their carers rather than around the service needs
- Promotion of health and wellbeing to help people keep well and to participate in the enjoyment of life

In January 2015, a successful application was made to become a part of the Care Homes Vanguard programme. The vision is that clinicians caring for our older population are able to work together as a network with qualified and confident care home staff to support patients; proactively managing their needs and working together when patient's conditions exacerbate. Delivering on this is a key priority for 2016/17.

Implications for HPFT

In light of the above HPFT's Priorities in 2016/17 include:

- Complete the roll out of the integrated Home First / Rapid Response model across East and North Hertfordshire, working with our health and social care partners
- Roll out dementia training with the Hertfordshire Care Providers Association as part of the Care Homes Vanguard project
- Lead on the development of the first integrated hub in Hemel Hempstead which will see co-location of staff and pilot joined up service delivery across mental health physical health and social care.
- Build on the work of the 'Living Well' programme to work in partnership to develop and roll out an integrated pathway for frail elderly across West Hertfordshire
- Pilot and roll out a joined up model for CAMHS with Hertfordshire Community Trust
- Working with Herts Urgent Care to integrate access to mental health urgent care services through NHS 111. This builds on our successful pilot in 2015 and supports delivery on the vision for an integrated urgent care service

3. Approach to Activity Planning

Demographic Changes

The population of Hertfordshire has increased across the last decade and this increase is forecast to continue over the period of this plan. This is demonstrated by summarised population statistics from the Hertfordshire Joint Strategic Needs Assessment (JSNA). Therefore there has been and will continue to be, an associated increase in the prevalence of mental health disorders across the plan period to 2017. The average annual demographic movement based on JSNA statistics is set out below:

Per annum average	
Under 18	0.84%
18-65	0.69%
65+	2.57%

Contract negotiations include demographic uplift and whilst the final value is to be agreed, the above basis reflects the basis for agreement over the period 2014-2016. It is expected that a similar value will therefore be finalised within the 2016/17 contract.

Whilst a useful guide, these population projections do not always directly translate into the patterns of demand experienced by our services. In particular, there has been a significantly higher increase in demand amongst the older population over the last 24 months and we anticipate that this level increased demand will continue. During 2015/16 we have continued to experience increasing demand for inpatient beds across all care groups, and increased acuity in all services

Service Capacity

Projected service demand and capacity (including staffing levels) has been modelled taking into account:

- demographic trends
- changes seen over the last 12 months
- the requirement to continue to meet key operational standards, specifically the new access standards 2016-17 (See Section 4)

The specific circumstances vary for each service area and the key points are summarised below:

Service Area	Current Position	Future Demand / Capacity Plans and Risks
Acute Inpatient	HPFT is one of the lowest users	Demand is expected to continue to

	of acute beds in the country as a result of the successful transformation of the acute pathway and introduction of a range of alternatives to admission. The existing capacity is fully utilised and acuity is high. As a result, there are not believed to be any significant opportunities to free up the existing capacity further e.g. through shorter lengths of stay.	rise in line with demographics. There is also scope to develop a different relationship with the independent sector to access capacity there in a way that is more joined up than the current occasional use of spot purchased beds. Critically, efficient use of beds is dependent on robust and effective community services. This limits the scope for further cash releasing savings from both inpatient and community mental health services. During 2015/16, CCG investment in innovative approaches to reducing admissions, particularly through building additional out of hours capacity and resilience and to managing access to services has been agreed. This investment has started to deliver reductions in 'overspill' beds, particularly in adult services. Contract negotiations with our main commissioners have concluded resulting in investment to address current cost pressures, develop services to achieve national access standards and to further strengthen out of hours provision. Investment has also been agreed in relation to safe staffing levels to reflect cost pressures incurred for observations and enhance permanent

		establishments to manage acuity levels
Crisis Pathway	Section 136 use is high and we are working with partners through the Crisis Concordat to better manage this across the system.	During 2015/16 CCGs have invested in an innovative 'street triage' pilot in partnership with the police. This is aimed at reducing the level of s136 assessments that do not require subsequent admission. Operational arrangements have now been finalised with police colleagues, with the service commencing in April 2016. Progress and impact will be evaluated jointly with commissioners during 2016/17.
Community Mental Health Services	As inpatient services have increasingly focused on the most acutely unwell demand and acuity within community services has increased.	Demand is expected to continue to rise in line with demographics. Particular focus is on increasing care coordination capacity through the reduction of bureaucracy and ensuring activity is appropriately allocated. The finalised contract with our main commissioners includes demographic uplift for additional community based infrastructure to enable more people to be cared for closer to home. Investment has also been agreed to allow the Trust to meet the new Monitor target for FEP that requires >50% of all referrals for first episode of psychosis to be offered NICE recommended treatment within 14

		days (see below).
Wellbeing	Service capacity is matched to meet IAPT national access volume targets	The key challenge is consistently sustaining appropriate demand at a sufficiently high level to allow the target access volumes and recovery targets to be met. All services already meet the new waiting time targets (See Section4)

Quality Plan

The delivery of high quality services is central to the HPFT's vision and we were pleased to achieve a CQC rating of 'Good' in 2015/16. In line with our ambition to move from 'Good to Great', we are determined to build on this and consistently deliver services recognised for their outstanding quality.

Our Approach to Quality Improvement

The Trust has an agreed Quality Strategy which sets out the overall approach to improving quality of services and is aligned to our vision of being the leading provider of mental health and specialist learning disability services.

The drivers for improvements will continue to come from a range of sources including: service user and carer experience feedback; learning from incidents; performance indicators; and national policy and commissioning directives. Involvement of both staff and service users / carers in the design and delivery of improvements will continue to be a key feature of our approach.

During the year we will build on our current approach to improving quality, a mixture of both centrally commissioned projects and service generated / service level initiatives. We will test, refine and begin the journey of embedding a revised Quality Improvement methodology, based on well-established continuous improvement techniques. This will support the delivery of sustainable improvements at scale and pace.

To ensure the success of this new approach we will also work with teams to build the required supporting culture e.g. building on our 'Collective Leadership' work with the Kings Fund (see Section 5)

Our Focus for 2016-17

Our annual quality priorities, as well as being set out here can be found in our Quality Account. Our top three quality priorities for 2016-17 are:

CQC Action Plan

During 2016-17 the Trust will build on the outcome of the comprehensive CQC inspection undertaken in 2015, which rated the Trust as 'Good'. The focus will be on the delivery our CQC action plan to resolve the areas identified as requiring improvement. We will also build on the rating of 'Good' in the well led domain. The 'Must Do' actions focus on:

- Safe, Effective Staffing: Ongoing work to reduce vacancies and use of agency
- Safe Environments: Completing our ligature removal programme

- Managing Risk: Training and support to ensure comprehensive and up to date care plans and risk assessments are consistently in place

This work represents an important first step in moving towards an organisation that is rated as 'Outstanding' for its delivery of quality services.

Safety

HPFT is committed to 'Sign up to Safety' and is focussing on 3 main areas: Falls, Leadership in Patient Safety, and Making our Services Safer. We have published our plans and will continue monitor and support delivery through the Clinical Risk and Learning Lessons Group.

We will roll out training on Human Factors and this will be part of the methodology used in Serious Incident investigations

Suicide Reduction

We remain committed to a reduction in suicide, taking a lead role in the local 'Spot the Signs' programme. All patient deaths are reviewed to identify opportunities to learn and improve the services we provide.

All our quality improvement work will continue to be governed by the Trust's Quality and Risk Management Committee, led by the Executive Director – Quality and Medical Leadership and the Executive Director – Quality and Safety. This in turn reports to the Trust Board via the Trust's Integrated Governance Committee.

Managing our Risks

The top three risks, as per the Trust's Risk Register Dec 2015, facing the Trust in relation to quality and their mitigation are summarised in the table below. Addressing these areas of risk forms a core element of our quality improvement plans for 2016/17.

Risk	Description	Mitigation
Acute bed pressures	The Trust is unable to meet demand from within its own capacity leading to a reduction in the quality of care	• The use of alternatives to admission where appropriate • Proactive discharge management • Weekly DTOC teleconferences to ensure

		patient flow
Safety of environment at main inpatient unit	Further AWOLs and suicide attempts	• Interim measures to remove or mitigate risks • Action plan in place based on independent review • Staff briefing on key risk areas
Workforce Recruitment & Retention	Inadequate staffing levels or inappropriate mix of permanent and agency staff impacting on the quality of patient care	• Detailed recruitment planning with focused recruitment drives • Recruitment incentives • Mitigating action for cohort of potential retirees

The role of our consultants

We fully endorse the Academy of Medical Royal Colleges Guidance on Responsible Clinicians for inpatients.

All patients admitted to a one of our facilities have a named consultant who is responsible for their care, a right which is embedded in our Acute Adult Inpatient Wards Operational Policy. When people are detained in hospital under the Mental Health Act, this consultant fulfils the role of 'Responsible Clinician' for the purposes of the Act.

We have taken steps to strengthen responsible clinician's authority regarding patient's journeys under their care, including a requirement for them to be involved in transfer of care of patients between facilities. In addition we commission training for these clinicians on law pertaining to health (including the Mental Capacity Act and Mental Health Act) to ensure staff maintain the necessary knowledge and skills to fulfil their roles.

Sustaining Access to Mental Health Services

Key access standards for key mental health services will continue to be met in 2016-17:

<u>IAPT</u>

HPFT manages IAPT services for 5 CCGs; Herts Valleys CCG, East and North Hertfordshire CCG, West Essex CCG, Mid Essex CCG, and North East Essex CCG. Shadow

performance against the IAPT indicators to be introduced as part of the Monitor compliance reporting from Q3 has remained strong throughout 2015/16, consistently exceeding target:

- Over 90% of people with common mental health conditions referred to the IAPT programme have been treated within 6 weeks of referral, against a target of 75%, and;
- Over 99% of people with common mental health conditions referred to the IAPT programme have been treated within 18 weeks of referral, against a target of 95%.

In Q4 2015/16 performance was 96.3% for 6 week wait and 99.9% for 18 week wait. The IAPT targets have been exceeded not only at a Trust wide level, but also for each individual team in Hertfordshire and Essex.

First Episode of Psychosis

HPFT provides care and treatment for anyone experiencing a First Episode of Psychosis (FEP) for the two Clinical Commissioning Groups in Hertfordshire; performance against the access target of 150 new cases has consistently been met.

Trained practitioners are in post to accept initial referrals and an implementation plan is in place to ensure that as service activity increases resources are appropriately matched to deliver the new target for FEP. This means that >50% of all new referrals for first episode of psychosis will be offered NICE recommended treatment within 14 days.

Dementia Diagnosis

During 2014/15 we have worked with commissioners to revise the model for the Early Memory Diagnosis and Support Service (EMDASS) and increase capacity. Alongside this local GPs have agreed to take over responsibility for dementia prescribing where this is safe and appropriate to do so. This will further increase the dementia diagnosis service's capacity in 2016. These measures will support achievement of the national ambition of 67% of the expected prevalence having a recorded dementia diagnosis. Importantly it will also enable better support to people after their diagnosis.

Transforming Care

The Trust will play a leading role, working with our partners across Hertfordshire, Essex and Norfolk Transforming Care Partnerships in developing and implementing new models of care in line with the NHSE Transforming Care Programme.

In response to guidance released by NHSE, we will continue to work with our partners to develop and implement a number of protocols to prevent unnecessary admission to inpatient settings. Where admission to assessment and treatment units is appropriate we will plan for discharge at the point of admission, facilitating discharge back to an appropriate community setting where possible. These include Blue Light Protocols (commissioner led pre admission Care and Treatment Reviews); At Risk Registers (developing systems to identify those people at risk of admission due to mental ill health, in crisis or placement breakdown) and

embed the requirement for Care and Treatment reviews (CTR's), for individuals admitted to a hospital setting.

Seven Day Working

We will work with our commissioners to build on progress during 2015/16 to further strengthen out of hours senior clinical management and leadership for inpatient services. During 2015/16 we introduced:

- A new senior clinical lead role for out of hours and at weekends
- Weekend consultant cover for the acute assessment unit

In consultation with commissioners we will seek to extend consultant cover to other inpatient areas 7 days a week. We will also explore the opportunity to extend the core operating hours of our single point of access in conjunction with the development of NHS 111 as single entry point for all urgent care services.

Other priority areas which we will explore with commissioners include enhancing the capacity of our crisis teams and pharmacy services out of hours to support delivery of the most effective, safe care.

Becoming efficient while sustaining quality

In meeting the challenge of continuing to become ever more efficient we have been careful to ensure we continue to provide safe, high quality services.

The Cost Improvement Schemes, developed with leadership from the Managing / Clinical Directors of Trust's three Strategic Business Units (SBU) and SBU Professional Leads, make up our Cost Improvement Programme (CIP) for 2016-17.

Each scheme is subject to a Quality Impact Assessment completed by senior managers and clinicians who have systematically considered areas of risk, starting with Patient Safety and Quality of Care. It also takes into account areas such as clinical effectiveness, patient and carer experience, impact on employees, as well as equity, equality and diversity impact. Each scheme includes a risk assessment.

Before inclusion in the Trust's CIP each scheme is approved by the Executive Director for Quality & Safety, Executive Director for Quality and Medical Leadership, and the Director for Service Delivery & Customer Experience after consideration of the QIA.

During the course of the year progress against the programme including alignment with the initial QIAs will be monitored by the Trust's Programme Assurance Board chaired by the Director of Quality & Safety and consisting of the Director of Finance, the Director of Service Delivery & Customer Improvement, the Managing Directors for each Strategic Business Unit and the Programme Assurance Team (consisting of a finance and quality lead).

Information on CIP Schemes is communicated to commissioners as part of the agenda for the quarterly quality review meetings.

Triangulation of indicators

We routinely triangulate both quantitative and qualitative information across quality, workforce and finance at an organisation and individual service level.

Every quarter the Board receives an integrated performance report covering quality, workforce and finance. This report draws on a broad range of indicators and intelligence to present a balanced overall view on quality and performance, as well as identifying key hotspots and remedial actions. This approach is replicated and tracked through to business unit and service line level through quarterly performance review meetings.

This allows triangulation and drill down to different levels of detail drawing on information from our clinical, risk management, finance and HR systems, service user and carer surveys, staff surveys, benchmarking and quality visits.

To support this approach we have invested in our business intelligence system which we will continue to develop during 2016/17. This will include developing new interactive dashboards to better support board to floor reporting, bringing together key information in real time in one easily accessible place.

4. Our Workforce Plan

Context

The Workforce Plan, the result of an annual planning process, has taken into consideration the Trust's strategy and vision as well as developments in the healthcare economy. Our view of workforce development in the local healthcare economy has been informed by the Trust's membership of the Bedfordshire and Hertfordshire Strategic Workforce Planning Group which meets on a regular basis to look at workforce planning within the local healthcare economy.

The plan has also been informed by the local commissioning strategies of Herts Valleys CCG (Your Care Your Future) and East, North Herts CCG and Hertfordshire County Council. Here the key focus will be to develop our existing relationships with primary care, social care, Hertfordshire Community NHS Trust, West Herts Hospitals NHS Trust, and East and North Herts Hospitals Trust to ensure we are able to work more effectively together in delivering joined up care.

We will work with our partners to roll out and evaluate a new integrated locality based model wrapped around a collection of GP surgeries with a view to wider implementation in 2016/17.

In the first instance this will mean aligning the work of existing teams across HPFT and our partners in physical health and social care to deliver more integrated provision. The aim is

to manage more people in the community, maintaining people at home and “pulling” from the general acute hospitals e.g. by developing integrated rapid response and discharge, including for people with dementia. We will also continue working in partnership with the local authority around the Think Ahead Programme for social workers.

The Trust will continue to complete and embed its five year transformation programme over the next year. Following on from this there will be greater service integration with the wider health and social care economy with a new locality based model of joined up care across mental health, physical health and social care that the Trust has developed with partner providers in Hertfordshire.

Understanding our needs and planning supply

It is in this context that our Workforce Plan has been developed. The planning process started in Q4 2015/16 with training for Professional Leads, and HR staff on how to get the best outcome from the workforce planning process.

The professional leads were provided with the data on their current establishments and forecast what the establishment would need to be over the next five years for their staff groups, taking into consideration any known changes in practice, the five year forward view, the provision of seven day services, new ways of working and any service transformation changes or new business that is anticipated.

In forecasting our future workforce supply the following steps were undertaken:

- Service changes were mapped and any impact on role re-design, changes to skill mix requirements, changes to current work patterns, and training needs understood. Any changes have been tested and agreed with the relevant professional leads to ensure the appropriate governance measures are in place to guarantee the safety, quality, and sustainability of the proposed pathway.
- The impact of new care pathways were reviewed with consideration given to the levels of activity, the skills needed, the key tasks within the new pathway, and the number of staff who have the required competencies as well as modelling the future needs for the service.
- Workforce availability was determined based on an understanding of the current workforce profile; staff turnover (including retirements and vacancies) and was mapped against these needs to provide a forecast of the changes needed.
- A gap analysis of the required workforce against the current workforce was undertaken which has been used to formulate a workforce development plan to address the gaps.

Three issues with the potential to result in a shortage of skills or demand outstripping supply were highlighted through this process. Each of these is well understood and the subject of ongoing programmes of work:

- Recruitment and retention challenges
- Potential for significant retirements due to the age profile of the workforce
- The continued drive to reduce agency usage

Recruitment

A recruitment and retention group is in place which meets on a monthly basis to review the vacancy rates throughout the Trust and agree on programmes of activity to be undertaken to reduce the vacancy rate and improve retention rates. The group also gains feedback on the success of the initiatives and activities that have been undertaken so that further appropriate action can be taken.

Over the last year the Trust has undertaken significant work to recruit to vacancies with a significant number of recruitment drives taking place and initiatives being implemented. These include the introduction of the 'Refer a Friend' scheme, providing a 'Golden Hello' payment, for a set period of time, to improve recruitment in hard to fill posts and reduce agency costs, recruitment fairs, and targeted recruitment campaigns. We also implemented a new electronic recruitment system which has streamlined the recruitment process resulting in a reduction in the time to hire.

We will continue to build on this work in 2016/17 to ensure that the Trust has the appropriate level of staffing to provide safe, quality services. We have launched targeted recruitment campaigns for areas with high vacancy rates and will be commencing a Band 5 to Band 6 development programme within community services. We also embarked on an overseas recruitment campaign in the Philippines at the beginning of April 2016, with 40 offers of employment being made to Band 5 Nurses. Adverts for nursing staff and social workers are also planned in in the 'metro' and national publications.

Retention

We have introduced a number of initiatives over the last year focused on staff retention and improving staff experience. These include the introduction of 'Our People Week' which focuses on the needs of our staff, the introduction of a new exit interview process, promotion of flexible working and flexible retirement, and providing managers with the tools so that consistent leadership is provided throughout the Trust.

We will build on these activities over the coming year and use the feedback received from the new exit interview process, and new starter surveys to inform further actions to be taken. Further work with regards to succession planning and talent mapping will also continue to take place as well as the delivery of our Leadership and Managing Service Excellence programmes.

Retirement

The Trust's aging workforce represents an additional pressure with approximately a third of the workforce eligible to retire within the next five years. As a result the Trust is working with staff who may be likely to retire and promote options such as flexible retirement, flexible working and signing up with the bank bureau.

Through a better understanding of when staff are planning to retire and if they would like to return to the Trust on a flexible or temporary basis, we will retain skills for a longer period of time and help ensure those skills are shared effectively with future successors.

Agency

We will continue work to reduce the number of shifts that are filled by agency staff. E-roster is used for nursing staff within the Trust. During 2016-17 use of the system will be developed further to support the planned reduction in the use of agency staff e.g. through deployment of the SafeCare tool to improve real time measurement of service user demand and deployment of staff.

We expect there to be a continued lack of supply for certain roles including CPNs and Social Workers during 2016/17 and, where it is necessary to provide safe care, we will use agency staff within a robust control framework that is mindful of the recently introduced agency rules.

We are already taking all possible steps to ensure that any procurement of agency staff is within framework agreements and within the agency cap. Where the Trust has agency staff who are not within the agency price cap, currently approximately 100 shifts per week with effect from April 2016, discussions and negotiations have taken place with the agencies and agency staff to bring these into line. Where it has not been possible to bring agency staff into line CV's have been sourced from alternative agencies who are within the price cap and where candidates are successful at interview they will be appointed to replace an agency member of staff not within the price cap. The Trust has also had discussions with and written to agency staff to encourage then to become a substantive or a bank member of staff. Targeted recruitment campaigns continue to take place (see above) for those areas where there is agency usage so that we can attempt to reduce the level of agency staff within the Trust.

We will also continue to work alongside other Trusts within the Bedfordshire and Hertfordshire area so that we are acting as one with regards to the implementation of the agency cap.

These key issues all feature within the Trust's workforce risk register, which is regularly reviewed by the Workforce Board and at the Workforce and OD Group (WODG) on a bi-monthly basis. This feeds into the Board's Integrated Governance Committee.

All workforce CIPs go through a change management process and as part of that process a quality impact assessment is completed which is viewed alongside the consultation document by the change management group.

Based on the above the workforce plans have been signed off by the Chief Executive, Director of Finance and the Executive Director , Quality and Safety on behalf of the Trust Board, comprising:

- A copy of the demand template for the Trust for the next five years
- A commissioning template
- A narrative that explains the rationale for the data

The plans have been submitted to Health Education East of England. Discussions will take place with the Local Education and Training Boards to ensure workforce supply needs can be met both now and in the future.

On-going Management

Workforce data is produced on a monthly basis and at the end of each quarter a workforce and OD report goes to Trust Board which includes a summary of performance against the workforce indicators. Where these are below target and identified as a risk, strategies to improve performance are provided. The key workforce indicators also form part of the integrated performance report which allows for triangulation of the information with the quality and safety metrics (see Section 4).

5. Approach to Financial Planning

Introduction

The approach, processes and guidelines in relation to the setting of the Trust's annual financial plan are an essential component of the Trust's overall planning process. The process is reviewed annually and updated to ensure it continues to be fit for purpose. This approach has been deliberately designed to achieve 'best practice' and is modelled on the process of plan development and review set out by Monitor.

In developing the financial plan the following principles are applied:

- An incremental approach where the plan is based upon the current year forecast spend and adjusted for any key impacts (inflation, activity changes, new technology etc)
- The focus is on material items which are reviewed in detail and smaller items consolidated together and reviewed at the appropriate level.
- The goals which underpin the budget assumptions are ambitious and stretching and adhere to the values of the organisation
- There should be a high level of transparency and trust.

In addition the planning process is evolving to recognise the increasing level of autonomy and strategic freedoms available to our Strategic Business Units (SBUs) as Service Line Management is further embedded and strengthened. The strategic and related financial plans are therefore developed locally and whilst standard assumptions are provided these may be varied by individual management teams where appropriate.

Individual submissions are then subject to review to ensure that the consolidated position meets the overall requirements and therefore may require some revision as part of the overall approval process.

Background

In addition to the difficult financial challenges faced more generally, a list of key matters for consideration in setting the planning assumptions are set out within financial planning guidance for our SBUs and include both national and local factors such as:

- Regulatory changes: the actions on agency staffing and the cap in the rates chargeable.
- Local Trust initiatives in relation to the current recruitment and retention challenges
- Details of the current performance against national and local operational performance standards and details of any target changes for the following year.
- Details of any likely changes to future commissioning requirements.

2015/16 Forecast

The table below shows the forecast position for the full year. This indicates a £200k loss against the planned surplus of £1.0m. It includes income significantly above plan, and expected savings on financing costs, due to lower interest and capital charges. This is offset by pay costs and secondary commissioning costs being above Plan and some additional overhead spend.

	Full Year			Non recurrent	Recurrent
	Forecast	Plan	Variance		
Income	206.4	198.8	7.6	-2.7	**203.6**
Pay	-131.5	-128.2	-3.3		**-131.5**
Non-pay	-64.6	-58.2	-6.4	1.4	**-63.2**
EBITDA	**10.2**	**12.4**			**8.9**
EBITDA margin%	**4.94%**	**6.24%**			**4.37%**
Financing	-10.2	-11.4	1.2		**-10.2**
Surplus	**0.0**	**1.0**	**-1.0**		**-1.3**

The main non recurrent items are:

- Income reduction reflecting non recurrent transformation funding
- Pay will increase with recruitment to vacant posts
- Overhead costs include some one off estates investment and project management costs

The main risks to the forecast are the achievement of the CQUIN targets (assumed 86% for Hertfordshire and 90% for EALAT); and the achievement of the key elements of the CRES programme, particularly within secondary commissioning costs where further savings of circa £0.8m are expected, and maintaining improvements in the level of agency utilisation.

On the basis of the above the summarised bridge from FY16 to FY17 is:

	Recurrent	FYE 15/16 CCG Income	CIP	Inflation	Demography	Other Investment	Non Recurrent	Innovation Fund	2016/17 Plan
Income	**203.6**	**2.2**	**-3.7**	**5.7**	**2.2**	**-0.1**	**0.8**		**210.8**
Pay	**-131.5**	**-1.4**	**3.0**	**-4.2**	**-1.2**	**-1.8**			**-137.2**
Non-pay	**-63.2**		**3.3**	**-1.2**	**-0.6**	**-0.3**		**-1.0**	**-63.0**
EBITDA	**8.9**								**10.6**
EBITDA%	4.37%								5.04%
Financing	**-10.2**								**-10.0**
Surplus	**-1.3**								**0.6**

Key elements of the plan modelling are:

- Full year effect of 2015/16 CCG investment is modelled on a neutral basis, identifying quality and access standards for First Episode Psychosis, dementia diagnosis and progress with out-of-hours 24/7 development as key target areas.
- Demographic uplift is included on a neutral basis.
- Additional CCG monies in line with agreed contracts are included on the assumption this is net neutral (will be fully spent).
- Pay includes the national insurance increase and amounts for pay incentives and increments. The CRES saving will principally relate to agency savings through the cap reduction and reflects plans to achieve the expenditure ceiling as a minimum.
- Other direct costs relate principally to secondary commissioning costs. This is the area where the largest portion of CRES is expected to be delivered.
- Overhead CRES savings will be achieved within corporate support staff , procurement and estates/facilities.
- Reinvestment of efficiencies to drive further innovation/continuous improvement

At this stage the Trust expects to deliver a surplus of circa £0.6m for 2016/17. This will be dependent upon a number of factors including further steps in our recruitment and retention as well as emerging policies in relation to integration and place based working. CQUIN income is factored at 90% in recognition of the stretch element within targets being currently finalised.

The national tariff proposal is a net increase of 1.1% in allocations consisting of a 3.1% inflation uplift (which includes the increase in national insurance) offset by a 2% efficiency requirement. The efficiency requirement could increase if the level of this year's overall NHS Provider deficit increases above the assumed £1.8 billion.

In addition the planning guidance requires that "Commissioners must continue to increase investment in mental health services each year at a level which at least matches their overall expenditure increase". CCG allocations see both principal commissioners receive allocations which are well above the average at circa 6.6%. Both Hertfordshire commissioners (covering c.85% of income) have stated their intention to meet 'parity of esteem' investment into Mental Health and Learning Disabilities.

2016/17 Developments - Five Year Forward View

'A Fresh Mindset – The Mental Health Five Year Forward View' published in February 2016 is the final report of the independent Mental Health Taskforce and sets out a proposed new five-year mental health strategy for the NHS as the start of a 10 year journey.

The Strategy includes 60 recommendations for NHSE, NHSI, PHE, CQC, HEE, DoH and other Departments:

"Priority areas identified would require an additional £1 billion investment in 2020/21"

The document sets out that by 2020/21, NHS England should develop and publish a clear and comprehensive set of care pathways, with accompanying quality standards and guidance. These standards should incorporate the relevant physical health care interventions and the principles of co-produced care planning

At its heart this focusses on:

- development of a 7 day NHS based on clear pathways and timetable for implementation
- an integrated mental and physical health approach
- promoting good mental health and preventing poor mental health

In line with the timetable for 2016/17, funding has been agreed with our main commissioners to support detailed service specifications for the delivery of access standards and service developments. In particular:

First Episode Psychosis

NICE guidance stipulates that Early Intervention in Psychosis services should be accessible to all people presenting with FEP and should aim to 'provide a full range of pharmacological , psychological, social, occupational, and educational interventions for people' consistent with NICE guidelines on Psychosis and schizophrenia in adults: prevention and management 2014. The requirement to deliver treatment in accordance with NICE guidelines and Quality Standards has particular impact as this will require workforce investment and training in a number of key areas, namely in the delivery of:

- Access targets of two weeks from referral to treatment
- Psychological Interventions through a workforce with specific Competencies for delivery
- Access to training that equips healthcare professionals with the competencies required to deliver the psychological therapy interventions recommended in the NICE Guideline
- Consistent monitoring of service users physical health
- Supported employment programmes to people with psychosis or schizophrenia who wish to find or return to work
- Carer -Education support programmes

Funding levels to meet the three year development programme for this service have been identified and an agreed process for ongoing review and evaluation put in place.

CAMHS

Investment has been agreed within the Hertfordshire contract in relation to five areas of further service development, supporting achievement of the related access requirements:

- Expansion of eating disorder services
- Strengthening of triage and assessment processes
- Support for seven day crisis and assessment services
- Parent carer support - parent/carer assessments and delivery of parent support groups in partnership with Carers in Herts
- Attachment & Trauma - to deliver an enhanced integrated service for complex attachment difficulties and sexually harmful behaviours.

Transforming Care

Through work led by the Transforming Care Steering Group, investment will be made into the development of an extended community forensic team and additionally services focussing on managing challenging behaviour within community settings as an alternative to inpatient admission.

Seven Day Services

In addition the plan builds upon 2015/16 investment to further support the development of seven day services with Hertfordshire CCGs committing full year funding to the provision of:

- Senior clinical input to all new admissions
- Extended service cover by consultants
- Expanded and extended crisis capacity for adult services

Balance Sheet and Cash Flow

The Trust has continued to generate positive cash balances and cash levels have also benefitted from the reduced capital programme.

The Financial Sustainability Risk Rating (FSRR)

Based upon the current risk rating then a surplus of £0.6m with the likely related cash position will ensure a rating of 3 for the year based on the current risk framework.

Efficiency savings for 2016/17

For FY16-17 the expected recurrent CRES requirement, based on the 2% national tariff is estimated at £3.8m. In addition, efficiency schemes must deliver recurrent improvement against the 2015/16 underlying shortfall and enable a return to a sustainable surplus position. The internal CRES planning stretch target is set at c.3% which will provide an element of savings for reinvestment to support innovation and continuous service improvement. The net efficiency requirement gives rise to the following overall broad target:

Requirement:	£m
Recurrent shortfall 15/16	1.5
16/17 @ 2%	3.8
Innovation Fund	1.0
Total	6.3

Learning from previous years and sensitivity analysis of risk in relation to scheme delivery suggests a prudent approach at this stage is to seek to exceed the total requirement within early plans. Against the £6.3m requirement therefore, sufficient plans are being developed to provide a degree of headroom (10-15%) in recognition that the detailed plans will identify some schemes that will either shrink or slip. Work is ongoing to develop robust delivery plans to support these schemes and to develop additional opportunities. This has resulted in the following headline programme which at this stage indicates a potential degree of headroom for contingency to mitigate possible slippage or shortfall in schemes:

Work stream	£m
Placements	2.1
Workforce	1.2
Agency	1.2
Bed management	0.8
Estates	0.6
Procurement	0.3
Support services	0.6
Others	0.3
Total	**7.1**

The key elements of the 2016/17 programme are summarised as:

- A range of individual cost reduction schemes.
  - Value from placements – Work in late 2014 identified a programme of opportunities to drive improved value through the effective review and management of placements of service users placed outside Trust provided services. Each individual placement is undertaken through our internal placement panel. This process has been strengthened to include additional clinical input, in particular additional care coordination resource. To ensure placements are clinically appropriate, safe and of high quality, no placement is agreed until a full risk assessment has been completed and signed off clinically.
  - Reduction in Pay Costs (Agency) - During 2015/16 a longer term programme of reduction in reliance on temporary and in particular agency costs has been progressed. Specific work is targeted at a reduction in reliance on agency and locum input in order to achieve both the % cap and to comply with pricing restraints through:
    - recruitment and retention initiatives
    - further improvements in the ‘time to hire’ process including replacement of outdated software systems and authorisation procedures
    - modernisation of payroll administration

- ‘self-service’ for frontline managers
- Coordinated cooperation between local providers in order to optimise pay restraint opportunities across the local health and social care economyProcurement

- Whilst Lord Carter’s recent report is primarily focussed on acute Trusts, there are a number of areas that resonate with us. In particular we will focus on opportunities to
  - further enhance the benefits of our e-roster system in optimising staff resources
  - work collaboratively to access procurement opportunities
  - drive the benefits of the work around agency price restraint; and
  - further streamline our procurement systems.

- During 2015/16 we introduced an e-procurement system which allows catalogue requisition ordering. This means that items on the catalogue are compliant, there are negotiated prices with suppliers and there is an efficient matching process between goods received and the invoice.
- Planned savings fall into three categories:
  - Contract compliance: this ensures that the appropriate process is followed for each procurement
  - Business as usual: once the system is fully operational, this will ensure best possible prices and best practice.
  - Reduced administrative burden. (Efficiency saving rather than cash releasing)

- Estates & Capital Planning
  - Delivery of the five year estates strategy commenced in 2012 with the aim of improving the estate portfolio and of facilitating a new clinical delivery model. This has been further refreshed in 2015 to reflect clinical priorities and ensure ongoing affordability through to 2020.
  - Opportunities to be delivered include:
    - Reduction in Estates running costs - assessment of future estate running costs based on delivery of the strategy so far
    - Improving the efficiency of the Ward refurbishment programme - agreement of potential programme reductions with Trust advisors and options to reduce the design programmes for the remaining ward refurbishments without impacting quality
    - Improved utilisation of the Estate and facilities – implementation of utilisation studies in relation to the design of future accommodation
    - Reduction in facilities and maintenance costs - implementation of trust wide meeting room booking system and policy
    - Co-location to further enhance integration of mental health and physical health community based service delivery

- The investment programme is subject to ongoing review in consultation with Managing and Clinical Directors with particular focus on:
    - scope of projects including an assessment of essential and discretionary work
    - prioritisation of works to reflect clinical need
    - timeline for delivery
    - affordability against forecast cash balances
    - ability to service ongoing debt and any future borrowing requirement
- A number of audits and surveys related to the Trust's estate have been carried out to help inform the work that will be required to maintain standards in safety, compliance and quality of the Trusts buildings over the next 5 years.

Within the overall context set out above specific plans and schemes have been developed by clinical and management teams and corporate services to develop a robust evidenced based efficiency programme and reflect overarching efficiency plans through:

- Schemes from 2015/16 that will deliver further recurrent savings in 2016/17 because of their full year effect
- New schemes for 2016/17 – i.e. schemes that have not been implemented at all in 2015/16; and
- New schemes for 2016/17.

6. Membership and Elections

Council of Governors

The Council of Governors includes 21 Public Governors elected by the members of the Foundation Trust.

Elections to the seats falling vacant as a result of Governors reaching their end of term of appointment or stepping down from the role are held each year and for the past three years have been carried out by UK Engage. We will be holding elections during 2016/17 and have advertised these in our membership magazine. Prior to elections a workshop will be held to outline to those interested the process of the elections and the role of Governors.

We have training events over the year to support Governors understanding of their role and to enhance their skills including a formal induction for new governors as well as developmental training for all Governors on governance, finance, quality and risk and the work of the Board.

Working closely with our communications department we have developed a range of material for Governors to use in engaging with the public and members. Governors use their own local networks as well as workshops and Trust events to link with the public. The membership magazine has articles written by the Governors as well as articles about service developments. Governors contact details are on the public web site.

Membership Strategy

Our membership strategy for 2016/17 builds on our work over past years where Trust has undertaken a range of activities to engage with existing members and recruit new ones including: information stands in town centres; enabling our Governors (see above) to help in recruitment activities e.g. WI meetings, a Member magazine which goes out three times a year and includes articles on a wide range of related topics

Members who understand their role, who wish to support the Trust and who understand the benefits of membership are more likely to remain members and to take part in engagement activities. Our work during 2016-17 is focused on building that understanding including:

- Face to face recruitment in a range of community settings,
- Online recruitment – capturing the interest of people who visit our website;
- Utilising new technologies – exploring new ways of connecting and reaching our communities, for example through social media channels.
- Utilising our members, governors and stakeholders to recruit people from within their own networks.
- Working collaboratively with partners, particularly voluntary sector, commissioners and other local trusts.

We will monitor our constituency membership regularly to ensure our recruitment plans are effective and that we are achieving our goal to have a membership representative of the local population in terms of geography, age, ethnicity, gender and socio-economic groups. Targeted membership recruitment activity is undertaken to address any imbalance in our membership demography and we aim to promote the benefits of membership to the whole community.