



Operational Plan Document for 2014-16

Lancashire Care NHS Foundation Trust

Operational Plan Guidance – Annual Plan Review 2014-15

The cover sheet and following pages constitute operational plan submission which forms part of Monitor's 2014/15 Annual Plan Review

The operational plan commentary must cover the two year period for 2014/15 and 2015/16. Guidance and detailed requirements on the completion of this section of the template are outlined in section 4 of the APR guidance.

Annual plan review 2014/15 guidance is available [here](#).

Timescales for the two-stage APR process are set out below. These timescales are aligned to those of NHS England and the NHS Trust Development Authority which will enable strategic and operational plans to be aligned within each unit of planning before they are submitted.

Monitor expects that a good two year operational plan commentary should cover (but not necessarily be limited to) the following areas, in separate sections:

1. Executive summary
2. Operational plan
 - a. The short term challenge
 - b. Quality plans
 - c. Operational requirements and capacity
 - d. Productivity, efficiency and CIPs
 - e. Financial plan
3. Appendices (including commercial or other confidential matters)

As a guide, we expect plans to be a maximum of thirty pages in length. Please note that this guidance is not prescriptive and foundation trusts should make their own judgement about the content of each section. The expected delivery timetable is as follows:

Expected that contracts signed by this date	28 February 2014
Submission of operational plans to Monitor	4 April 2014
Monitor review of operational plans	April- May 2014
Operational plan feedback date	May 2014
Submission of strategic plans to Monitor (Years one and two of the five year financial plan will be fixed per the final plan submitted on 4 April 2014)	30 June 2014
Monitor review of strategic plans	July-September 2014
Strategic plan feedback date	October 2014

1.1 Operational Plan for y/e 31 March 2015 and 2016

This document completed by (and Monitor queries to be directed to):

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Date	1 st April 2014

The attached Operational Plan reflects the Trust's business plan over the next two years. Information included accurately reflects the strategic and operational plans agreed by the Trust Board.

In signing below, the Trust is confirming that:

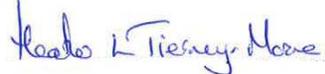
- The Operational Plan is an accurate reflection of the current shared vision of the Trust Board having had regard to the views of the Council of Governors and is underpinned by the strategic plan;
- The Operational Plan has been subject to at least the same level of Trust Board scrutiny as any of the Trust's other internal business and strategy plans;
- The Operational Plan is consistent with the Trust's internal operational plans and provides a comprehensive overview of all key factors relevant to the delivery of these plans; and
- All plans discussed and any numbers quoted in the Operational Plan directly relate to the Trust's financial template submission.

Approved on behalf of the Board of Directors by:

Name (Chair)	
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Signature

Approved on behalf of the Board of Directors by:

Name (Chief Executive)	
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Signature

Approved on behalf of the Board of Directors by:

Name (Finance Director)	
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Signature

1.2 Executive Summary

Lancashire Care NHS Foundation Trust provides health and wellbeing services for a population of around 1.4 million people and employs around 7,000 members of staff across more than 400 sites.

The Trust organises the delivery of its portfolio of clinical operational services across four clinical networks;

- Adult Mental Health
- Adult Community services
- Children and Families
- Specialist services

The Executive lead for the delivery of services is the Chief Operating Officer and each of the Networks is operationally led by the Clinical and Network Directors working in a co-production model.

The Clinical Networks are supported by the following corporate services;

- Nursing Quality and Governance
- Finance
- Workforce and OD
- Transformation and Innovation
- Health Informatics
- Property Services
- Pharmacy and Medicines Management
- Engagement and Communications
- Medical Directorate
- Company Secretary

Appendices 1 and 2 give an overview of our geographical footprint and commissioning arrangements and the core services that we provide.

The Trust has an established strategic planning framework and the Operational Plan for 2014/16 continues to be driven by the following vision, values and strategic priorities;

Vision – 21st century healthcare with well-being at its heart

Values – Compassion, Accountability, Respect, Excellence, Integrity and Teamwork

Strategic priorities;

- To provide high quality services
- To provide high quality accessible services delivering commissioned outputs and outcomes
- To become recognised for excellence
- To employ the best people
- To provide excellent value for money in a financially sustainable way
- To innovate and exploit technology to transform care

The delivery of the Operational plan is governed through an accountability framework and a Board balanced scorecard has been developed to provide oversight of the delivery of the plan.

Appendix 3 provides a summary plan on a page.

The Board is taking the opportunity to review and refresh its strategic planning framework as part of the

development of the Strategic plan for 2014-2019, that will be submitted to Monitor by 30th June 2014, which includes a self- assessment of the quality of its strategic planning

The Trust is taking a structured, evidence-based approach to its strategy development. Key steps in its strategy development process include:

- **Market analysis**

The Trust recently refreshed its market analysis in order to inform its current strategy review. The scope of this analysis includes both demand- and supply-side drivers. On the market side, the Trust defined a market segmentation based on patient and service user needs, and assessed current market size and expected future growth in each segment. This required consideration of demographic and patient need drivers (to understand current and future levels of need), as well as local and national commissioning intentions (to understand the extent to which funding is expected to be available to meet current and future levels of need).

On the supply side, the Trust defined its set of local and regional competitors and assessed the level of competition in each market segment in which it operates. In analysing its competitive set, the Trust also sought to understand the market position and likely future strategies of existing competitors, and the likelihood of new market entrants.

- **Strategic intent**

The trust has a defined vision, mission and set of core values and these will remain constant through the next strategic planning cycle. The Board is seeking to more clearly articulate its ambition and strategic intent for the Trust by considering different future potential scales of operation (i.e. what it would take to achieve different levels of future turnover) and clarifying its view on likely trade-offs between future costs, quality levels and trust portfolio.

- **Competitive position**

The Board is completing a process of reviewing the market segments in which it wishes the Trust to operate, and the strategies that will enable it to operate successfully in each market segment. A range of hypotheses are being defined that will be evidenced or supported by documented assumptions regarding likely future financial and non-financial performance of different services and the future commercial attractiveness of different market segments.

- **Strategic options and implementation**

The Board will go through a structured process to define and prioritise its main strategic options, with a view to identifying the small number of key investment and divestment initiatives that it wishes to pursue over the next 3-5 years. The implications for the Trust's business model will be detailed and required changes will be translated into delivery plan to be owned and delivered within the Trust's clinical and corporate networks.

The Operational plan 2014-16 has been informed by the clinical network and corporate services strategic and operational plans that have been developed within the context of the Trust's strategic planning framework and in response to both national and local health economy planning assumptions and the affordability challenge.

The plan has been endorsed by the Board, and the views of the Council of Governors have been sought and reflected within the plans.

A quarterly review process has been established to discuss progress on the delivery of the plan and to identify any emerging risks and priorities.

The Quality of our services remains our key priority and the Quality Strategy and implementation plans

have been refreshed in the light of the themes emerging from the Francis 2, Keogh, Berwick reports, our own internal quality assurance processes and external reviews.

The Engaging for Excellence transformation programme is a key element of the plan and provides additional support and oversight of the Trust's clinical service transformation programmes that respond both to alignment of local health economy commissioning intentions and the Trust's internal programme of service transformation.

The programme management office has been enhanced to manage the delivery of the programme and provide additional capacity to support the assurance and development of programme structures and benefit realisation.

The Trust is considered to be a high profile and active partner in local health and social care economy transformation programmes including the Urgent Care reviews across Central and Pennine Lancashire and the implementation of integrated neighbourhood teams. The level of involvement across the other Lancashire health economies is consistent with the scope of our portfolio of services and the redesign of both inpatient and community based mental health services is the focus of our leadership. The Trust is also actively engaged with local authority commissioners in respect of the health improvement agenda, particularly in relation to Making Every Contact Count.

The recent CCG proposals to the Health and Well-being boards on the plans to commission integrated services through the Better Care Fund predominantly focus on a potential shift of activity from acute service environments to community based services. The plans put forward by Chorley and South Ribble and Greater Preston CCG and Blackburn with Darwen have had the most impact on our Operational plan as we are the lead provider of both physical and mental health community services. There are, however, significant opportunities across the remaining health economies, to work collaboratively in delivering integrated neighbourhood teams, by aligning our community mental health services with community services provided by other local Trusts.

The Trust has been actively involved in planning meetings across the local health economies and is represented on the Health and Well-being boards to ensure that our planning assumptions are in line with key partners. The 2014/15 contracting process has confirmed the specific impact of these plans on our operational and financial planning assumptions and potentially the Better Care Fund will have more impact in 2015/16.

The Trust has also established positive relationships with NHS England specialist commissioners in respect of Forensic secure services, Offender healthcare and Children and Families services and the risks, associated with the impact of future potential changes to the commissioning of these services, have been considered and reflected in the Operational plan.

The affordability challenge has also been reflected in our Operational plan and associated financial templates, with a focus on continuous cost improvement programmes to improve the quality and efficiency of our services whilst being a collaborative and constructive partner in redesigning and transforming care pathways with local health economy partners. The Trust has also invested in harvesting the innovative ideas of frontline staff through the 'Innovation incubator' and is providing active support to bring these plans to fruition to improve the quality of patient care.

The impact of inflationary pressures and the deflator applied to healthcare income has been modelled into our financial plans. The Trust has put forward a challenging position to commissioners in the 2014/15

contracting round in respect of;

- Demographic growth
- Increased inpatient acuity and levels of inpatient bed occupancy together with the impact of the inpatient transition programme
- Lack of access to development monies relating to implementation of the recommendations of Francis 2, Keogh and Berwick reports

This has resulted in the following financial summary position;

Estimate of the financial surplus for 2014/15 is £4.1m after allowing for:

- Inflationary and contract pressures of £9.7m
- Internal pressures and commitments of £7.1m

CIP proposals amount to a planning assumption of £13.6m. Reserve budgets and the returning of non-recurrent funding contribute to £3.2m being available to support the recurrent position.

Estimate of the financial surplus for 2015/16 is £4.1m after allowing for:

- Inflationary and contract pressures of £11.6m
- Internal pressures and commitments of £4.0m

CIP requirements amount to £15.6m, against current programmes of £7.3m, risk rated to £5.6m.

In summary, the financial plan is challenging, but realistic and both year's positions deliver Continuity of Services risk ratings of 4.

The Trust is confident that it will deliver its contractual requirements, including CQUIN and will continue to challenge internal pressures and deliver cost improvement programmes to enable the alignment of both financial and internal corporate services resources against the key priorities detailed within the Operational plan.

1.3 Operational Plan

The short term challenge

The Operational plan for 2014/16 sets out the Trust's short term plans to address the 'affordability' challenge, through the continued focus on improving the productivity and efficiency of our service portfolio, whilst being an active partner in the local health and social care economy transformation programmes to redesign patient pathways.

The plan demonstrates our commitment to ensuring that we deliver high quality care, whilst continuing to challenge inefficiencies and invest in sustainable innovative solutions.

The short term challenges for the Trust can be summarised as;

- Maintaining high standards of quality of care
- Financial sustainability
- Relationships with commissioners and local health economy partners
- Alignment of resources to deliver key priorities

Maintaining high standards of quality of Care

The Quality of our services remains our key priority and the Quality Strategy and implementation plans have been refreshed in the light of the themes emerging from the Francis 2, Keogh, Berwick reports and our own internal quality assurances processes.

Further detail is outlined in the section 'Quality plans'.

Financial sustainability

In financial terms the short term challenge is to achieve a continuity of services risk rating of 4 by delivery of efficiency savings of £29.2m over the two years. This will be achieved by a systematic approach to the delivery of transformational cross organisational cost improvement programmes. These will focus on;

- Service redesign
- Estates rationalisation
- Improving the efficiency of our recruitment and performance management systems to reduce the dependency on agency costs
- Job planning to improve productivity
- Workforce planning across local health economies
- Business intelligence to improve capacity and demand modelling
- Income generation opportunities e.g. hosting AHSN

Relationships with commissioners and local health economy partners

The plan includes a continued focus on engagement and communication with key stakeholders both to sustain current commissioner relationships in the short term but also to influence and be actively engaged in longer term strategic plans that will impact on the Trust's future sustainability. This presents opportunities for some limited growth whilst also demonstrating our responsiveness to commissioners, to avoid any potential loss of services. This is particularly relevant in relation to the development of the North West 5 Year Strategic Plan for Specialised Services Commissioning.

The Trust is represented across the Lancashire footprint at Clinical senates and health economy planning forums and has regular strategic team to team meetings with the lead commissioners for the mental health and community services contracts and other key partners.

The Trust is also represented at Health and Well-being Boards and is recognised as a key partner in the delivery plans associated with the Better Care Fund. The operational plan also continues to reflect our role as a health and well-being Trust in strengthening our public health approach through, Making Every Contact Count.

Clinical and Network Directors are also actively involved in the Urgent care reviews across Central and Pennine Lancashire and have taken an SRO role in the Ambulatory care work stream in Central Lancashire.

The Trust is committed to the delivery of the mental health inpatient programme in 2015/16 and the associated community services redesign and has invested in the appointment of a Programme Director, reporting to the Medical Director to ensure that this key priority is delivered.

Alignment of Corporate services to deliver key priorities

The board has undertaken a review of the clinical and non- clinical priorities for investment and has applied a scoring methodology to determine the high, medium and low priorities. The financial templates detail the plans to invest the financial resources, received through income, across the organisation to address the priority areas and continue to deliver high standards of care. In addition the Trust has established an internal 'token' economy to ensure that internal corporate resources are aligned to the delivery of the key priorities.

The Operational plan includes investment in an Internal Consultancy and Advisory service (ITAS) and a re-launched Programme management office (PMO) to meet both the short term challenges and longer term strategic ambitions. These resources will be applied through the 'token' economy.

ITAS will provide skilled resource, equipped with evidenced based tools and techniques that can be deployed flexibly across the organisation to support services in addressing productivity and efficiency issues and deliver sustainable transformation.

The PMO will be the leader of transformational change across the Trust. It will provide programme governance by establishing standards, tools and processes to implement and embed transformation to deliver the Trusts strategic goals and quality standards. This will include a re-launch of 'Engaging for Excellence' with clear rules and talented people to lead monitor and support the largest change programmes.

The re-launched PMO, along with the newly formed ITAS, will act as the focal points of transformation across the organisation.

Quality plans

A framework mapping the Operational plan for 2014/16 to the Trusts strategic priorities and governance arrangements is attached at Appendix 4.

The plans for 2014/16 have been informed by the following;

- Risk assessed operational clinical and non- clinical priorities
- Contractual requirements and commissioning intentions
- Engaging for Excellence transformation programme
- Local health economy transformation programmes, including the plans agreed with the Health and Well-being board in respect of the Better Care Fund.

Risk assessed priorities

The risk assessed priority list was developed by the clinical networks and corporate services following a review of key clinical and non-clinical risks. The clinical priorities were moderated by the Medical director, Acting Director of Nursing, professional lead for Psychology and the Chief Pharmacist. The non-clinical issues were moderated by the Executive management team in respect of our strategic position, reputation, CIPs and new business opportunities.

Scoring criteria were applied to determine the phasing of the priorities across 2014/15 and 2015/16.

The priority list has determined the priority for resource allocation both in terms of the financial plan and the allocation of corporate services resources.

The top 10 priorities are listed below and are aligned to the financial plan.

- Harbour implementation
- Adult mental health service redesign
- Mental Health Act administration
- Clinical risk training
- Clinical IMT programmes
- Physical health of patients on mental health wards
- Urgent care review in Central Lancashire
- Specialist commissioning changes – risks and opportunities
- Learning disabilities
- Developing Long term workforce plan/tool

Contractual requirements and commissioning intentions

The changes to the commissioning landscape have resulted in the Trust developing relationships with a range of lead commissioners;

- Chorley and South Ribble – lead commissioner for the NHS Community services across Central Lancashire and Blackburn with Darwen
- Blackburn with Darwen CCG – lead commissioner for the NHS Mental health services contract across Lancashire
- NHS England – Lancashire local area team is the lead commissioner for Offender healthcare and the Health visitor implementation programme
- NHS England – Cheshire, Warrington and Wirral local area team is the lead commissioner for Secure services
- Lancashire County Council – lead commissioners for health improvement and universal and specialist 0-19 services

The 2014/15 commissioning intentions have been developed by CCG, NHS England and Local Authority colleagues and where possible a Lancashire wide collaborative approach has been taken. The commissioning intentions include a mixture of both intentions and longer term ambitions. The Mental Health and Community contracts remain, as 'block' contracts and the planned intentions have little impact on the total value of the contracts. The most significant financial risks are linked to the potential impact of the prescribed specialist commissioning intentions although it is difficult to quantify at this point. The Trust is actively involved in the two year systematic review to inform a framework for improved financial and clinical sustainability.

The key commissioning intentions are;

Adult Mental health – revised specifications for IAPT and Primary care mental health, development of Lancashire wide specification for Single point of Access, redesign of community services ,development of rehabilitation models of care, integrated neighbourhood teams, expansion of Eating disorder services

Children and Families – Health visitor implementation plan, impact of the Children and families Bill, redesign of IAPT services, development of Lancashire wide specifications for child measurement and infant feeding programmes, school nursing service, health improvement service, sexual health services and CAMHS Tier 4 expansion.

Specialist services - NHS England will begin a programme of tendering for all North West Prisons over a three year period, starting in January 2014. It is believed that the five Lancashire prisons will be tendered at the end of this period. NHS England have also set out their prescribed specialist commissioning intentions which will include an initial two year systematic review to inform a framework for improved financial and clinical sustainability for relevant services and establish the cost and performance associated with this. This could lead to the development or consolidation of providers. It is expected that within five years the framework will have been implemented through a clinical reference group. The priorities for reviews over the course of the next eighteen months that will directly impact on the Trust include Neuro-Rehabilitation services, Mental health medium secure and CAMHS Tier 4.

Adult Community- Memory assessment - Primary care in reach, alignment of older adult mental health services in to integrated neighbourhood teams, review of hospital liaison/A and E, redesign of adult CFS, review of MSK Tier 2 services, AQP – Community physiotherapy, implementation of Urgent Care reviews, ambitions to review phlebotomy, podiatry and treatment room services, procurement of Community equipment services and review of Dental/PDS services.

Each of the clinical network plans have considered the impact of these commissioning intentions as part of their market assessment, and have factored the impact into their financial plans and the objectives for 2014/16. The transformation programmes across the networks reflect the service and care pathway reviews and these will continue to be reviewed and refined throughout the duration of the contract.

CQUIN and quality indicators have been reviewed in line with national guidance and QIPP priorities and are aligned to the Trust's priorities.

Activity levels and the financial value of the contracts have been negotiated and expected to be agreed. Due to the national economic climate and local pressures these discussions have included service redesign to release efficiencies and costs.

Engaging for Excellence transformation programme

The Trust's Engaging for Excellence programme is driving our plans to integrate services, in collaboration with partners, and provide better care and/or increase efficiency. The following are the 'big ticket' programmes that are the key priorities for delivery during the lifetime of the operational plan;

In patient reconfiguration programme – responsible for ensuring systems and processes are in place to support the reduction in beds and move to the care models that will deliver high quality person centred care in the best possible environment.

Long term conditions programme – this large scale transformation programme will radically change and improve the way services are delivered to patients with long term conditions across the Central Lancashire health economy including;

- Early identification of patients at risk of hospital admission

- Accessing care through a Community main access point
- Anticipatory and advanced care planning
- Receiving care from integrated neighbourhood teams
- Recording care and care planning through an IT shared record
- Whole system review of rehabilitation services

This will deliver improvements in communication and quality of care for patients with LTC and have a much wider impact across a range of conditions and care pathways.

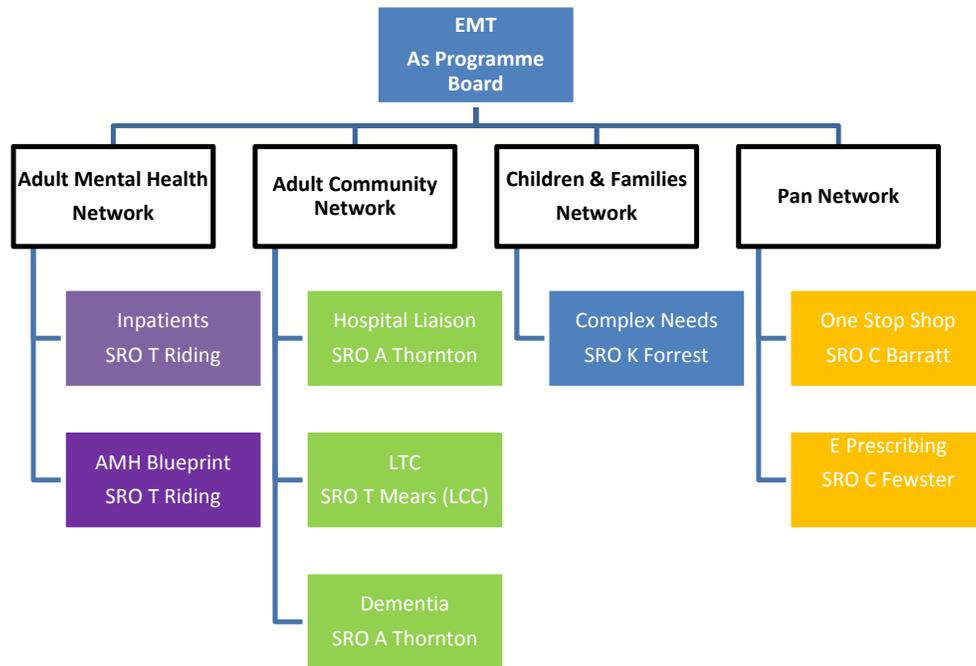
Implementing the Dementia strategy – this programme will enact the Trust's elements of designing and embedding a new model of care and treatment for people with dementia. It will enable consistent delivery of a range of services across the county to enable people to be treated with the most appropriate level of care near home. The resultant newly enhanced community services and pan health and social care economy liaison and care, will also enable the safe move to a specialist inpatient dementia unit with fewer beds.

Hospital liaison – Enhancement of community services to enable patients to be diverted away from A and E or to reduce the need for admission on attendance at A and E.

Adult mental health blue print - designed to maximise the clinical efficiency and effectiveness of community teams and to address gaps in service provision relating to rehabilitation as well as step up and step down services.

Children with additional and complex needs – this programme will deliver consistently effective, holistic, integrated and efficient care for children and young people, and their families, where there are additional and complex health needs. This involves building on good practice and where necessary redefining the care pathways and treatment to ensure it is of the highest quality, evidence based and family centred.

The Engaging for Excellence transformation programme is governed through an established programme office and reflects the CCG commissioning plans. The following diagram details the current programme.



Local health economy transformation programmes, including the CCG plans agreed with the Health and Well-being board in respect of the Better Care Fund.

Better Care Fund

The £3.8bn Better Care Fund is a single pooled budget for health and social care services to work more closely together in local areas, based on a plan agreed between the NHS and local authorities.

Whilst the Better Care Fund does not officially come into effect until 2015/16, there was a requirement for local areas to have plans in place by February 2014.

The Trust has been represented at the Lancashire wide Health and Well- being board and the Blackpool and unitary authority Health and Wellbeing boards. The current plans focus on the delivery of the integrated neighbourhood teams as part of a wider urgent care review.

The CCG plans that impact on the Trusts operational plans are reflected in the following table and are consistent with the Trust’s Operational plan.

It is considered that any significant changes to commission contract values will only materialise in the 2015/16 contracting round.

Clinical Commissioning Group	LCFT service portfolio	Impact of Better Care Fund plans reflected in the Trust's operational plan	Impact	Total Value of the CCG Better Care Fund
Chorley and South Ribble and Greater Preston	Physical health services Mental health services	Integrated case management, neighbourhood teams and self-care Developing system wide pathways for ambulatory care System wide capacity planning Development of seven day working		£24.55 m 15/16
Lancaster North	Mental health services	No reference to MH services but opportunities to align to Physical health teams		£10.462m
Fylde and Wyre	Mental health services	No reference to MH services but opportunities to align to Physical health teams		£10.295m 15/16
East Lancashire	Mental health services	Integrated Care programme Hospital Liaison		£26.095m 15/16
West Lancashire	Mental health services	No reference to MH services but opportunities to align to Physical health teams		£7.4m 15/16
Blackburn with Darwen	Physical health services Mental health services	Integrated Care programme Hospital Liaison		£3.505m 14/15 £10,800,000 15/16
Blackpool	Mental health services	Opportunities in relation to enhancing SPOA to Adult mental health as part of single care pathway		£7.5m 14/15 14.081m 15/16

Key:



Opportunity



ImpactMH Only



Big impact/Health Economy Only



Large Scale Impact

Quality Strategy

Response to Francis, Berwick and Keogh

The Director of Nursing commissioned an external review of quality in relation to the impact of the Francis, Keogh and Berwick reports to assess the current quality culture within the organisation and to inform the Trust's Quality improvement plans. The findings and recommendations will also support the Trust in being ready and successfully able to respond to the new regulatory environment.

To inform the organisation's focus on quality an appraisal of the Francis report the Mid Staffordshire NHS Foundation Trust Public Inquiry February 2013 recommendations, the Keogh review into the quality of care provided by 14 hospital trusts in England July 2013 report ambitions and the Berwick report 'A promise to learn– a commitment to act' August 2013 recommendations has been undertaken distilling from them the common themes which are reflected in the table below

Francis - themes	Keogh - vision	Berwick - actions
Putting patients first & having common values	Demonstrable progress to reducing avoidable deaths in hospitals	Listen to and involve patients and carers
The importance of fundamental standards	Boards and leadership teams use data and other intelligence confidently and competently to inform quality improvement	Constantly monitor the quality and safety of care
Non-tolerance of non-compliance	Listen to patient and carer feedback & act upon it	Respond directly, openly, faithfully and rapidly to early warning indicators e.g. complaints
Openness, transparency & candour	Patients and clinicians are actively involved in CQC inspections	Embrace complete transparency
Compassionate, caring and committed staff	Organisations will not be isolated	Train and support all staff all the time
Patient centred leadership	Staffing levels and skill mix reflect patient needs	Create networks and learn from each other
Accurate, useful & relevant information	Junior doctors & student clinicians will be listened to	Use evidence based tools to ensure adequate staffing levels
	Happy and engaged staff positively effect patient outcomes	

These common themes have been translated into a series of expected outcomes, reflecting the achievement of goals, and evidence of action and have been incorporated within the Quality Strategy and reflected throughout our quality priorities. We will ensure that these aspirations and ambitions for excellence are delivered.

Expected outcomes in Lancashire Care NHS Foundation Trust:

- Quality of care and patient safety are at the top of our priorities for investment, inquiry, improvement, regular reporting, encouragement and support
- Patients and carers are present, powerful and involved at all levels from wards and teams to the Board
- Staff are present in appropriate numbers to provide safe care at all times and are well supported
- As a learning organisation leaders create and support the capability for learning and change to continually and forever reduce patient harm.
- Staff are committed to learning about patient safety and quality of care embracing the 'compassion' in care agenda at all levels
- As a transparent organisation we share non-personal data on quality and safety in a timely and accessible form across the organisation and with both the public and regulators
- To seek out the patient and carer voice as an essential asset in monitoring the safety and quality of care

- Staff are supported and the organisation learns from errors and improves practice, and also holds people to account

Quality Strategy

The purpose of the Trust's Quality Improvement Strategy is to make it easier to do better. It is based on four simple actions.

Action one: collect useful information on quality (that is: safety, effectiveness, and the patient experience) across all parts of the organisation.

Action two: share this information quickly with the people who are best placed to improve care.

Action three: empower these people to get things done.

Action four Continually make sure that the process is working.

The strategy aims to achieve the following goals:

- Goal 1: In comparisons with similar organisations we will always be in the top 25% for quality.
- Goal 2: We will perform well in CQC inspections and CQC will have no major concerns about our services.
- Goal 3: Every clinical team will have an improvement plan based on feedback from service users.
- Goal 4: Every clinical team will know how well it is doing in terms of safety, effectiveness and patient experience.
- Goal 5: Our care pathways will meet NICE Quality standards and will show steady improvements in quality.

Quality strategy implementation plan

The key workstreams, to ensure the delivery of the Quality strategy, are outline below. These form part of the Integrated Quality Report which informs the quality domain of the board balanced scorecard and includes three elements;

- Quality SEEL (QSEEL)

This is a tool that has been developed with the Networks to support teams in carrying out a self-assessment against the Care Quality Commission (CQC) Essential Standards of Quality and Safety. Team leaders/ward managers assess compliance at the point of care by having conversations with staff, service users/carers/families; observing care and the environment and checking documentation such as care plans. This leads to the development of improvement plans and also supports on-going conversations within teams about how successes are celebrated. The Quality SEEL has been structured around the Quality Domains and the CQC Outcomes have been mapped to these.

As the Care Quality Commission (CQC) methodology for assessing and monitoring services continues to develop, the five key questions (Are services safe, effective, caring, responsive, well led?) have emerged as a framework for assessing services. These questions have been mapped to the Quality SEEL Outcome areas and at this point there is evidence to suggest that the Quality SEEL tool will remain future proof for the foreseeable future. As further work is undertaken by the CQC, particularly in relation to identification of the fundamental standards across the various service types, this will be factored in to the annual review of the tool to ensure that it remains a valid and contemporary method of assessing a baseline of quality in clinical teams and services.

As Quality SEELs are completed and validated a variety of reporting formats will be available. Service Managers will be able to access their teams' Quality SEEL results and the data will be presented either as a complete summary of all team's results, or by specific Outcome so that the information against a particular Outcome area can be compared across all teams.

Outcome Experts within the Trust (Safeguarding, Medicines Management, Infection Prevention and Control etc.) will be able to access Quality SEEL results to support the work that they undertake.

The Executive report will give an up to date position of all teams and services broken down by Network, which will be available to the Executive Management Team and other senior managers in the Trust. The functionality of this report means that data will be available to the Executive Management Team and other senior managers which demonstrate progress towards achieving a picture of compliance and includes the rationale for decisions made at Validation and following completion of action plans in the Risk Register.

There is a Team Summary within the Quality SEEL Tool itself for Team Leaders and Ward Managers who wish to see a summary of their results.

- Team Information Boards (TIB)

All clinical teams have a TIB in place to support on-going conversations about quality and quality improvement. Currently the majority of these are physical boards with an electronic solution (electronic team information board e-TIB) to collate data at team level. This system is being piloted with 20 teams across the organisation.

The e-TIB currently pulls real time data from a range of sources to one place which can be viewed on the computer screen, on a flat screen or printed off and placed on the TIB. The team leader has access to the data in one place, and can use the time to facilitate conversations about quality rather than sourcing the data. Data currently displayed on the e-TIB:

- Safety – Quality SEEL data, incidents, Harm Free Care data
- Effectiveness – Quality SEEL data. In development Friends and Family data, NICE Quality Standards and Advancing Quality data
- Experience – Quality SEEL data, complaints and compliments
- Leadership –Quality SEEL data, staff absence, network level PDR information. In development mandatory training data

Two clinical teams were inspected by the CQC over the summer months. These teams have shared their experiences and spoken about the value of the TIB in supporting evidencing quality and striving for continuous quality improvements. The podcasts produced have been placed on the intranet to share this learning across the organisation.

- The Quality Improvement Framework

The Quality Improvement Framework is still under development. It will encompass key performance indicators and associated quality improvement metrics at clinical team level across the domains of safety, experience, effectiveness (encompass both clinical reported and patient reported outcomes) and leadership. The framework is currently in development along with a specification for an e-quality improvement framework and an associated learning programme working in partnership with colleagues from IM&T, Learning and Development and AQUA.

Quality Assurance processes

- QSEEL Validation

The Validation Meeting provides key quality assurance in the Quality SEEL process. In order to ensure that this is undertaken in a standardised and consistent way, a training programme is in place provided by

the Quality and Governance Team for nominated Validation Facilitators from each Network and Quality and Governance Directorate. The training programme is evaluated and refined on an annual basis.

- Quality Visits

In order to provide quality assurance against the implementation of the Quality Strategy and to further demonstrate our commitment to providing high quality care to our service users, a series of Quality Visits have been undertaken. The Quality Visits factor in current knowledge about CQC inspections and are also based upon information in the document CQC A new Start - Consultation on changes to the way CQC regulates, inspects and monitors care (June 2013). In addition they aim to uphold the trust values and maintain the principles of appreciative leadership.

A series of drop-in Quality Visits led by the Quality and Governance Directorate have also taken place on 6 Wards across the Trust. These visits have supported an understanding of quality at the point of patient care, identifying any support needs from both within the Network and from Quality and Governance, and highlighting areas of good practice to share. Reports are shared with Clinical Directors and feedback given to the ward managers.

A number of key operational themes have emerged following the review of;

- Berwick, Francis and Keogh reports
- Review of risk registers
- Outcomes from the Quality SEEL assessments
- Internal reviews of services

Ensuring the lessons of the Francis Inquiry, Keogh report and Berwick review are learned and thoroughly embedded across the Trust. These enquires point to the need to have robust governance arrangements in place and put the Quality Care and Patient Safety at the heart of everything we do and inform the Priorities for Quality governance and improvement as indicated below

- Strengthen professional and Nursing Leadership across the Trust
- Enhance the governance and learning from Internal and external investigations
- Ensure compliance with external regulatory requirements
- Develop and implement a Patient Experience and Involvement Strategy
- Strategic Focus on Patient Safety and Risk Management
- Implementation of the Quality Strategy – year 3
- Implement the SLAs with the Clinical Networks and Corporate services
- Develop a systematic approach to learning in relation to quality governance
- Ensure compliance with Mental Health Act, governance and administration
- Develop the documented quality impact assessment
- Ensure preparedness for new style CQC inspections
- Deliver programme of Clinical Risk Training

These themes, together with specific network issues are reflected in Corporate and Network quality strategy implementation plans and assurance on the delivery will be monitored by the Quality Strategy Group. This will provide assurance to the Executive Quality Committee of continuous progress of the actions outlined in the strategy.

- Quality at the core

The Quality and Governance Directorate facilitate “Leading for Quality” Development Days. The purpose of these development days is:

- To support on-going quality improvements which improve the quality of care received by service users and carers

- For the Director of Nursing to engage with clinical leaders across the organisation regarding leading for quality
- To provide a forum for feedback relating to the national quality agenda and an opportunity to influence standards
- To provide a strategic, open forum, working in partnership with the Clinical Directors
- To share and showcase good practice to promote the rapid spread of innovation and organisational learning

Quality Account

Quality is about giving people treatments that work (effectiveness), making sure that they have a good experience of care (patient experience) and protecting them from harm (safety). Quality is part of our Trust value of excellence.

Following consultation with a range of stakeholders including service users, carers, members, staff, network directors, deputy directors of nursing and professional leads, three priorities were chosen for inclusion in the Quality Account. Each priority relates to one of the quality domains of safety, patient experience and effectiveness, and continues to be a focus for ongoing quality improvements during 2014/16.

The Trust's Quality Strategy and the Appreciative Leadership Programme have given us a strong foundation from which to further build and develop quality services.

The quality priorities for 2014-16 are detailed below with each of the priorities being underpinned by robust programme plans encompassing timescales and expected outcomes, with the plans monitored by each respective programme group as sub-groups of the Executive Quality Committee. In addition progress against the priorities is reported through the Standards and Assurance Committee to the Council of Governors.

Priority 1	Quality Strategy Implementation
Domain	Effectiveness
Rationale	Report of the Mid Staffordshire NHS Foundation Trust Public Inquiry February 2013 (Francis 2). Quality in the new health system – maintaining and improving quality from April 2013. The NHS Outcomes Framework 2013/14.
Target	All teams will have completed the Quality SEEL All teams will have monitored progress against the Quality SEEL All teams will have completed the risk register and managed risks appropriately All teams will have team information boards and use these to drive quality improvements All teams will have a quality improvement framework
How progress will be monitored	Monitoring through team level to Network Governance to the Quality Committee
How progress will be reported	Network Governance to the Quality Committee

Priority 2	All teams will seek the views of service users and carers to inform quality improvements
Domain	Patient Experience
Rationale	Department of Health - The NHS Friends and Family Test
Target	Implementation of NHS Friends and Family Test in accordance with the Trust project plan and in line with national guidance
How progress will be monitored	Quality SEEL outcomes, team information boards and friends and family implementation plan
How progress will be reported	Team level progress will be discussed through Team Information Boards and escalated through Network Governance to Quality Committee

Priority 3	Compliance with Harm Free Care national priority: Reduction in the number of pressure ulcers developed in our care Reduction in the number of falls Reduction in the number of catheter acquired infections To participate in a pilot of the Mental Health Harm Free Care Programme
Domain	Safety
Rationale	Harm Free Care quality initiative. Commissioning for Quality and Innovation (CQUIN). Quality Strategy.
Target	Monthly submissions of the physical health safety thermometer for all applicable services to the Information Centre To achieve the improvement target in relation to pressure ulcers Implementation of Mental Health Harm Free Care Programme in accordance with the Trust project plan
How progress will be monitored	Monthly reporting to Health and Social Care Information Centre and quarterly submission to Commissioners
How progress will be reported	Harm Free Care sub groups, steering group and Quality Committee

Outline of existing quality concerns and plans to address them

The Trust identified through its internal systems of assurance that there were a number of quality issues associated with the delivery of ABI services within the Specialist services network. Improvement plans were put in place and CQC were notified of the actions being taken. This notification was followed by a routine CQC visit to assess compliance with the Essential Standards of Quality and Safety¹. Three moderate concerns and one minor concern were identified within the ABI service which led to further action plans being developed and submitted to the CQC. The progress of these action plans is monitored on an on-going basis through network governance meetings. The plans are on track, with one final outstanding action to be completed by the 30th April. The Trust will then await a further visit from the CQC to confirm compliance.

Significant investment has been made to support the progression of quality improvement plans across the Trust including:

- Ensuring that the skill mix and staffing levels are appropriate- reviewing staffing models across

¹ <http://www.cqc.org.uk/organisations-we-regulate/registered-services/guidance-meeting-standards>

inpatient wards, including the Harbour implementation plans

- Strengthening the leadership arrangements in the service – Clinical leadership strategy
- Implementation of improvement plans in line with the Trust's Quality Strategy
- Strengthening governance arrangements to monitor quality standards and ensure that standards are met - Quality SEEL, Internal programme of quality visits, Executive Quality Committee and Quality analysis sub group

An overview of how the board derives assurance on the quality of its services and safeguards patient safety (FTs may find Monitor's quality governance framework helpful for appraising quality arrangements)

The Board of Directors sets the Trust's strategic priorities on an annual basis. The Board Assurance Framework (BAF) is determined by the Board of Directors. It is the means by which the Board holds itself to account and identifies the principal risks that would prevent achievement of the Trust's strategic goals; or threaten a safe declaration to Monitor in respect of delivering the annual plan. It also provides a structure for the evidence to support the Annual Governance Statement. The BAF maps out the control systems in place and further actions to mitigate these risks and confirms the assurances that the Board wishes to receive directly to evidence the effective operation of these controls.

Principal risks within the BAF sit separately from the operational risk register that operates in accordance with the Risk Management Strategy. A process of evaluation of operational risks is in place to consider risk escalation to the BAF.

The risk management strategy and operational risk management processes are embedded throughout the organisation. The Board of Directors, within its Risk Appetite Statement, has determined the level and nature of operational risk information that should be subject to Board scrutiny and the Board receives regular updates on the status of those risks. The strategy contains an escalation process for the rapid identification and reporting to the Board of emerging risks or concerns around risk mitigation.

The Board of Directors meets regularly and transacts its business in accordance with an agreed agenda setting process and an annual cycle of business that ensures that standard items of accountability and assurance are addressed but also that sufficient time is set aside to focus on quality and appropriate strategic development. The Board of Directors has introduced a standard 'Quality Improvement' agenda item and welcomes clinical staff to share their experiences of good improvements being made across the organisation but also areas that require support to make necessary improvements to ensure the highest possible standard of care is provided.

The Board receives assurance through the outcomes measures that have been defined in the Quality Strategy Implementation plan and reflected in the board balanced scorecard indicators. Assurance is also provided in the Quality domain of the Chief Executives Assurance report and the Executive Quality Committee receives assurance on the implementation of the Quality Strategy. The Chair of the Audit Committee is a member of the Quality Committee.

What the quality plan means for the foundation trust workforce

As the Trust embarks on a significant programme of transformation both internally and in partnership with the local health economies, there are a number of key workforce priorities that need to be addressed to ensure we continue to deliver high standards of care.

The Trust has approved an Organisational change policy that sets out the principles that apply in managing internal organisational change. Changes in the delivery of service, new ways of working,

legislative developments and budget restrictions will impact on the composition and structure of the Trust. This policy sets out the principles for managing the 'people' implications of such change.

The policy enables managers to consider a range of alternatives where posts may be affected. It enforces the Trust's commitment to a target zero redundancy approach and allows the Trust to meet its legal, contractual and moral obligations, ensuring that staff are able to respond positively to demands placed upon them, as the face of health care provision changes.

In order to achieve its service transformation ambitions, LCFT recognises the need to understand the workforce implications of delivering new, integrated, patient centric models of care. As such, LCFT is working in partnership with Health Education North West to build a workforce-planning tool. The tool will enable care providers to model activity changes and service capacity data to create a view of its current and future workforce requirements. LCFT is engaging health and social care organisations across the health economy to consider how this tool could provide a consistent platform for workforce planning enabling a system response to workforce issues, where appropriate.

The Workforce and OD Directorate have reviewed the workforce requirements across all the network and corporate plans and identified the following key themes that will form their objectives over the next two years.

- Ensuring that appropriate workforce capacity and capability is maintained throughout the transition period and that the Trust remains compliant with all relevant employment legislation to avoid reputation damage and financial risk.
- Implement a robust workforce strategy that enables the alignment of workforce supply and demand throughout the transition period
- Maintain a high quality, engaged workforce with the appropriate behaviours, values and skills to perform their roles during the transition period and beyond
- Manage the redeployment of displaced staff into suitable alternative employment. This may require some training and development
- Maintain a highly skilled, flexible and sustainable workforce through the eradication of agency workers, reducing the use of bank staff and a systematic review of staffing establishments
- Redesigning jobs in line with job evaluation to address skill mix requirements and maximise existing skills.
- Promote CPD opportunities and initiatives such as nurse prescribing.
- Build on existing workforce planning to develop and pilot a strategic modelling tool in order to gain 'long range', system wide, forecasting intelligence across Lancashire.
- Highlight current and future workforce sustainability issues and opportunities. Targeted recruitment campaign in areas that are difficult to recruit to.
- Review/develop talent management framework and implement to support succession planning
- Deliver a leadership model and competence framework to support leadership development
- Implement and deliver leadership interventions internally and through the NHS Leadership Academy, HEIs and CPD funding
- Roll out programme of management development to embed the role of people manager within the Trust.
- Utilise HE North West funding for clinical professional development
- Identify and access non-clinical funding where available
- Fully utilise NHS Leadership Academy programmes to support personal and professional development

The delivery of our Mental Health Inpatient Programme represents the biggest workforce challenge to the Trust. Retaining the required workforce during transition and avoiding redundancies involves careful planning and an innovative workforce strategy. Work is ongoing to map our inpatient workforce requirements against projected staff in post throughout the transition period. This aims to identify periods of under and over supply. This intelligence is being used to develop a variety of workforce flexibility initiatives, such as annualised hours contracts, 'SWITCH' teams, staff development programmes, transport initiatives, etc.

The Trust continues to experience difficulty in recruiting to some specialities. The following specialities remain difficult to recruit to:

- Specialist Practitioner School Nurses and Health Visitors -This is due to limited funding for training and historic Specialist Practitioner District Nurses - very low response rates for vacancies.
- Prison healthcare professionals -seen as a very difficult culture in which to work and turnover within these services is higher than average. Complex and time consuming vetting and clearance processes mean recruitment lead times are very lengthy and that the use of bank staff to backfill posts is not always possible. This tends to lead to an over reliance on the existing workforce which perpetuates workforce retention problems.
- Pharmacist posts and senior psychology roles - due to the disparity between public sector and private sector pay.
- Junior doctors - A major challenge to the junior doctor workforce stems from the nationwide difficulties with recruitment and retention of psychiatric trainees. Concerns have been raised both nationally and regionally about the low numbers of doctors from UK medical schools who have applied for psychiatric training. Following the inpatient reconfiguration programme, Junior doctor workforce planning will be carefully considered to take into account the medical cover requirements for servicing the busier inpatient units and community services (CMHTs), while ensuring they are suitably stimulating learning environments. In preparation for this the Trust will review the existing junior workforce, and develop clear plans to work towards a more medium term workforce strategy to support these changes.
- Learning Disability Consultants - options are being considered to move towards the recruitment of General Consultant Psychiatrists with an interest in Learning Disabilities

The Trust has adopted the Skills for Health Six Step approach as its integrated workforce-planning model of choice. An in-house workforce planning training course has been developed to up-skill our managers, and our HR Business Partners and Learning & Organisational Development Consultants proactively support local planning.

Risks to delivery of key plans and to contingencies built into the plan.

Through the annual business planning process each of the clinical networks and corporate services have identified risks to the delivery of their operational plans and developed objectives to mitigate against these risks, through a system of controls and assurance.

The Executive governance committees provide oversight of those risks that are escalated through the network and corporate services governance arrangements.

The top risks inherent in the Operational plan are detailed below;

- **Capacity and capability to deliver transformation projects and associated change** – The Trust has invested in a Clinical leadership strategy to embed a co-production model of leading the delivery of service transformation. The investment in ITAS and PMO will also provide additional capacity and skills to support the delivery of key programmes.

- **Delivery of CIPs and impact on quality and safety** – All CIPs are subject to a rigorous quality impact assessment process by the Clinical Directors with the Medical Director and Director of Nursing providing additional challenge on the impact on quality and safety of services. A Programme management approach is being taken to manage the development and delivery of cross-organisational transformation cost improvement programmes.
- **Maintaining CQC standards** -All clinical teams have now completed the Quality SEEL self-assessment and have participated in the validation process that is a key quality assurance element. Teams are using 'Team information boards' which incorporates their Integrated Quality report which includes their QSEEL findings. The information boards are supporting regular conversations about patient safety, patient experience, effectiveness and leadership and the actions being taken to address any necessary improvements. The Quality visits also provide quality assurance against the implementation of the Quality Strategy. The risk advisors are continuing to work with teams to ensure the proactive use of the Datix system and that actions to address risks are progressed.
- **Compliance with Delayed Transfers of Care target** - The Trust has declared a risk of compliance with the delayed transfers of care target and has limited scope to control delayed transfers of care resulting from system wide pressures and capacity reduction. However the Trust has developed a clear process to ensure the rapid communication of delays to the relevant parties and an agreed escalation framework to expedite onward flow.
- **Delivery of workforce plans** - As part of the inpatient transition programme, a Programme Director has been appointed to manage the transition programme, including workforce transition planning. The Trust is also leading a programme to develop and pilot a workforce planning tool in partnership with Health Education North West to enable care providers to model activity changes and service capacity data to create a view of its current and future workforce requirements. The Trust is also undertaking a systematic review of staffing establishments, to reduce the use of bank staff and eradicate the use of agency workers.
- **Business Intelligence and management information systems** – Continued improvement of data quality and performance management systems remains a key priority for investment within the Health Informatics programme. In addition investment has been made to appoint an Associate Director of Performance Insight and dedicated Compliance manager to further develop board to ward business intelligence systems.
- **Complexity and maturity of commissioning arrangements** – The Trust's Engagement strategy has strengthened engagement with commissioners at both a strategic and operational level and there is active involvement in the alignment of local health economy plans.

Operational requirements and capacity

The key risks to operational requirements and capacity are the block contracts for Mental health, Community services and Specialist services with indicative activity levels. The activity baselines have been reviewed with commissioners during the current contracting round and increased activity and demand will be monitored at the contract review meetings and additional resources negotiated with commissioners to address the impact of increased waiting times.

As part of the current contract negotiations an additional level of funding has been secured to reflect an increase in demand through demographic growth.

In addition, discussions have taken place with NHS England regarding the deflator that is being applied to the contract whilst there is a requirement to deliver a target number of health visitors in line with the national health visitor implementation programme. The impact of having to maintain a contracted level of specific capacity without the opportunity to implement a skill mix approach to the delivery of an agreed set of outcomes potentially puts increased pressure on other services to deliver additional efficiencies and impacts on their viability.

The Trust has an agreed in patient bed reduction programme with the lead commissioner, and is currently re-negotiating the resourcing of additional bed capacity over the level of commissioned activity to avoid any additional cost pressures arising from out of area treatments. In addition the cost of pressures arising from the increased acuity and the impact that this has on our ability to downscale bed numbers is leading to additional operational requirements that are being negotiated with commissioners.

The Trust already has an agreement with Specialist services commissioners for the costs of additional bed capacity beyond the commissioned levels. The Trust administers the sourcing of additional capacity on behalf of the commissioners but commissioners meet the costs.

The Trust is working with Commissioners to secure funding in order to provide additional capacity to transform older adult community services as part of the implementation of the Dementia Strategy.

Productivity, efficiency and CIPs

The Trust is required to make significant savings in order to continue to mitigate against the impact of contract deflators and inflationary pressures. The depth of the requirement is compounded by the cumulative impact of years of similar requirements and suggestions that the more readily achievable savings have already been gathered, for example, reducing fixed and variable costs, avoiding discretionary spend, waste and utility costs.

The Trust has made a number of assumptions in determining the overall pressure driven by income deflators and expenditure inflators to arrive at a downside and realistic position and proposed an indicative CIP target of 5% for all services.

The Trust developed a robust process for the development of CIPs including a quality impact assessment of all schemes by the Network Clinical Directors before presentation of the schemes for approval by the Medical Director and Director of Nursing.

The CIP programmes were also risk assessed from a financial perspective in terms of a financial likelihood of success.

CIP plans amounting to £13.6m have been identified for 2014/15 and schemes to the value of £5.6m have already been developed for 2015/16.

The Trust will continue to drive the delivery of further schemes using reference costs to focus on reducing costs through increased productivity and opportunities for cross organisational transformational CIPs.

The key schemes are based in the Adult mental health and Adult Community services and are linked to the transformation of community services and inpatient transition programmes.

It is recognised that there are still wider opportunities to deliver short-term productivity and efficiency gains and longer term strategic and service transformational savings.

The Trust has therefore invested in additional support to;

- Review performance improvement initiatives across other organisations and consider their applicability to our own organisation
- Identify opportunities to implement cross-organisational schemes by spreading good practice across the clinical networks and collectively challenging operational productivity and efficiencies.
- Applying a systematic approach to identify innovative, transformational savings that move from cost improvement to cost transformation
- Driving the delivery of existing schemes through a Programme management approach and mobilising improvement resources through the ITAS team.

Financial plan

The financial plans have been prepared in accordance with the Trust's strategic and clinical objectives.

Healthcare income at 1.4% is in line with overall commissioner agreements for 2014/15. Pay costs are at 1% in line with the pay award where high levels of turnover negate to some degree incremental drift. The Trust does not have huge exposure to non-pay and much of that is covered by provider to provider SLAs, for which 0% inflation has been agreed, impacting on the overall compounded figure used for 'other operating expenses' at 1.15%, presenting a small departure from the standard assumptions.

For 2015/16, the only significant inflationary changes concern the impact of increased employers pension contributions, for which we are assuming some recognition in the tariff as indicated nationally. Pay for that year has therefore been modeled at 2.5% with income at 1%.

The funding of internal pressures provide significant changes to expenditure. Robust planning has identified £7.1m as being required in 2014/15 and £4.0m in 2015/16.

Healthcare contracts are almost exclusively block, delivering a high degree of confidence and consistency between years. They are in agreement with the position with commissioners. Where variations are assumed, we have prudently accounted for them as income and expenditure neutral, with no gains or contribution.

The major changes on the mental health contract, beyond the deflator, are c£1m of non-recurrent funding lost for Long Term Conditions, c£0.5m of non-recurrent support for inpatients, and the reduction of IAPT and CAMHS project funding (c£1.8m). The full year impact of a supported accommodation variation has seen growth of c£1.6m. The significant reductions in the Community Contract concerns HIV Drugs (£0.7m), Loan Store (£0.6m) and Winter Pressures (£0.4m).

All income variations are met by equal and opposite variations to expenditure lines. No significant variations are planned or expected in 2015/16.

The CIP target for 2014/15 is £13.6m, with £15.6m required in 2015/16, 4.4% and 5.1% of operating expenditure respectively. These are viewed challenging, but not excessive and there is confidence that these will be achieved.

The Capital plan reflects the Trust's commitment to the continued investment in the inpatient transformation programme including the delivery of the Harbour in Spring 2015, the development of plans for sites in East and Central Lancashire and the development of the Tier 4 Young People's unit. The programme also includes schemes to mitigate clinical risks including anti-ligature work and the minor improvement programme to maintain quality standards across our estate.

The plan includes activities in relation to the replacement/re-procurement of the PAS (Patient Administration System) currently provided by CSC as part of the National Programme for IT as the contract expires in July 2016. The market testing and options appraisal exercise has commenced and

includes extending the usage of the current PAS system contracted directly with CSC from July 2016. The contract ends in July 2016 but the migration work will start early in 2015. A high level estimate has been included in the plan and costs will be firmed up once the market assessment work has commenced.

The plan, as presented, delivers the capital programme, whilst maintaining strong liquidity (and cash) that delivers a Continuity of Services risk rating of 4, and a surplus of c£4.1m. The Trust is confident it can deliver the plan as presented.