Northumberland, Tyne and Wear NHS
NHS Foundation Trust

Operational Plan Document for 2014-16 (and 17)

Northumberland, Tyne and Wear NHS Foundation Trust

Operational Plan for y/e 31 March 2015 and 2016(and 17)

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

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Date	**4th April 2014**

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)*	**Hugh Morgan Williams**

Signature 

Approved on behalf of the Board of Directors by:

Name *(Acting Chief Executive)*	**James Duncan**

Signature 

Approved on behalf of the Board of Directors by:

Name *(Finance Director)*	**James Duncan**

Signature 

1. Executive Summary

Northumberland, Tyne and Wear NHS Foundation Trust (the Trust) was authorised as an NHS foundation trust on the 1st December, 2009. The Trust provides a wide range of mental health, learning disability and neuro–rehabilitation services to 1.4 million people in the North East of England across the six geographical areas of Northumberland, Newcastle, North Tyneside, South Tyneside, Gateshead and Sunderland. We are one of the largest mental health and disability organisations in the country with an income of circa £300 million and over 6,000 staff. We operate from over 100 sites and provide a range of mental health and disability services.

This Operational Plan (the Plan), for the period 2014/15,2015/16 (and 2016/17), sets out how the Trust intends to continue to deliver high quality and cost effective services for its patients, on a sustainable basis. It is based on the Trust's five year Integrated Business Plan (IBP) which was approved by the Board of Directors in September 2012, and it also reflects the changes in the NHS brought about by the Health and Social Care Act 2012, the increased focus on quality of care brought about by the Winterbourne View Review and the Francis Report, the need for integration and service transformation together with the requirement to deliver financial efficiencies year on year in line with the Quality, Innovation, Productivity and Prevention (QIPP) agenda.

The Trust's current vision for the future, developed following consultation with our partners, staff and users and carers, is as follows:

'We will improve the wellbeing of everyone we serve through delivering services that match the best in the world'

This Plan outlines:

- The Trust's position in the Local Health Economy including forecast health, demographic and demand changes;
- The Trust's Clinical Strategy which is focused on the Transformation of Services, including our Service Development Plans for 2014-2017;
- The Trust's Quality Priorities and existing quality concerns together with the plans to address these;
- The Trust's Governance Arrangements and our response to Francis, Berwick and Keogh;
- An overview of the Trust's Workforce Strategy, key workforce pressures and our plans to address these;
- An analysis of the key financial risks inherent in the Plan and contingencies built into the Plan;
- A summary of the Trust's Financial Plans.

Our Financial Plans reflect the nature of our income, the national Operating Framework and recognise that our local commissioners are not planning for growth in funding in relation to mental health and disability services. Key financial data for the 2 years required in this Plan, and an additional year (2016/17) are illustrated in Table 1 below.

Table 1: Key Financial Data 2014/15-2016/17

Key Financial Data	2014/15 £m	2015/16 £m	2016/17 £m
Income	299.1	295.0	293.2
Income and Expenditure Surplus	1.1	3.9	8.8
Efficiency Target	11.3	10.8	10.7
Cash Balance	17.6	20.7	23.3
Capital Programme	25.6	23.9	9.3
Asset Sales	12.5	7.9	0.0
Loan Drawdown	14.7	15.9	2.1
Risk Rating	2	3	3
Normalised Risk Rating	3	3	3

The Trust has included a three year plan, as we are in the middle of a significant period of transformation. This requires significant short term investment (planned non-recurring internal investment of £7m in 2014/15, decreasing thereafter) and significant change management effort. As a result the Trust's profit is reduced in 2014/15, with a corresponding impact on the Continuity of Services Rating, which is planned to temporarily drop to a 2 in Quarter 1 of 2014/15 before returning to a 3 for Quarters 2 – 4 and to remain at that level in the subsequent two years. While the Trust returns to a 3 rating in 2014/15, the lowest rating achieved at any one point is recorded in the plan.

The Trust's Council of Governors have participated actively in discussions regarding the Trust's Transformation of Services Programme/Service Development Strategy, Quality Priorities/Quality Account and this Plan and we thank them for all of their work and continued commitment to working with us to improve our services.

All of the components of this Plan are interlinked and interdependent. As we face the challenge of ensuring that we continue to deliver high quality and cost effective services for our patients we believe that this Plan forms a solid basis on which to move forward over the next two years.

2. Operational Plans

2.1 Our Vision and Values

Our vision, values and priorities have been developed through wide involvement and consultation with patients, carers, staff and partners. Our vision as an organisation is to:

"Improve the well-being of everyone we serve through delivering services that match the best in the world"

Our vision is underpinned by a set of core values which we have recently refreshed, in consultation with a range of partners, including service users, carers, staff and governors.

Our values ensure that we will strive to provide the best care, delivered by the best people, to achieve the best outcomes. Our concerns are quality and safety and we will ensure that or values are reflected in all we do:

We are about Quality and Safety

We strive to provide the BEST CARE, delivered by the BEST PEOPLE, to achieve the BEST OUTCOMES

Caring & Compassionate

- Put ourselves in other people's shoes
- Listen and offer hope
- Focus on recovery
- Be approachable
- Be sensitive and considerate
- Be helpful
- Go the extra mile

Respectful

- Value the skill and contribution of others
- Give respect to all people
- Respect and embrace difference
- Work together and value our partners

Honest & Transparent

- Have no secrets
- Be open and truthful
- Accept what is wrong and strive to put it right
- Share information
- Be accountable for our actions

2.2 The Trust's position in the Local Health Economy

The local health economy consists of eleven NHS Foundation Trusts in the North East of England. This includes eight acute hospital trusts, one ambulance trust and two specialist trusts providing mental health and disability services, including this Trust. The main commissioners for the Trust in 2014/15 are as follows:

- Seven Clinical Commissioning Groups across Northumberland, Tyne and Wear;
- Cumbria, Northumberland, Tyne and Wear Area Team which is the local area Team of the National Commissioning Group;
- CCGs out of area plus Scottish, Welsh and Irish health bodies who commission on an individual named patient contract basis and;
- Local Authorities.

Currently 88% of the Trust's contractual income is covered under block contract arrangements and the remainder is commissioned through cost and volume and cost per case contracts for named patients.

The Trust agreed all of its main contracts for 2014/15 by April 2014.

2.3 The Short Term Challenge

The local health economy shares a number of challenges. Local Authorities in the North East of England continue to face a disproportionate reduction in funding, which is requiring a continuing and fundamental review of the services that are provided and the degree to which these services can be provided across the local population. This in turn impacts on the burden of service provision across the boundaries of health and social care. CCGs also face a range of challenges. In addition, the reliance of the North East on public sector employment and the slower levels of recovery experienced in the region also impact on the general health and wellbeing of the population with particular implications for mental health services.

While health funding continues to be protected in line with Gross Domestic Product (GDP) Deflator, as health service inflation picks up again over the coming years, the differential between growth funding and costs of delivery is eroded. This will be further compounded by the new national allocation formula, which reduces the allocation across all North East CCGs. While the impact of this and the increasing effect of NHS inflation are only likely to take hold from 2016 onwards, CCGs are already planning for the impact. CCGs are also required to retain 4% of overall allocation as surplus, contingency and non-recurring funding. As yet planning for release of non-recurring funding to support transition is not evident as CCGs look to manage underlying financial concerns, and this again reduces funds available to the local health economy.

Both elective and non-elective acute hospital activity continues to grow in the area, as does the spend on continuing healthcare. This puts pressure on other areas of funding including mental health.

From a provider perspective, the efficiency requirement remains at 4%. While Monitor has identified the opportunities for real efficiencies at 2%, there is an expectation that leakage in delivering prior years efficiencies will enable efficiencies to be delivered at the higher level included in tariff deflator. Leakage has not been experienced across mental health services locally, with full cash out delivery required year on year, and limited to no growth experienced in the funding of mental health and disability services. And while Parity of Esteem is a key part of Everyone Counts (2013), the disappointing decision to consider that the requirements of Francis and Keogh do not apply to mental health services, reduces funding further by 0.3%, which represents approximately £1m each year to the Trust.

Partners across the local health and social care economy are fully engaged in addressing the requirements of the Better Care Fund. While the opportunities for service quality improvement and the potential for efficiencies are evident through the integrated care agenda, the challenge lies in aligning incentives and delivery to ensure partner organisations are working together to deliver effective and coherent care pathways. This is not evident in the alignment of payment systems for the GP contract through primary care through to Payment by Results (PbR) and block contracts.

This presents challenges across the system in delivering triangulated and truly coherent operational plans in preparing for the implementation of the Better Care Fund and in aligning and fully describing integrated longer term strategies. The Trust is fully engaged in the integration agenda, and very much welcomes the opportunities that it brings. A recent study in Denmark showed that around 60% of people in acute hospital beds suffered from some form of mental illness of which only half were detected. Analysis of our service users shows a significantly disproportionate use of emergency services. The opportunities from the integration agenda are significant. However, if the local economy cannot deliver the expected reduction in hospital based, PbR funded activity, this may present further challenges to CCGs, which may disproportionately fall on those services not funded through tariff.

In the light of these challenges the Trust is set to continue its transformation programme, working alongside partners in health and social care. The Better Care Fund and integration agenda, while bringing potential risks across the health economy also represent an opportunity to further embed the transformation programme in a wider process of change across the health and social care economy.

2.4 Quality Plans

2.4.1 Forecast Health, Demographic and Demand Changes

The Trust's catchment population is projected to grow by 2.7% between 2009 and 2019. This compares with a national projected increase of 7.8% in England and a regional growth of 3.5% in the North East. Furthermore the pattern of population change is not equal across all age bands. There are significant projected falls in the age bands 15-24 and 40-49, which are greater than the falls predicted for England over the same timescale. In common with the rest of the country there are significant projected increases in the older population aged over 65. However, while the national population projected increase in this age group is 23.4% the increase in the Trust area is 19.1%.

The Trust recognises that this increase in catchment population is likely to be reflected in increased demand for services. It should be noted, however, that demographic changes are not directly proportional to an increase or decrease in prevalence of mental illness and learning disabilities within the population. For example, the decline in the number of working age adults in the area may not necessarily be associated in a reduction in demand as those with mental illness and learning disabilities are less likely to be in employment or migrate away from the area to find a job.

2.4.2 NHS Planning Guidance-"Everyone Counts"; Planning for Patients 2014/15-2018/19 (NHS England 2013)

This planning guidance published by NHS England sets out how it is proposed that the NHS budget is invested so as to drive continuous improvement and to make **high quality care for all, now and for future generations** into a reality. The planning guidance is bold in asking commissioners to work with providers and partners in local government to develop strong, robust and ambitious five year plans (of this Plan forms apart) to secure the continuity of sustainable high quality care for all, now and for future generations.

The ambition set out is to deliver the following specific measurable ambitions which are seen to be critical indicators of success:

- Securing additional years of life for those with treatable mental and physical health conditions;
- Improving the health related quality of life of the 15 million+ people with one or more long term conditions, including mental health conditions;
- Reducing the amount of time people spend avoidably in hospital through better and more integrated care in the community, outside of hospital;
- Increasing the proportion of older people living independently at home following discharge from hospital;
- Increasing the number of people with mental and physical health conditions having a positive experience of hospital care, care outside hospital, in general practice and in the community;
- significant progress towards eliminating avoidable deaths In hospital caused by problems in care.

Additionally there are three more key measures that are identified as vitally important:

- Improving health with all stakeholders addressing these issues through Health and Wellbeing Boards;
- Reducing health inequalities ensuring that the most vulnerable in our society get better care and better services, often through integration in order to bring an acceleration in improvement in their health outcomes;
- Moving towards parity of esteem, making sure that there is a focus upon improving mental health as well as physical health.

It is acknowledged that fulfilling these long term ambitions will require transformational change with the NHS meeting the challenge of finding ways of raising the quality of care to the best international standards whilst closing a potentially funding gap of around £30 billion by 2020/21.

With regard to specialised services NHS England highlight that for those who need them specialised services for less common disorders need be concentrated in centres of excellence where the highest quality of care can be provided. As a provider of a portfolio of specialised services the Trust will work closely with NHS England in this regard.

Overall the Trust welcomes the emphasis within the planning guidance on mental health, the acknowledgement of the need for parity of esteem, making sure that there is a focus upon improving mental health as well as physical health and the need for transformational change, a key theme which underpins this Plan and the Trust's 5 year Strategic Plan.

2.4.3 National and Local Commissioning Priorities

The Trust has analysed Commissioner Intentions by reviewing existing plans and the current strategies which are relevant to the Trust have been identified. Following discussion in early 2012, Newcastle North and East CCG, Newcastle West CCG, and Gateshead CCG have agreed to work on their principles of "delivering locally, assuring together", and to celebrate differences and exploit similarities by working at scale. The three CCG's work together as The Alliance, but have individual Commissioning Plans based around the 5 Domains of the NHS Outcomes Framework:

1. Preventing people from dying prematurely;
2. Enhancing quality of life for people with long term conditions;
3. Helping people to recover from episodes of ill health or following injury;
4. Ensuring that people have a positive experience of care;
5. Treating and caring for people in a safe environment and protecting them from avoidable harm.

The Commissioner Intentions set out by Commissioners are consistent with the Trust's strategic direction and Table 2 below summarises the Commissioner Intentions and relevance to the Trust's Strategy.

Table 2: Commissioners Strategies and Commissioner Intentions

	Overall objectives/priorities	Relevant to NTW
Newcastle West Clinical Commissioning Group	1. Mental Health, Learning Disabilities and Autism: • Health Outcomes - Enhanced recovery and/or support to manage condition • Quality of Life - Enable more people to live their lives to their full potential • Early Intervention - Improve health and wellbeing through prevention and early intervention 2. Children and Young People: • Early Intervention - Improve long term health outcomes through early intervention • Complex Needs – Develop and implement a high quality, accessible integrated health and social care pathway for children and young people with complex care needs • Emotional Health – Enhance emotional wellbeing of children and young people 3. Older People: • Provision of a high quality, safe, integrated health and social care pathway • Enhanced Management Older People with complex needs outside of hospital	• Model the future configuration of in-hospital and out-of-hospital care for people with mental health needs • To implement and improve provision of diagnostic autism services according to NICE guidance for people with Autism. • Work with Local Authority (LA) to map current dementia provision and identify strategic priorities for implementation. • Develop service and procurement options to enable a single point of access to primary care psychological therapies. • Support LA review of substance misuse and alcohol pathways across primary and secondary care. • Map current crisis provision and explore collaborative options for future pathway and service specification. • Ensure primary care mental health psychology is disaggregated then review remaining health psychology services. • Review capacity of mental health provision and models for working within the acute setting • Explore procurement options for Child and Adolescent mental health services. • To develop effective transitional pathways of care for children with complex needs. • Roll out Health Quality Checkers to improve access to information and care and to reduce inequalities for people with learning disabilities. • Work with LA to commission individual packages of care in the local community for people with Learning Disabilities and Autism whose behaviours that challenge require a flexible service (Winterbourne View). • Continue the process of implementation of new payment systems for mental health across contracts
Newcastle North and East Clinical Commissioning Group	1. Improve prevention and wellbeing for all residents of Newcastle; 2. Delivering care closer to home; 3. Making services more joined up.	• Whole system transformational programme for Adult Mental Health through establishing a Mental Health Programme Board with Commissioners and Providers to reduce reliance on hospital services and to improve overall health and wellbeing of people with Mental Health Conditions. • Develop psychological interventions such as CBT and Talking Therapies • Implement recommendations from Winterbourne View • Improve the physical health and reduce inequalities of people with learning disabilities • Commissioner Universal Tier 2 CAMHS service on a collaborative basis with the Wellbeing for Life Board • Review the future of the pilot Veterans Wellbeing Assessment and Liaison Service (VWALS)

	Overall objectives/priorities	Relevant to NTW

Gateshead Clinical Commissioning Group	1. Preventing people from dying prematurely;
	
	2. Enhancing quality of life for people with long term conditions;
	
	3. Helping people to recover from episodes of ill health or following injury;
	
	4. Ensuring that people have a positive experience of care;
	
	5. Treating and caring for people in a safe environment and protecting them from avoidable harm.
		• Review CAMHS services
		• Ensure that children are supported as they transition into adult services
		• Implement Community Acquired Brain Injury Service
		• Review and reform mental health services in Gateshead including:
		  ◦ Agree an adult mental health model of care including inpatient configuration
		  ◦ Further development of primary care mental health services
		  ◦ Further development of IAPT services
		  ◦ Continue to implement the national dementia strategy
		  ◦ Review configuration of long stay inpatient care for older people to avoid duplication
		• Continue the process of implementation of new payment systems for mental health across contracts

North Tyneside Clinical Commissioning Group	1. Promoting wellbeing through preventative healthcare; 2. Delivery care locally in primary community and home settings by improving pathways for planned and unplanned care; Promoting self-care and care planning.	• Improve care for people with dementia • Deliver an improved psychological therapies service for patients • Improve transition from Children's to Adult Mental Health Services • Review the future of the pilot Veterans Wellbeing Assessment and Liaison Service (VWALS) • Implement the findings of the Winterbourne View review and the Francis Report • Develop an action plan with the Local Authority services for people who have a learning disability, autism or have a condition or behaviour that challenges NHS funded care; incorporating key recommendations from the Winterbourne View Concordat
Northumberland Clinical Commissioning Group	1. Deliver clinically led, patient focused and evidence based commissioning of healthcare services; 2. Create and improve integrated patient pathways that deliver care seamlessly across organisational boundaries; 3. Assure that providers deliver the safety, quality, performance and outcomes required. An Integration Board has been established with Northumberland County Council and other stakeholders to drive the delivery of integrated care and hold the health and social care system to account for its delivery, focused on agreed outcomes.	• Develop and commission a care pathway to support expected earlier diagnosis into Child & Adolescent Mental Health Services (CAMHS) • Implementation of the Dementia Strategy • Enhance and improve access to health checks • Introduction of an Autism Diagnosis Service • Improve access to interpersonal therapy (IPT) • Ensure people have services available to support their psychological and physical wellbeing throughout their life time • Integration Board is focusing on avoidance of unnecessary admissions to hospitals and care homes, together with reablement and rehabilitation for older people with complex needs.

	Overall objectives/priorities	Relevant to NTW
South Tyneside Clinical Commissioning Group	1. Seamless planned care pathways integrated within and across organisations; 2. Streamlined urgent care services with a single point of access; 3. Partnership delivery of personalised care and independent living for patients with long term conditions; 4. Personalised care plans in mental health based on a stepped care approach with timely access to services; 5. Improve the quality of prescribing and deliver agreed efficiencies.	• Identification and treatment of mental health problems in people with long term conditions • Re-provision of mental health inpatient/outpatient unit at Cherry Knowle (Hopewood Park) • Dementia Strategy implementation • Physical health care checks for those with learning disabilities • Development of Tier 2 CAMHS service provision • Continue the process of implementation of new payment systems for mental health across contracts
Sunderland Clinical Commissioning Group	1. Play an active role in the delivery of the health and wellbeing strategy; 2. Every practice to optimise screening and early identification opportunities; 3. Integrated tiered approach to mental health across the whole healthcare system; 4. Integrated urgent care response easily accessible at the appropriate level; 5. Improve quality of care for long term conditions across the whole systems; 6. Provide more planned care closer to home; 7. Facilitate every practice to systematically improve the quality of prescribing adhering to evidence based guidelines; 8. Encourage every practice to operate to agreed standards and pathways working collaboratively with partners.	• Physical Health checks in primary care for people with learning disabilities • Re-provision of inpatient, outpatient and community services • Mental health model of care • Autism spectrum disorder service • Identification of mental health conditions in long term care • Implement mental health within suicide strategy • Care Pathways and Packages Payment by Results (PbR) for mental health • Repatriation of high cost out of area placements • Adult attention deficit and hyperactivity disorder service. • Continue the process of implementation of new payment systems for mental health across contracts
NHS England **Commission specialised services via Cumbria, Northumberland Tyne and Wear Area Team (AT)**	1. Preventing people dying prematurely; 2. Enhancing quality of life for people with long term conditions; 3. Helping people recover from episodes of ill health or following injury; 4. Ensure people have a positive experience of care; 5. Treat and care for people in a safe environment and protect them from avoidable harm.	• Re-commissioning on Personality Disorder Services • Re-commissioning of Medium Secure Forensic Services • Review of Eating Disorder Service Model

2.4.4 Competition and assessment of the Trust's strengths and weaknesses relative to key competitors

The Trust faces competition from providers in the public and private sector across all service lines. These comprise:

- NHS Mental Health, Learning Disability, and Acute foundation trusts;
- Local Authorities;
- Independent (private) sector organisations;
- Community and Voluntary Sector Organisations and Third Sector Organisation Trading Arms;
- Care homes and housing associations;
- Private individuals.

Of the NHS organisations identified, two neighbouring mental health NHS foundation trusts and local acute trusts that have absorbed mental health services as part of the vertical integration of PCT provider arms, are perceived to be the Trust's principal NHS competitors. It should be noted that many of these competing NHS providers appear to provide a similar portfolio of services to the Trust.

The independent sector is characterised by a growing presence within the region, two specific groups having developed a strong presence. Both of these organisations are perceived to present a significant threat as they are starting to develop a critical mass within the area and are delivering a widening portfolio of services.

A number of voluntary sector competitors were also identified that pose a threat to the Trust. These organisations provide alternative provision for our learning disabilities services, many of which we plan to divest from. Our main threat in this regard is our ability to manage change and to redeploy our staff to deliver more specialist models of care.

The Trust has, however, developed partnerships with NHS organisations, the community voluntary sector, and independent sector which we highly value.

The challenging financial environment for Specialised Services Commissioning nationally and the stated aim in Everyone Counts (2013) to reduce and consolidate in the number of specialised services centres, will generate an increasingly competitive environment in this sector over the next two to three years. It is expected that specialised commissioning will need to generate savings of 9% in each of the nest two years. Currently around 20% of the Trust's income is received for nationally defined Specialised Services, including Medium Secure Forensics services for adults and children, and Neuro-Disability Services. A key challenge for the organisation is to ensure that these services are ready to manage an increasingly competitive environment and indeed to thrive within it.

The Trust has undertaken a comprehensive market assessment through which it has built a picture of its position in the market place. This has provided the context for our plans for service developments. The key factors driving demand over the next 5-10 years are an increase in our local population with an attendant increase in the number of people with mental health problems and learning disabilities.

Benchmark data has been used to understand how our service compares to other providers. These sources confirm that the Trust performs well relative to others, and is particularly strong in terms of the clinical quality of the services. Data from the Care Quality Commission patient surveys have been used to consider perceptions of the Trust. The data indicates an extremely high level of patient satisfaction with our services.

Benchmarking data however also however confirms that we have a higher number of inpatient beds per head of population than other comparable providers and that we spend a disproportionate amount of resources on our inpatient services than our community services. We acknowledge that we need to radically change our community service pathways to support individuals out of hospital in order to realign the balance of resource utilisation and maximise the use of our resources to the benefit of our patients.

All of the above information has been used to underpin and add objective weight to our strengths, weaknesses, opportunities and threats and inform our decision making regarding the Trust's Strategy, Service Transformation Programme and the service development priorities highlighted in this Plan.

2.5 The Trust's Clinical Strategy (the Transformation of Services)

In acknowledgement of the need to radically change and improve the way we provide services the Executive Directors asked a group of clinicians from across the organisation to form a Clinical Project Group to draw together all of the evidence and best practice relating to service provision, to seek feedback from a range of interested parties in mental health and disability services, to produce a vision for future services that truly does what is right for service users and carers. The result (the Service Model Review) is a high level model, which is underpinned by a single set of values and principles key to its quality and success.

Our service redesign is underpinned by information derived from the Care Pathways and Packages approach which is mandated by the Department of Health and endorsed by the Trust. It ensures that service users consistently receive the right service, at the right time and in the right place: depending on the nature of the problem, the level of complexity, the urgency and the risk. The fundamental aspects of the model include:

- Improved access to services;
- Stepping up and stepping down the intensity of care according to need;
- Scaffolding the clinical workforce

The success of this model depends on the Trust's ability to implement all aspects of it. The key recommendations from the Clinical Project Group form the basis of the Trust's Clinical and Quality Strategy which is as follows:

- **Reconfigure Services**
- **Develop and improve clinical systems and processes**
- **Increase the capacity and capability of the clinical workforce**

The environment in which the Trust now works is such that we have to improve the quality of services whilst at the same time reducing our costs by 4% year on year. The Trust's spend on the provision of its inpatient services is £92.2m compared to £84.8m on its community services, this means that at any time 3% of patients are consuming 52% of resources. Many inpatients don't necessarily need to be in an inpatient service but there are not always the necessary community services to support them out of hospital. The Trust is therefore committed to working with Commissioners to rebalance resources, improving community pathways/services and reducing the reliance on inpatient beds thereby balancing resources to maximise quality over cost.

The Trust's Transforming Services Programme is the vehicle for implementing the new service model, improving community pathways and reducing the reliance on inpatient beds and providing sustainable specialist services.

The Programme is configured as a set of delivery projects that will change over time, supported by a central clinical reference group and a communications and engagement group. The objectives of each component element of the Programme over the period of this Plan are summarised below. Key milestones, risks and mitigation strategies are shown in the Service Development Schedule (Table 3).

Principal Community Pathways Programme

The Principal Community Pathways Programme is responsible for implementing the changes required across all community services in order to deliver new community-based care pathways. This includes improving access to services.

The Programme commenced in 2013/14 the design, testing and implementation of effective, evidence based interventions focussed on recovery and effective support for people to live and work in their own communities with the aim of reducing reliance on hospital beds in Sunderland and South Tyneside.

This work will be rolled out across Newcastle, Northumberland, Gateshead and North Tyneside over the period of this Plan. The Programme will redesign services to meet the following needs in adults: Psychosis; Non-psychosis; Cognitive Disorders and Learning Disability.

The PRiDE Development (including the reprovision of Cherry Knowle Hospital)

The PRiDE development (providing improved mental health and learning disability environments in Sunderland and South Tyneside) is a keenly awaited development to provide state of the art, inpatient and support services to replace the Cherry Knowle Hospital. The Specialist Care Dementia Centre at Monkwearmouth Hospital opened in November, 2013 and Hopewood Park is due for completion in July, 2014.

During 2014/15 the Trust will therefore be focusing on the final realignment of adult assessment and treatment services, older people's and stepped care services across South of Tyne into Hopewood Park, in line with the agreed South of Tyne Model of Care including:

- The redesign of Stepped Care Services (Move on/ Relapse Prevention Services) South of Tyne bringing together inpatient provision in Hopewood Park supported by additional investment in the Community Rehabilitation Service;
- The rationalisation of the Sunderland and South Tyneside Dementia Services optimising the use of the new Dementia Care Centre at Monkwearmouth Hospital;
- The realignment of the secondary care pathway South of Tyne (assessment and treatment services) optimising the use of Hopewood Park;
- The rationalisation of older people's functional in patient services South of Tyne optimising the use of Hopewood Park;

Augmentation Programme

The Augmentation Programme includes leading on the design and implementation of the future configuration of inpatient services based on patient need. This forms the cornerstone of augmenting services as articulated in the Service Model Review. The Trust has already made significant progress in this programme of work achieving the following during 2013/14:

- The review of the dementia care pathway in Newcastle, particularly long term care provision, with the aim of the Trust focusing its service and resources on the provision of care to those at an earlier stage of the illness who may exhibit challenging behaviour;
- The review of long term complex care services North of Tyne as a part of the move towards an improved stepped care pathway;
- Expansion of hospital liaison services in Sunderland in line with the recognised Rapid Assessment, Interface and Discharge (RAID) model;
- Realignment of female adult mental health assessment and treatment services in North of Tyne, in line with demand.

Over the period of this Plan the Trust will continue to progress the programme of work, subject to Commissioner approval and, where required, the outcome of consultation, including the following:

- Completion of the review of the dementia care pathway in Newcastle;
- The redesign of Stepped Care Services (Move on/ Relapse Prevention Services) North of Tyne bringing together inpatient provision for Newcastle and North Tyneside into one unit on the St. Nicholas Hospital site;
- Consolidation of the Trust's two existing Psychiatric Intensive Care Unit Services into a purpose built unit at Hopewood Park;
- Establishment of a specialist Augmentation Personality Disorder (PD) Hub Team;
- Development of a male High Dependency Unit for the North of Tyne and a female High Dependency Unit to serve both the North and South of Tyne;
- Further expansion of hospital liaison services across localities in line with the recognised Rapid Assessment, Interface and Discharge (RAID) model.

The implementation and roll out of Principal Community Pathways in 2013/14 and 2014/15, with evidence based interventions focussed on recovery and more effective support for people to live and work in their own communities, will:

- Result in improved quality outcomes and experience for service users accessing community services and their carers leading to;
- A reduced need for inpatient services;
- A reduction in the number of beds (around 400 beds), wards and Hospital sites;
- Improved quality environments.

During 2013 the Board of Directors therefore asked a group of senior clinicians, managers and service users to help model the options available with regard to the future configuration of services and Hospital sites in the light of the roll out of Principal Community Pathways and the anticipated reduced demand for inpatient services. It was agreed that the options must satisfy three principal objectives:

- Clinical Fit - is the solution clinically appropriate;
- Safety-is the solution safe;
- Financial viability-is the solution affordable.

A long list of options were evaluated to produce a shortlist of options and further workshops were then held to consider the merits of the four shortlisted options. During 2014/15 the Trust will be consulting on the next phase of the inpatient bed model and the outcome of this will shape the next phase of the Augmentation Programme which, subject to the outcome of consultation, will be implemented during 2015/16 and 2016/17.

Specialist Care Services Programme

The Specialist Care Services Programme is responsible for ensuring the Trust retains sustainable specialist services as part of the overall service model and over the period of this Plan the work of this programme will include, subject to commissioner approval and, where required, the outcome of consultation, the following:

- The further review of Neurological Services to ensure long term sustainability including the review the future of Heppell House, a 4 bedded Head Injury Unit in Corbridge offering long term rehabilitation and care;
- Review of the Children's and Young People's Medium Secure and Forensic Outreach Services;
- Reviewing the Trust's Forensic Services to ensure long term sustainability including developing a Specialist Learning Disability Community Transitions Team to support and expedite the discharge of patients in Learning Disability Forensic inpatient services from North and South of Tyne (re-providing the existing Hebron service);
- Securing capital to support the development of a purpose built assessment and treatment unit for people with Autism;
- Review of the Regional Affective Disorder Service, including the potential to relocate and expand the inpatient service;
- Establishment of an Attention Deficit Hyperactivity Disorder (ADHD) service on a sustainable basis (pilot service currently provided);
- Reconfiguration of Eating Disorder Services

The Specialist Care Services Programme will also work with NHS England with regard to their strategy and proposals for specialised commissioning.

Social and Residential Services

In terms of the Trust's Social and Residential Services over the period of this Plan the Trust will:

- Progress the next phase of the review of Northumberland Adult Residential Mental Health Care Services;
- Review of Northumberland Mental Health Day Services.

Corporate Services Programme

The Trust's Corporate Services provide direct support to clinical services and also ensure that the Trust meets the requirements of external partners and complies with the law, regulatory/compliance frameworks and performance monitoring and reporting frameworks which are applicable to us as an NHS Foundation Trust.

The Trust is committed to improving the quality of services provided by our corporate services whilst at the same time reducing the costs incurred in providing these services.

As clinical services are re-designed and reshaped through our Transformation of Services Programme so too must Corporate Services, they must work in different ways and be provided as efficiently and effectively as possible.

Over the period of this Plan the Corporate Services Programme will commence a programme of work to focus on the realignment of the existing corporate services model and methods of delivery to support the priorities and objectives of the Trust's service model.

The Trust's Service Development Plans over the period of this Plan, including an assessment of the inputs needed and resource implications, are shown in Table 3.

Table 3: Service Development Plans 2014-2016 and 2017

Ref	Development	In IBP 2012?	Key Actions	Key Risks	Regulatory requirements	Resource impact							Measures to track and assess
						Activity	Finance			CIP	Staff	Site	
							Income	Costs	Capital				
1.	**Principal Community Pathways Programme**												
1.1	Principal Community Pathways (PCP) (Non psychosis, psychosis, cognitive disorders, learning disability) Tranche 1	Yes	Roll out of PCP in Sunderland and South Tyneside Year 2014/15 Roll out of Access in Sunderland and South Tyneside by November 2014 Embedding model Year-2015	Managing the leadership and cultural change Unable to realise benefits quickly enough to align with other key strategic drivers Developing an equitable service in an inequitable commissioning system	CQC Registration for new bases	✓	✓	✓	No	No	✓	✓	PCP Board Access Board CQUIN delivery
1.2	Principal Community Pathways (PCP) (Non psychosis, psychosis, cognitive disorders, learning disability) Tranche 2	Yes	Preparation for roll out of PCP in Newcastle, Gateshead, Northumberland and North Tyneside Year 2014/15 Roll out of PCP in Newcastle, Gateshead, Northumberland and North Tyneside Year 2015/16 Implement Access in Northumberland and North Tyneside from Jan 2014 Implement Access in Gateshead and Newcastle by April 2015 Embedding Mode Year-2016/17	Adequate resources to prepare for roll out of PCP across four localities Managing the leadership and cultural change Unable to realise benefits quickly enough to align with other key strategic drivers Trying to develop an equitable service in an inequitable commissioning system	CQC Registration for new bases	✓	✓	✓	No	No	✓	✓	PCP Board Access Board CQUIN delivery

Ref	Development	In IBP 2012?	Key Actions	Key Risks	Regulatory requirements	Resource impact							Measures to track and assess
						Activity	Finance			CIP	Staff	Site	
							Income	Costs	Capital				
2.	**Augmenting Services Programme**												
2.1	PRIDE – Hopewood Park	Yes	Completion of construction and commissioning of new facilities. Year-2014/15	Slippage/ Cost over run	CQC Registration	✓	✓	✓	✓	No	✓	✓	PRIDE Project Board
2.2	Expansion of Hospital Based Liaison Services/RAID model	Yes	Work with Commissioners and local NHS Foundation Trusts to expand the concept of RAID into local Acute Hospitals. Year-2014/16	Ability of Commissioners and/ or Acute providers to fund Developments. Ability to recruit appropriate level of skilled practitioners	CQC Registration	✓	✓	✓	No	No	✓	✓	Urgent Care Liaison Board Urgent Care Management Group
2.3	Improving the Adult Acute Mental Health In Patient Pathway South of Tyne	Yes Part of PRiDE	Provide integrated model of care based on more specialised and better resourced inpatient services focused on the new purpose built facilities at Hopewood Park Year-2014/15.	Demand for inpatient services cannot be met within Hopewood Park Outcome of consultation Clinical presentation of client group impacting on potential moves	CQC Registration	✓	✓	✓	No	✓	✓	✓	Urgent Care Management Group Augmenting Services Programme Board
2.4	Consolidation of Psychiatric Intensive Care Units (PICU) (Interim Scheme)	Yes Part of PRiDE	Consolidate PICU services in a new purpose built PICU at Hopewood Park and as a part of this scheme increase staffing establishments on existing acute wards to support “extra care facilities”. Year-2014/15	Demand for PICU provision cannot be met within Hopewood Park Outcome of consultation Clinical presentation of client group impacting on potential change in model Other key elements of the patient pathway not being available (HDU)	CQC Registration	✓	✓	✓	No	✓	✓	✓	Urgent Care Management Group Augmenting Services Programme Board

Ref	Development	In IBP 2012?	Key Actions	Key Risks	Regulatory requirements	Resource impact							Measures to track and assess
						Activity	Finance			CIP	Staff	Site	
							Income	Costs	Capital				
2.5	Improve the provision of Older People's Functional Inpatient services South of Tyne and transfer South of Tyne Complex Care Services to Hopewood Park	Yes Part of PRiDE	Remodel the provision of Older People's functional and complex care services to more accurately reflect clinical need. This will result in the development of new service types. Year-2014/15	Demand for these services cannot be met within the new service provision. Outcome of consultation Clinical presentation of client group impacting on potential moves	CQC Registration	✓	✓	✓	No	✓	✓	✓	Urgent Care Management Group Augmenting Services Programme Board
2.6	Redesign of Stepped Care Services South of Tyne-Move On/Relapse Prevention Services	Yes Part of PRiDE	Implement Stepped Care Strategy and redesign of Stepped Care Services -Move On/Relapse Prevention Services providing one unit in suitable accommodation at Hopewood Park. This development will be supported by additional investment in Community Rehabilitation Services. Year-2014/15	Demand for inpatient services cannot be met within Hopewood Park Outcome of consultation Clinical presentation of client group impacting on potential moves	CQC Registration	✓	✓	✓	✓	✓	✓	✓	Planned Care Management Group Augmenting Services Programme Board
2.7	Redesign of Stepped Care Services North of Tyne – Move On Relapse Prevention Services (Phase 2)	New	Implement Stepped Care Strategy and redesign of Stepped Care Services -Move On/Relapse Prevention Services providing one unit on the St. Nicholas Hospital Year-2014/15	Outcome of consultation Objection to loss of the Grange, a local service.	CQC Registration		✓	✓	✓	✓	✓	✓	Planned Care Management Group Augmenting Services Programme Board

Ref	Development	In IBP 2012?	Key Actions	Key Risks	Regulatory requirements	Resource impact							Measures to track and assess
						Activity	Finance			CIP	Staff	Site	
							Income	Costs	Capital				
2.8	North of Tyne Male High Dependency Unit (HDU)	New	Implement Stepped Care Strategy and secure Commissioner approval for the development of a Male HDU. 2014/15 Develop North of Tyne Male HDU Year-2014/15	Key partner support for the rationalisation of services Service users unable to move on Outcome of consultation	CQC Registration	✓	✓	✓	✓	No	✓	✓	Planned Care Management Group Augmenting Services Programme Board
2.9	Trust-wide Female High Dependency Unit	Yes Part of PRiDE	Implement Stepped Care Strategy and secure Commissioner approval for the development of a Trust wide female HDU. Year-2014/15 Develop Trust-wide female HDU Year-2014/15	Service users unable to move on Outcome of consultation	CQC Registration	✓	✓	✓	✓	No	✓	✓	Planned Care Management Group Augmenting Services Programme Board
2.10	Rationalisation of the Newcastle Dementia Pathway/Relocation of Dementia Inpatient Services	New	Progress the implementation of the Dementia Care Strategy and close Challenging Behaviour service, transfer the Assessment Service from Castleside to Ashgrove Year-2014/15	Safe transfer of patients with challenging behaviour into other facilities Outcome of consultation	CQC Registration	✓	✓	✓	No	✓	✓	✓	Planned Care Management Group Augmenting Services Programme Board
2.11	Rationalisation of the Sunderland and South Tyneside Dementia Pathway	Yes Part of PRiDE	In the light of the opening of the new Dementia Care Centre at Monkwearmouth Hospital/ investment in Community Challenging Behaviour Teams close Penshaw Ward at Monkwearmouth Hospital Year-2014/15	Outcome of consultation Some patients will be transferred into nursing homes, if they chose to take this option-transitional support will be provided.	CQC Registration	✓	✓	✓	No	✓	✓	✓	Planned Care Management Group Augmenting Services Programme Board

Ref	Development	In IBP 2012?	Key Actions	Key Risks	Regulatory requirements	Resource impact							Measures to track and assess
						Activity	Finance			CIP	Staff	Site	
							Income	Costs	Capital				
2.12	Development of a Personality Disorder (PD) Augmentation Hub Team	New	Develop a PD service which will support the most challenging services users in the community, reducing reliance on inpatient beds Year-2014/15	Approval by all Commissioners/Secure funding	CQC Registration	✓	✓	✓	No	No	✓	✓	Planned Care Management Group
2.13	Reconfiguration of sites	New	Develop outline proposals and consult on options Year-2014/15 Implement identified option Year-2015-2017	Outcome of consultation Commissioner Approval	CQC Registration	✓	✓	✓	Yes	✓	✓	✓	Transforming Services Programme Board
3.	**Specialist Care Services Programme**												
3.1	Review of Neurological Services, including Heppell House, Corbridge	Yes Part of review of Specialist Services	Review all Neurological services to ensure they are of high quality and sustainable Year-2014/15-2015/16 Review service user needs at Heppell House and identify the best service model to meet their increasing complex needs. Work with Commissioners, service users, carers and staff to Implement the agreed service model. Year-2014/15	Staff engagement Commissioning arrangements Outcome of consultation	CQC Registration/ De-registration	✓	✓	✓	No	✓	✓		Transforming Services Programme Board

Ref	Development	In IBP 2012?	Key Actions	Key Risks	Regulatory requirements	Resource impact							Measures to track and assess
						Activity	Finance			CIP	Staff	Site	
							Income	Costs	Capital				
3.2	Review of Children and Young People's Medium Secure Services, including Forensic Outreach Services	Yes Part of review of Specialist Services	Review Children and Young People's Medium Secure Services to ensure they are of high quality and sustainable Year-2014/15 Work with Commissioners on the development of Forensic Outreach Services on a pilot basis Year-2014/15	Outcome of consultation Commissioners intentions to tender Forensic Outreach Services in the medium term	CQC registration	✓	✓	✓	No	✓	✓	✓	Transforming Services Programme Board
3.3	Review of Forensic Services including development of diversion services and Hebron Pathway development	Yes Part of review of Specialist Services	Review all Forensic services to ensure they are of high quality and sustainable Year-2014/15-2015/16 Secure Commissioner support for the development of a Specialist Forensic Learning Disability Community Transitions Team, establish Team and close the Hebron Unit at Northgate Hospital. Year-2014/15 Identify and respond to opportunities to develop diversion services Year-2014/15 - 2015/16	Staff capacity to support review process Outcome of consultation Commissioner support for the development of a Specialist Forensic Learning Disability Community Transitions Team, Competition from other providers	CQC registration	✓	✓	✓	Poss	✓	✓	✓	Transforming Services Programme Board

Ref	Development	In IBP 2012?	Key Actions	Key Risks	Regulatory requirements	Resource impact							Measures to track and assess
						Activity	Finance			CIP	Staff	Site	
							Income	Costs	Capital				
3.4	New Assessment and Treatment Unit for people with Autism	Yes	Develop new build for the Autism service on the Northgate Site Year-2014/15 - 2015/16	Slippage/Cost over run Implications of Winterbourne View	CQC registration	✓	✓	✓	✓	✓	✓	✓	Autism Project Team Specialist Care Services Management Group Board of Directors
3.5	Review of the Regional Affective Disorders Service	Yes Part of review of Specialist Services	Review the demand for the service and explore the feasibility of Increasing the existing inpatient bed provision. Year-2014/15 Subject to the outcome of the review develop plans to relocate the service to support the service development in line with the Trust's Estates Strategy Year-2014/15	Independent commissioner referral to service for additional beds (ie not commissioned by one set of CCGs) Outcome of consultation	CQC registration	✓	✓	✓	Poss	✓	✓	✓	Transforming Services Programme Board

Ref	Development	In IBP 2012?	Key Actions	Key Risks	Regulatory requirements	Resource impact							Measures to track and assess
						Activity	Finance			CIP	Staff	Site	
							Income	Costs	Capital				
3.6	Development of an Integrated Attention Deficit Hyperactivity Disorder (ADHD) Service	New	Develop a service model to provide a service across that ADHD pathway from Children's and Young Peoples Services into Adult services Year-2014/15	Commissioner approval/Secure funding	CQC registration	✓	✓	✓	Poss	No	✓	✓	Specialist Care Services Management Group
3.7	Reconfiguration of Eating Disorder Services	Yes Part of review of Specialist Services	Develop an intensive day service Year-2014/15	Commissioner approval/Secure funding	Possible CQC registration	✓	✓	✓	Poss	No	✓	✓	Specialist Care Services Management Group
4.	**Social and Residential Services**												
4.1	Review of Northumberland Adult Residential Mental Health Care Services (Phase 2)	Yes	Work with Northumberland County Council to review and transfer the remaining homes to alternative providers Year-2014/15	Stakeholder approval Transfer of staff under TUPE Outcome of consultation	CQC registration	✓	✓	✓	No	No	✓	✓	Transforming Services Programme Board
4.2	Review of Northumberland Mental Health Day Services	New	Review Northumberland Mental Health Day Services, in partnership with stakeholders and agree strategy for the redesign of the services. Implement the redesign of the services. Year-2014/15	Stakeholder approval Outcome of consultation	CQC registration	✓	✓	✓	No	No	✓	✓	Planned Care Management Group

Ref	Development	In IBP 2012?	Key Actions	Key Risks	Regulatory requirements	Resource impact							Measures to track and assess
						Activity	Finance			CIP	Staff	Site	
							Income	Costs	Capital				
5. Corporate Services Programme													
5.1	Review of Corporate Services	New	Review of Corporate Services in context of wider Transformation of Service Programme Year-2014/15 - 2015/16	Engagement with staff in the review process Outcome of consultation re new ways of working Continued compliance with statutory and regulatory requirements throughout the process	Continued compliance with statutory and regulatory requirements	No	No	✓	No	✓	✓	✓	Transforming Services Programme Board

2.6 The Trust's plans to secure its market position

Over the period of this Plan the Trust will continue to work with Commissioners on their review of services and tender for services, including new business, in line with its Marketing Strategy.

2.7 The Trust's Quality Goals

The organisation's Quality Goals underpin the provision of all of the Trust's services and achievement of the Quality Goals throughout the period of service transformation is a priority.
Using feedback from complaints, compliments and serious untoward incidents the views of the Council of Governors, our patients, service users, staff and partners we identified three Trust wide Quality Goals covering the period 2009-2014 based on safety, patient experience and clinical effectiveness.

- **Quality Goal One: Reduce incidents of harm to patients;**
- **Quality Goal Two: Improve the way we relate to patients and carers;**
- **Quality Goal Three: Ensuring the right services are in the right place at the right time for the right person;**

The Executive Director of Performance and Assurance has overall responsibility to lead the production and development of the Quality Account/Report. A formal review process has been established with drafts of the Quality Account/Report being formally reviewed through the Trust's governance arrangements as well as being shared with partners. The Trust has put controls in place to ensure the accuracy of the data used in the Quality Account/Report. Table 4 below outlines the Trust's new Quality Priorities for 2014/15, the 2013/14 Quality Priorities not achieved by the 31st March 2014 will also be carried forward.

Table 4: New Quality Priorities for 2014/15

Quality Goal One: Reduce incidents of harm to patients
To improve the assessment and management of risk.
Quality Goal Two: Improve the way we relate to patients and carers
To improve the referral process and the waiting times for referrals for multi-disciplinary teams.
Quality Goal Three: Ensuring the right services are in the right place at the right time for the right person
To widen the roll out across the Trust of the Wellness Action Recovery Plan (WRAP) tool.
To improve service user recovery-using the Improving Recovery Through Organisation Change (ImROC)10 Key Challenges To Support Service User Recovery Tool

2.8 Outline of existing quality concerns/plans to address them

The principal risks are considered as those rated over 15 at a corporate level on the standard 5 by 5 risk assessment measure. Table 5 summarises the key quality risks/concerns and the key controls as reported in the Board Assurance Framework and Corporate Risk Register. All quality risks/concerns identified below are considered as in year and future risks.

Table 5: The Trust's Key Quality Risks, including those inherent in the Plan and Key Controls

Reference	Key Quality Risk/Concerns	Key Controls
SO1.1	That we do not develop and correctly implement service model changes	Evidence base developed through Service Model Review Governance arrangements, including programme management structure under Trust Programmes Board. Clinical Reference Group Business Case Process
SO1.2	That we do not effectively engage commissioners and other key stakeholders leading to opposition or significant delay in implementing service model review changes and other major planned service changes	Partnership arrangements, including Customer Relationship Management, Engagement with Clinical Commissioning Groups Membership of Health and Wellbeing Boards for 4 out of 6 localities Staff Side Engagement & Partnership Agreement Service User & Carer Network Groups Community Strategy
SO2.7	That we do not meet compliance and performance standards and/or misreport on these through data quality errors	Financial and Performance Management reporting systems; other business critical systems Trust Essential Standards Working Group Group Governance – Q&P Committees / Essential Standards sub groups Quality Accounts – Action Plan Data Quality Policy
S02.10	That we do not effectively monitor & review progress in implementing the IBP(2012) and Supporting Strategies	Performance Management Framework Programme Governance Arrangements Project Management Structure for Capital Schemes
SO3.1	That we do not effectively manage significant workforce and organisational changes, including increasing staff productivity.	Workforce Strategy Workforce Programme Board Workforce KPIs monitored through Q&P Committee Group/Directorate Workforce Plans Time & Attendance and e-rostering system Transitional Employment & Development Approach (TED) Revalidation process
SO5.1	That there are risks to the safety of service users and others if the key components to support good patient safety governance are not embedded across the Trust	Monitoring of Quality Account Goal 1 (reducing harm to patients) Complaints, Litigation, Incidents, PALS and Point of You (CLIPP) reporting system in place across Clinical Services. Patient Safety Incidents reporting system, including Serious Untoward Incidents Incidents Policy Infection Prevention and Control Policy and Practice Guidance Notes Medicines Management Policy and Practice Guidance Notes Safety Alerts Policy

Reference	Key Quality Risk/Concerns	Key Controls
SO5.2	That there are risks to the safety of service users and others if we do not have safe and supportive clinical environments	Care Quality Commission inspections and action plans Clinical Environment Risk Assessment (CERA) process Capital programme to improve facilities
SO5.3	That there are risks to the safety of service users and others if the key components to support good care co-ordination are not embedded across the Trust	Care Co-ordination and Care Programme Approach Policy and Practice Guidance Notes Care Co-ordination training
SO5.4	That there are risks to the safety of service users and others if the key components to support good Safeguarding and MAPPA arrangements are not embedded across the Trust.	Safeguarding Children and Safeguarding Adults Policies, Trust Action Plan. Local Safeguarding Boards; Trust-wide structure for Safeguarding in place Trust Safeguarding – Public Protection Meeting
SO5.6	The risk that high quality, evidence-based and safe services will not be provided if there are difficulties in accessing services in a timely manner and that services are not sufficiently responsive to demands.	Service Model Review Urgent Access Model Waiting Times Monitoring & Management
SO5.7	The risk that high quality, evidence based and safe services will not be provided if we do not have robust clinical effectiveness processes in place, including the implementation of NICE guidance	NICE Guidance implementation policy Clinical Audit Policy Group & Trust-wide Clinical Audit programme Research & Development Policy Clinical Effectiveness Committee
SO5.10	That we do not ensure that we have effective governance arrangements in place to maintain safe services whilst implementing the Transforming Services Programme	Governance Arrangements Programme Management arrangements Decision Making Framework Board Assurance Framework
From Corporate Risk Register	Risk of injury or death of an inpatient from ligature use, including compliance with the Trust's Observation Policy	Observation Policy and training arrangements Serious Untoward Incident review process Anti –ligature programme Clinical Environmental Risk Assessment process and programme

2.9 Overview of how the Board derives assurance on the quality of services

The Trust's Governance arrangements were reviewed in May 2013 with the Clinical Governance arrangements being reviewed and strengthened in January 2013 to ensure their robustness in the context of the Trust's overarching integrated governance arrangements. They take account of the Integrated Governance Handbook (Department of Health 2006), Monitor's NHS Foundation Trust Code of Governance and other best practice guidance, which recommends integrated governance arrangements and a streamlined committee structure.

The Trust's Governance arrangements are as follows:

The Board of Directors

The Trust Board of Directors consists of a Non-Executive Chairman plus six Non-Executive Directors and six Executive Directors. During 2013/14 there were some changes to the Board of Directors with the appointment of a new Chairman and Medical Director. The Chief Executive left the Trust at the end of March, and her successor has already been appointed and is due to commence working in the Trust in June 2014. Transitional arrangements are in place, with the Deputy Chief Executive acting into the role over this period.

The Board of Directors meets regularly and sets the Trust's strategic aims, taking into account the views of the Council of Governors, ensuring that the necessary financial and human resources are in place for the Trust to meet its objectives and review its performance.

Medical Leadership continues to be provided by the Medical Director supported by the Group Medical Directors. Responsibility for Clinical Governance together with research, innovation and clinical effectiveness rests with the Medical Director, thus enabling the Director of Nursing and Operations to focus on the delivery of standards.

The Council of Governors hold the Board of Directors to account for its performance and compliance with its NHS Provider Licence.

Standing Committees of the Board of Directors

A number of Standing Committees of the Board support governance within the Trust. Standing Committees include: the Audit; Remuneration; Mental Health Legislation; Quality and Performance; and Finance Infrastructure and Business Development Committees.

Audit Committee

The Audit Committee is required to review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical) that supports the achievement of the organisation's objectives.

The Audit Committee's membership is made up of three Non-Executive Directors, one of which chairs the committee, and, in addition to attendees including senior management they also include the Trust's external auditor, internal auditor and local counter fraud specialist.

The Audit Committee is required to review the work of other Trust committees, whose work can provide relevant assurance to the Audit Committee's own scope of work. This particularly includes the committee with the remit for clinical governance, i.e. Quality and Performance Committee, and any other committee business covering risk management.

Remuneration Committee

The Remuneration Committee's remit covers all aspects of the remuneration of the Chief Executive and Executive Directors.

Mental Health Legislation Committee

The Mental Health Legislation Committee is chaired by a Non-Executive Director and ensures that there are systems, structures and processes in place to support the operation of mental health legislation, within both inpatient and community settings and ensure compliance with associated codes of practice and recognised best practice.

Quality and Performance Committee

The Quality and Performance Committee is chaired by a Non-Executive Director and brings together clinical governance and performance in an integrated process. The committee provides oversight to the performance and assurance framework, Trust risk management arrangements for both clinical and non-clinical risk, and has full responsibility for assuring the Trust's performance against essential internal and external standards of care and performance.

Finance Infrastructure and Business Development Committee

This committee is chaired by a Non-Executive Director and is the vehicle to monitor and review financial delivery. It also provides assurance to the Board of Directors on the delivery and processes for the management of contracts, capital plans and expenditure, informatics, estates, facilities and new business opportunities in line with corporate priorities.

Trust-wide Programmes Board (time limited Committees)

The Trust-wide Programmes Board provides assurance to the Board of Directors in relation to the delivery of the activities of the Trust Programmes ensuring programmes of work are appropriately governed, aligned with the Trust's strategic goals and that interdependencies within programmes are managed. There are two core programmes reporting into the Trust-wide Programmes Board: Transforming Services Programme and the Safety Programme.

There are also a number of supporting programmes, namely: the Principal Community Pathways Programme, Augmenting Services Programme, Corporate Services Programme, Care Pathways and Packages Programme and the Workforce Programme.

Performance Management and Reporting Framework

The Trust has an integrated performance reporting structure, which mirrors the key reporting requirements of the "Intelligent Mental Health Board" and is therefore aligned to our strategic objectives.

The Trust has developed the use of Dashboards with a clear set of Key Performance Indicators reflecting not only national targets but local targets linked to the Trust's strategic and annual objectives balanced across clinical, operational, financial and staff dimensions. This ensures that our strategy, objectives and targets are linked to ensure delivery, with strengthened accountability for performance using key metrics.

In addition to providing a robust analysis of new and existing quality and performance targets and the risk register, the report provides evidence links for the Trust's compliance to CQC registration requirements and supports Board assurance in its annual Monitor self- declaration process.

Capacity to handle Risk

The Trust has structures in place, as described above, together with systems in place to support the delivery of integrated risk management across the organisation.

The Standing Committees of the Board of Directors ensure effective governance for the major operational and strategic processes and systems of the Trust, and also provide assurance that risk is effectively managed. Operations for the Trust are managed through an organisational structure, with operations divided into three Groups, and each has governance committees in place for quality and performance and operational management.

The Risk and Control Framework

The Trust continually reviews its risk and control framework through its governance and operational structures. It has identified its major strategic risks, and these are monitored, maintained and managed through the Board of Directors Assurance Framework and Corporate Risk Register, supported by Group and Directorate Risk Registers. The Trust's principal risks and mechanisms to control them are identified through the Assurance Framework, which is reviewed by the Board of Directors every two months.

Quality Governance arrangements are through the governance structures outlined above, ensuring there are arrangements in place from ward to Board. Review, monitoring and oversight of these arrangements take place through the following among others: Board of Directors; Quality and Performance Sub-committee; Group Quality and Performance Committees and Senior Management Team meetings

Registration with the Care Quality Commission (CQC)

The Trust is registered with the Care Quality Commission and has maintained full registration, with no non-routine conditions, from 1st April 2010. During 2013/14, the CQC undertook a number of registration visits to Trust sites. Where compliance actions were identified through these visits, the Trust delivered these in full and on time. The Trust is fully compliant with the requirements of registration with the CQC.

Registration compliance is managed through the above quality governance structures and is supplemented by a Group Director being responsible for the oversight of all compliance assessments and management of on-going compliance through the Trust Essential Standards Management Group.

2.10 The Trust's response to Francis, Berwick and Keogh Reports

The Trust's review and reflections on the findings of the Francis, Berwick and Keogh reports has included the Board of Directors, the Council of Governors and all key Board sub committees across the organisation including the Senior Management Team, Group Business Meeting, Quality and Performance Committee together with Joint Meetings with Staff Side and Staff Listening Events. Key messages were also shared with all staff through the Chief Executive's weekly Bulletin, Group and Team meetings and key professional groupings.

In response to the reports the Trust developed and has now implemented a comprehensive action plan. A summary of the actions taken is as follows:

- Developing a shared set of values;
- Development of a "Safety Culture" ;
- Working more collaboratively with Service Users and Carers;
- Strengthening the role of the Council of Governors;
- Developing a strong and positive medical culture;
- Strengthening the Nursing Culture including the launch of a new Nursing Strategy- "Delivering Compassion in Practice" ;
- Increasing openness, transparency and candour ;
- Review of Complaints Procedure ;
- Using information more effectively;
- Developing Leadership in the workplace;
- Investment in staffing across in-patient areas

In summary therefore the Trust has responded to the Francis Berwick and Keogh Reports across a wide front prioritising the issues of values, safety culture and professional cultures. Over the period of this Plan the Trust will continue to keep quality, safety and patient experience as its main focus with additional scrutiny and challenge being sustained via the Trust Board, the Board's Confirm and Challenge Events, Safety Programme Board and Quality and Performance Committee.

2.11 What the quality plans mean for the workforce

An overview of the Trust's Workforce Strategy is as follows:

The Trust's workforce comprises staff from a wide range of clinical and non-clinical backgrounds, as illustrated in Table 6 below (note the figures exclude bank staff):

Table 6: Analysis of Workforce as at 31st March 2014

Staff Group	Head Count	Whole Time Equivalents
Medical and Dental	345	217
Nursing and Midwifery (Registered)	1,835	1,685
Allied Health Professionals	682	538
Scientific and Technical	140	116
Healthcare Assistants	1,397	1,312
Administrative and Clerical	1,249	1,079
Estates and Ancillary	642	508
Total	**6,290**	**5,455**

Over the period of this Plan the Trust will be focusing on achieving the Transformation of Services. Using our expertise and knowledge to manage change successfully we acknowledge that the transformation of services, as described in Section 2.5, together with the financial delivery plans (Section 2.15) requires a further step change in the way services are provided and the deployment of resources. We will continue to apply a "bottom-up" workforce development approach, with each unit being responsible for identifying, planning and implementing necessary changes to ensure that the objectives are delivered.

To support the management of the workforce changes the Trust invested in the establishment of the Transitional Employment and Development (TED) Approach in 2012 to support those members of staff who are affected by these changes and to help them develop new skills to take on the challenges and future employment opportunities ahead. This scheme has proved to be successful and the Trust will continue to invest in the TED Approach during 2014/15. We continue to identify the failure to manage these significant workforce changes as one of our key business risks. However, we have had considerable success in managing large scale change. This has been achieved by close working between service managers and experienced HR professionals and partnership working with staff side organisations. We will continue to use the TED Approach to manage these further changes without compulsory redundancies wherever possible.

We will ensure that frontline clinicians and the wider workforce have the required leadership knowledge, skills and behaviours to drive radical service redesign, transformation and improvement. Over the period of this Plan, the Trust will continue to support the development and involvement of leaders at all levels who are innovators and entrepreneurs in acknowledgement of the critical role they will play in delivering the radical service redesign, transformation and improvement plans necessary to enable us to deliver our strategic objectives, this Plan and the revised Integrated Business Plan (2012).

The Trust also acknowledges that training and development plays a key role in the achievement of strategic goals and targets of the Trust. A major factor in the organisation's effectiveness is the need to transform services and the successful management of change will be key. Work has been carried out to identify the emerging training needs required as we transform our services and a skills analysis has been completed in order to determine current skills levels. Training will continue to be delivered over the period of this Plan to support the transformation agenda.

The key workforce pressures and plans to address them are summarised in Table 7 below:

Table 7: Key Workforce Pressures and Mitigation Plans

Workforce Pressure	Plans To Address Workforce Pressure
Managing workforce and organisational changes	• Partnership Agreement with Staff Side in place; • Group/Directorate workforce plans developed and regularly reviewed; • Investment in the Transitional Employment and Development (TED) Approach; • Continued investment in leadership, training and development courses to ensure staff have the skills required to carry out their new roles and support new Service Models; • Organisational Development Team to support service changes.
Recruitment and Retention of Issues- Medical Staff	• Creation of floating Consultant posts; • Closer links with education establishments to attract students into psychiatry: encouraging trainees at the end of their training to take up positions in the Trust. • Exploring “alternative” recruitment techniques; • Workforce Planning discussions; • Introduction of new roles in line with the Transforming Services agenda; • Reviewed job planning process.
Reduction in the use of Bank and Agency Staff	• Continue roll out of electronic time and attendance system; • Effective performance management systems; • Introduction of staffing “pools” across the Trust; • Implementation of streamlined recruitment processes
Sickness Absence Rates	• Review Occupational Health contract; • Roll out revised Policy and training; • Fast-tracking of Occupational Health appointments for stress, muscular skeletal and post-operative issues; • Additional workforce resource to support absence management
High volume of Discipline and Grievance cases	• Review of Case Management approach to discipline and grievance cases; • Revised Disciplinary and Grievance Policies; • Revised training package for those involved in investigations and hearings.
Staff Engagement	• Early engagement/involvement in Transforming Services Plans; • Chief Executive 150 Events; • Staff 250 Events
Age profile of the Workforce	• Assessment and monitoring of staff eligible for retirement over the next 5 years • Linking replacement of retired staff to the Transforming Service Programme • Assessment of each replacement with respect to revised skill mix, roles • Focus on training and development of staff at bands 1-4 to improve skill base and relieve pressure on higher graded staff

2.12 An assessment of the inputs needed

The key inputs required to enable the Trust’s Transformation Plans are described in Section 2.5 and Table 3, Service Developments, summarises the main schemes that are to be delivered over the life of this Plan and summarises the main inputs and impact on resources.

2.13 An analysis of the key financial risks

The Trust faces a number of risks to delivery of its strategy. The full analysis of strategic, operational, quality, workforce and maintenance risks are included in our assurance framework. The key financial risks over the next two years are as follows:

- Slippage, delays and non-achievement of the Financial Delivery Programme;
- NHS England strategy to consolidate Specialised Services into a smaller number of centres of excellence. Details of this are yet to be issued;
- Tendering of locally Commissioned services, with Primary Care Services in Northumberland and Children and Young People's Services to be market tested in 2014/15;
- Failure to meet CQUIN Targets;
- Failure to manage occupancy rates on specialised services beds under cost and volume contracts;
- Managing the impact of the Winterbourne Review on existing plans to re-design Learning Disability Assessment and Treatment Services and develop a new purpose built Autism Assessment and Treatment Unit;
- Managing risks arising from the agreement to manage Out of Area Placements on behalf of Northumberland and North Tyneside Clinical Commissioning Groups;
- Managing the impact of the implementation of a local tariff within Neuro-disability services

2.14 Contingencies built into Plans

The Trust has set aside reserves of £13.7m for 2014/15, of which £6.5m is non-recurring. £5.5m of this is funded through planning for a reduced surplus in 2014/15. Of the overall reserve £3.1m is set aside for inflation and £1.3m for Commissioner developments. Around £7m is set aside for managing change, £0.8m for managing pressures and around £0.6m is set aside to manage risk arising from known retractions in services. Around £0.5m is set aside as contingency to manage risks arising through the year 2014/15.

Much of the change effort is planned for the current year, 2014/15 with the expectation that change management and contingency reserves will reduce to around £3.0m in 2015/16.

The Trust has in place well developed and fully resourced programme management to manage the process of change, and well developed governance and assurance processes to manage ongoing delivery of targets and plans (Section 2.9).

Risks and opportunities arising from tendering and commissioning services are more likely to emerge in 2015/16 and will become clearer as the coming year develops.

2.15 Overview of Productivity, Efficiency and Cost Improvement Plans (CIPs)

Transformational CIPs

The Trust's plans relating to the Transformation of Services are outlined in Section 2.5. The implications of these from a CIP perspective are as follows:

- Principal Community Pathways (PCP) – implementation of re-designed community pathways. Whilst PCP involves protecting resources the aim is to double productivity. This will be achieved through the Introduction of standardised pathways with a Single Point of Access, an assessment clinic model, delivery of treatment packages based on NICE and other national best practice, focussed on therapeutic interventions, supporting people to recover and supporting themselves in their own communities. Initial Implementation across all localities is proposed through to May, 2015 with full delivery and embedding of the model by April, 2016

- Augmenting Services - this involves reducing adult beds for the local population from current 650 to around 400. Delivery would take the Trust's overall position from the upper quartile nationally to the lower quartile.

This programme of work will be delivered through, reducing demand, continued introduction of standardised care across wards, reduction in length of stay facilitated by more effective and integrated pathways. Subject to the outcome of consultation on these plans a reduction of 11 wards in 2014/15 and 2015/16 is planned to release £9.5m, including estate costs.

- Specialist Care Services - Across our Specialist Services the aim is to maintain overall levels of contribution. This means that reductions in contract imposed through the national tariff adjustment, net of any CQUIN gains, will be met through improved occupancy rates, entry into new markets, withdrawal from non-profitable service lines, where this is appropriate to the overall Trust Strategy, and productivity gains linked to overall pathway improvement, and absorption of additional demand. Plans are in place to deliver £6.5m over two years.

- Corporate Services - A fundamental re-design of corporate services is proposed to re-focus on needs of organisation across professional and functional silos. Consultation on the new model is scheduled to commence in October, 2014 with implementation planned from 1st April, 2015. This is planned to deliver £3.9m over two years.

Other Schemes

The Trust has a range of initiatives to reduce nursing and medical agency spend. We have introduced nursing pools across our core sites at St Nicholas Hospital, St. George's Park and Cherry Knowle Hospital, and are aiming to reduce agency nursing spend to a minimal level in 2014/15. We aim to reduce medical agency spend by a further £1m in 2014/15 following a reduction of £2m in 2013/14 through more effective recruitment, use of floating locums and the introduction of alternative measures of cover.

Skill mix changes are to be introduced across in-patient wards including the introduction of band 2 Support Workers supplemented by a new band 4 role.

The Trust will also maximise efficiencies for the estate through estate valuation and utilisation.

A continuing programme of maximising efficiency of prescribing is also proposed with planned delivery of £400k over the next two years.

Financial Delivery Plan Profile

The Financial Delivery Plan Profile is shown in Table 8. Including a small carry forward of non-delivered elements of the plan in 2013/14, the target is £11.3m in 2014/15. Against this the Trust has put in place a plan to deliver £10.3m recurring savings, leaving a recurrent shortfall of £1.0m. However, this will be recovered in subsequent years with the full recovery of the recurring shortfall delivered through 2016/17.

Although £10.3m of recurring savings have been identified, the in-year delivery from these schemes is £7.0m. For this reason a range of non-recurring measures are in place that are planned to deliver a further £2.1m of savings. This leaves an in-year delivery shortfall of £2.2m in 2014/15. A further in-year shortfall in delivery of £2.9m is identified in 2015/16 as a result of the carry forward of the 2014/15 shortfall. This will impact on the bottom line in 2014/15 and 2015/16, with a direct impact on the level of surplus delivered.

Overall the Plan is set to deliver in full although challenges remain in managing a substantial change agenda through 2014/15.

Table 8: Financial Delivery Plan Profile

	RECURRENT				IN YEAR			
	2014/15	2015/16	2016/17	TOTAL	2014/15	2015/16	2016/17	TOTAL
TARGETS	£m	£m	£m	£m	£m	£m	£m	£m
Annual FDP Requirement	10.9	10.8	10.7	32.4	10.9	10.8	10.7	32.4
Carry forward from 2013/14	0.4			0.4	0.4			0.4
	11.3	**10.8**	**10.7**	**32.8**	**11.3**	**10.8**	**10.7**	**32.8**
Planned carry forward						4.3	2.9	
RECURRENT FDP REQUIREMENT	**11.3**	**10.8**	**10.7**	**32.8**	**11.3**	**15.1**	**13.6**	
FDP PROGRAMMES								
Augmenting Services Programme	4.6	3.2	3.4	11.2	2.4	4.5	4.4	11.2
Specialist Care Programme	3.0	3.5	3.5	10.0	2.3	3.5	4.1	10.0
Drugs	0.2	0.2	0.2	0.6	0.2	0.2	0.2	0.6
Agency	0.7	0.0	0.0	0.7	0.5	0.2	0.0	0.7
Accommodation	0.6	1.7	0.4	2.7	0.4	1.2	1.1	2.7
Non Clinical Areas	1.3	2.5	3.6	7.4	1.2	2.6	3.6	7.4
Pharmacy	0.0	0.1	0.1	0.3	0.0	0.1	0.1	0.3
PLAN TOTAL	**10.3**	**11.2**	**11.3**	**32.8**	**7.0**	**12.2**	**13.6**	**32.8**
(SHORTFALL) / OVER DELIVERY	**(1.0)**	**0.4**	**0.6**	**0.0**	**(4.3)**	**(2.9)**	**0.0**	**32.8**
Non Recurrent Delivery					2.1			
IN YEAR DELIVERY					**9.1**	**12.2**	**13.6**	
(SHORTFALL) / OVER DELIVERY					**(2.2)**	**(2.9)**	**0.0**	

2.16 Two Year Financial Projections

The Trust is planning for an underlying recurring surplus of £8.8m over the next 3 years. However, in 2014/15 and 2015/16, this surplus is reduced due to non-recurring investment in transformation and non-recurring slippage in delivery of the efficiency savings. A summary of income and expenditure over the next 3 years is shown in Table 9 below.

Table 9: Summary of Income and Expenditure

	2014/15 £m	2015/16 £m	2016/17 £m
Operating income	299.1	295.0	293.2
Operating costs	(284.7)	(275.8)	(268.4)
EBITDA	14.4	19.2	24.8
Depreciation	(5.7)	(6.8)	(7.5)
Net Interest/Other	(5.8)	(6.6)	(6.4)
PDC dividend	(1.8)	(1.9)	(2.1)
Net surplus / (deficit)	1.1	3.9	8.8

2.18 Financial Delivery Plan

The Trust's Financial Strategy assumes that the efficiency requirement remains at 4% going forward and that the Trust will continue to ensure it delivers the following savings requirements.

Table 10: Efficiency Requirement

Efficiency Requirements	2014/15 £m	2015/16 £m	2015/16 £m	Total
Annual Requirement	10.9	10.8	10.7	32.4
Carry Forward from 13/14	0.4			0.4
Efficiency Target	**11.3**	**10.8**	**10.7**	**32.8**

2.18.1 Income

The Trust's total income for 2014/15 is £299m. The split between patient care and non-patient care income is approximately £280m patient care (94%) and £19m non-patient care (6%).

Patient care income reflects commissioner requested services as identified in agreed contracts. The work streams, objectives, actions and timescales of commissioner intentions for each CCG have been agreed as part of contract negotiations and form part of the contractual obligations of the Trust.

Patient Care Income

Of the £280m, £270m is income which is covered by contracts. The difference of £10m relates to £9m of non-contracted activity or over performance against contracts and £1m expected from revenue generation schemes. Of the £270m, 88% is covered by block contracts and 12% is covered by cost and volume(C&V) /cost per case contracts (CpC). At the 2 April 2014, 98% (£262m) of the £270m of contracts had been signed/agreed.

Non-Patient Care Income

Non-patient care income totals £19m for 2014/15.
Of the £19m, the Trust has Service Level Agreements for approximately £12m. At the middle of March 2014, 99% (£11.8m).of this income was covered by signed agreements

2.18.2 Costs

Underlying Assumptions

High level assumptions on income and cost changes are shown in Table 11 below.

Table 11: High Level Assumptions

High Level Assumptions Uplifts/Pressures	2014/15	2015/16
	%	**%**
Patient Care tariff adjustment	-1.8	-1.8
NPC Income tariff adjustment	0.0	0.0
CQUIN	0.0	0.0
Cost increases		
Pay Awards	1.0	1.0
Agenda for Change	0.8	0.8
Non-pay	2.0	2.0

The NHS pay award, which was recently announced, should reduce the cost of the pay award from 1.0% to 0.55% in both years. However in 15/16, this will be partially offset by a 0.3% increase in employer pension contributions. The reduction is being held as contingency.

Interest rate on new loans is assumed to be 3.5%

2.18.3 Capital Plans & Asset Sales Programme

The Trust's Capital Programme, which was approved in March 2014, totals £106m for the 5 years 2013/14 to 2017/18.

Since last year, the overall Capital Programme has increased by £6m due to the planned level of investment in in-patient facilities that would enable the Trust to ensure that all in-patient facilities meet Trust wide standards and would enable, subject to the outcome of consultation, the centralisation of Urgent and Planned Care Services onto a reduced number of main sites. To support this level of investment an additional £32.7m in loans would be taken out - £22.7m for investment in the reconfiguration of inpatient services & £10m for the proposed new Autism Assessment and Treatment Unit.

Table 12: Capital Investment Plan (at out-turn prices)

Description of scheme	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	Total £m
New Developments						
South of Tyne Reprovision	32.1	2.7				34.8
Autism	0.2	5.8	4.0			10.0
In-Patient Developments	0.3	8.4	11.9	2.1		22.7
Other Schemes	3.8	3.6	2.5			9.9
Total – New Developments	**36.4**	**20.5**	**18.4**	**2.1**		**77.4**
Maintenance Schemes						
Refurbishment Programme	0.1	0.5	0.5	0.5	0.5	2.1
Backlog / Other schemes	0.8	1.2	1.2	1.2	1.2	5.6
Total - Maintenance	**0.9**	**1.7**	**1.7**	**1.7**	**1.7**	**7.7**
Other Schemes						
IM&T Equipment	1.9	1.2	1.0	1.0	1.0	6.1
Mobile Solutions	0.5	0.5	0.5	0.5	0.5	2.5
Other Allocations	0.7	0.7	0.7	0.6	0.6	3.3
Contingency		1.0	1.6	3.4	3.4	9.4
Total - Other	**3.1**	**3.4**	**3.8**	**5.5**	**5.5**	**21.3**
Total Capital Expenditure	**40.4**	**25.6**	**23.9**	**9.3**	**7.2**	**106.4**

The Trust's main current development is the £60m PRiDE project, which is nearing completion and will become fully operational in the summer 2014/15.

Asset Sales Programme

The Trust's planned asset sales are shown in Table 13 below. The sale of the part of the Northgate Hospital site is our last major asset realisation and this sale is due to complete in June/July 2014 with sale receipts received over 2 years. In addition to this there are a number of smaller sales of land and buildings planned linked in primarily with rationalisation of community sites.

Table 13: Asset Sales Programme

	2014/15 £m	2015/16 £m	2016/17 £m
Asset Sales	12.5	7.9	0.0

2.18.4 Liquidity

The Trust's cash balance at the end of 2013/14 is forecast to be £15.3m. This is planned to increase during 2014/15 due to asset sales which are partially offset by the investment in transformation and the reduced surplus. Following this cash balances rise by approximately £2.5m per year going forward.

The Trust's forecast cash flow for the next 3 years is shown in Table 14 below:-

Table 14: Cash Flow Summary

	2014/15 £m	2015/16 £m	2016/17 £m
Cash Balance	17.6	20.7	23.3

2.18.5 Risk Ratings

The Trust has a temporary planned Continuity of Services rating of 2 in Quarter 1 of 2014/15. This is primarily due to a Capital Servicing Capacity rating of 1 in 2014/15, as a result of the low surplus, due to the non-recurring investment in transformation. The overall rating is planned to move back up to a 3 in Quarter 2 following an improvement in liquidity following the sale of land at Northgate Hospital and continue at this level for the rest of 2014/15 and the 2 following years

The Trust's forecast risk ratings for the next 3 years are shown in Table 15 below:-

Table 15: Risk Ratings

	2013/14	2014/15 Q1	2014/15 Q2-Q4	2015/16	2016/17
Liquidity rating	3	3	4	4	4
Capital Servicing Capacity	2	1	1	2	2
Average	2.5	2	2.5	3	3
Overall Continuity of Services rating	**3**	**2**	**3**	**4**	**3**

2.18.6 Potential down side risks and mitigations

The plans above represent the expected scenario for the Trust going forward. In this risk analysis we look at the potential impact of failing to deliver elements of the Financial Delivery Plan, the potential impacts of developments within the market, and the impact of failing to deliver some of the Trust's CQUIN requirements.

The Trust has modelled the downside risks and mitigations. The impact of the combined downside scenario on surplus and cash are shown graphically in the charts below.

Chart 1 - 3 year Surplus projections (£m)
Base Case against combined and mitigated downside

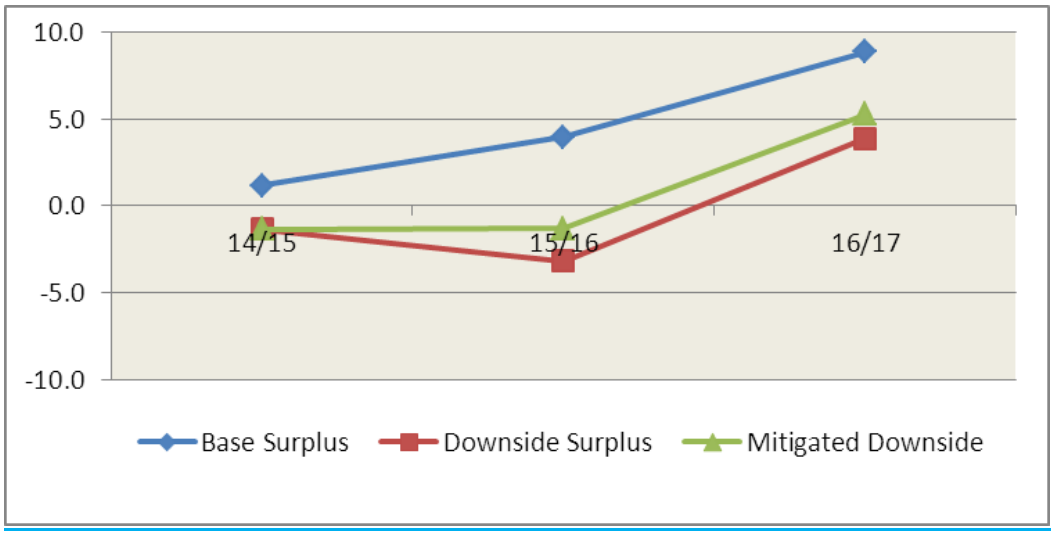

Chart 2 - 3 year cash projections (£m)
Base Case against combined and mitigated downside