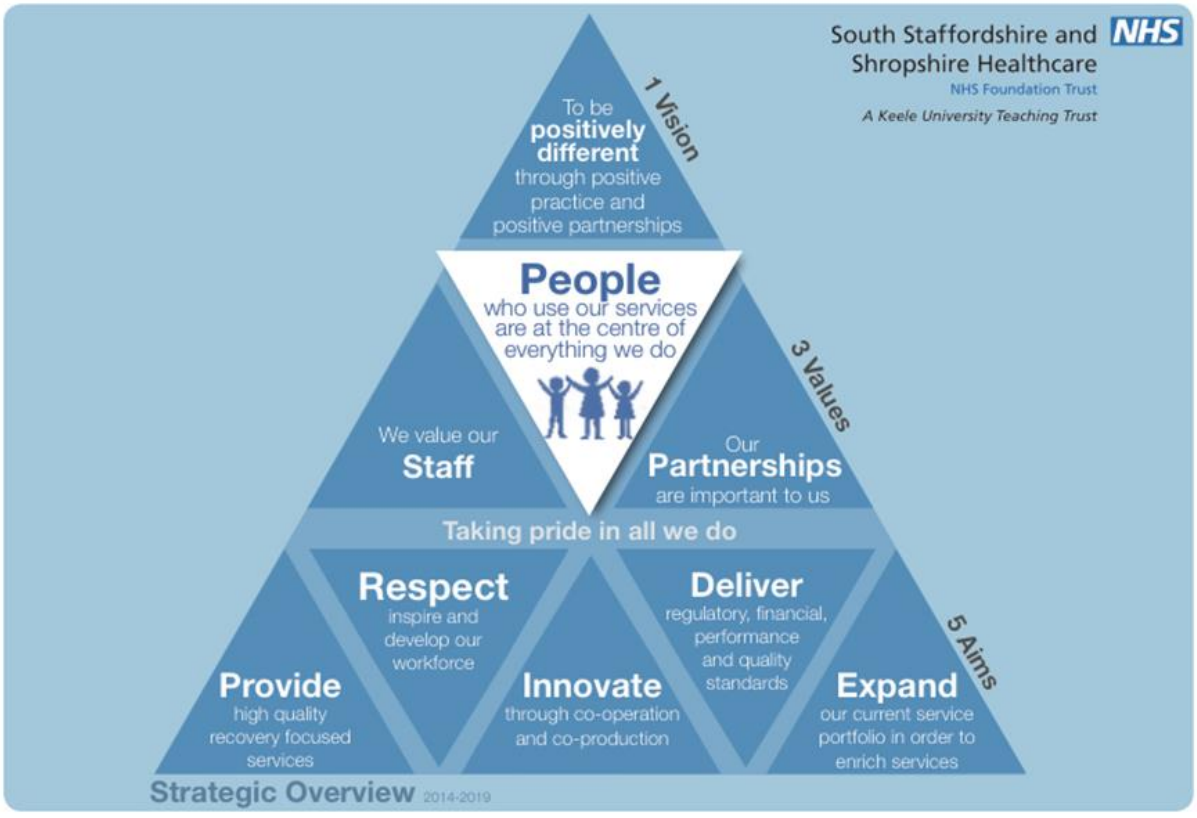
Operational Plan Document

for 2014-16



Operational Plan for y/e 31 March 2015 and 2016

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

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Date	**1st March 2014**

The attached Operational Plan is intended to reflect the Trust's business plan over the next two years. Information included herein should accurately reflect the strategic and operational plans agreed by the Trust Board.

In signing below, the Trust is confirming that:

The Operational Plan is an accurate reflection of the current shared vision of the Trust Board having had regard to the views of the Council of Governors and is underpinned by the strategic plan;

The Operational Plan has been subject to at least the same level of Trust Board scrutiny as any of the Trust's other internal business and strategy plans;

The Operational Plan is consistent with the Trust's internal operational plans and provides a comprehensive overview of all key factors relevant to the delivery of these plans; and

All plans discussed and any numbers quoted in the Operational Plan directly relate to the Trust's financial template submission.

Approved on behalf of the Board of Directors by:

Name	Steve Jones *(Chair)*

Signature 

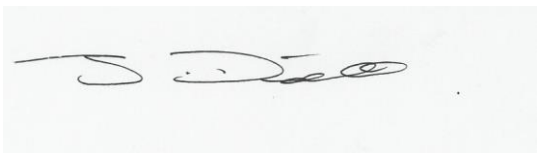
Approved on behalf of the Board of Directors by:

Name	Neil Carr OBE *(Chief Executive)*

Signature 

Approved on behalf of the Board of Directors by:

Name	Jayne Deaville *(Deputy Chief Executive Finance Director)*

Signature 

1.0 Executive Summary

The present economic climate and that of the foreseeable future presents the NHS with a range of challenges, from increasing productivity to responding to a new commissioning climate. The Trust recognises that these conditions require radical and innovative solutions. The primary areas of work the Trust will deliver are:

- Fundamental service re-design across both Divisions: Mental Health & Specialist Services
- Workforce re-design and efficiency gain using LEAN principles and workshops
- The deployment of a new clinical information system (RiO)
- Further development of our quality and assurance capability
- Deployment of a Medicines Optimisation Strategy
- The establishment of an effective partnership with Primary care to deliver Dementia services across Staffordshire
- The deployment of the Estates Strategy including "Right Service, Right Place"

These core initiatives provide the basis for the Trust's long term sustainability through service and workforce redesign, which will underpin our potential growth strategy. The Trust's short term challenge is to respond to our local health economy's commissioning priorities and we are working closely with local partners to address those needs in a thorough and effective way. There are extensive re-tendering exercises over the next two years and we have enhanced our business support functions to ensure clinicians are fully and comprehensively supported during these processes.

The Trust has significant workforce and service redesign through the use of Rapid Process Improvement Workshops (RPIWs) to support the delivery of our LEAN approach to processes. Our ambition is to prioritise more effective and comprehensive services to our population.

During the next two years, there will be extensive change, and to support these we will be paying particular attention to our Quality plans and standards as efficiency gains should not result in reduced quality. This requires a balance between rapid change and continuity, for our patients; these lie at the heart of all we do.

The Trust's clinical strategy conforms to the key national and local drivers and is underpinned by the need to provide care closer to home and reduce the number and length of hospital admissions. There are some risks associated with our strategy, but updated, robust assurance processes have been implemented to minimise their potential impact which are embedded in our Assurance Framework. The framework will ensure that the Trust Board is, at all times, in touch with changes, quality and patient safety.

In line with the current economic climate the Trust is anticipating that there will be on-going pressure on levels of income, with recurrent reductions in 2014/15 and 2015/16.

Key to the delivery of the financial strategy is the delivery of CIPs. The 2013/14 programme was 98% achieved. The Trust is forecasting overall delivery of the 2014/15 target. This however leaves a high gross target of £11.87m for 2015/16 which is reduced to a net £8.37m through utilisation of £2m of non-recurrent support and the £1.5m CIP contingency. Ensuring identification of and delivery of recurrent schemes in 2015/16 is anticipated to derive from utilisation of the Virginia Mason approach to productivity and efficiency resulting in materially different workforce plans.

Work has commenced on refreshing the Trust Estates Strategy, and subject to business cases it is anticipated that there will be significant expenditure over the next 3 years to improve both the community and inpatient facilities.

The Trust Board is committed to meeting these challenges whilst ensuring that our services deliver high quality and continue to make a positive difference to people's lives.

2.0 The Trust's Vision

Our Vision *"to be positively different through positive practice and positive partnerships"* illustrates our commitment to patient care, service quality and to continual improvement. As part of our strategy, the Board has agreed three core values

- People who use our services are at the centre of everything we do
- We value our staff
- Our partnerships are important to us

In addition to these core values, and based on feedback a set of high level aims have been identified which represent the five priority areas of delivery

1 Provide *high quality recovery focused services*
2 Respect *inspire and develop our workforce*
3 Innovate *through co-operation and co-production*
4 Deliver *regulatory, financial, performance and quality standards*
5 Expand *our current service portfolio in order to enrich services*

Trust Strategy

The Trust has a five year strategy that aligns its aspirations through five aims, three values and one vision. This strategy has been aligned to the NHS Mandate and other external drivers and reflects the Trust's ambition to be positively different and take pride in all that we do.

PRIDE

This concept is reinforced with the introduction of the Virginia Mason Production System methodology which supports the elimination of waste by empowering staff to make local changes to their services. The Trust Board has made an explicit commitment to maintaining high quality services and over the next two years the Trust will:

- Deploy a new clinical information system (Rio)
- Deploy LEAN methodologies to enhance quality and empower the workforce
- Enhance the accessibility, efficiency and quality assurance of core mandatory learning and development opportunities
- Further develop our workforce planning and development capability
- Further deploy a Medicines Optimisation Strategy
- Further establishment of effective partnerships with Primary care to deliver integrated services across Staffordshire
- Deploy the Estates rationalisation and improvement programme

As part of its commercial strategy the Trust will continue to explore potential areas of growth which aim to enhance choice and enrich services locally. These areas will be contained within our strategic plan.

3.0 The Short Term Challenge

3.1 Commissioning Climate & Market Trends – National

The Trust is one of two Mental Health style organisations within the local health economy (LHE). We recognise the importance of operating within the economy as both a partner and a competitor and are keen to ensure that service quality remains as our key focus.

The Trust recognises the need to support the LHE by ensuring that patient pathways are as integrated as possible and organisational boundaries are removed to allow easy transition and real choice. We work across the UK on a range of services and continue to pursue opportunities that will enhance our core services and offer choice to patients. We work hard to align our strategy to commissioning changes and market trends. The primary commissioning trends are as follows:

- Health system needs to be focused on reducing health inequalities and advancing equality
- Local communities will drive NHS planning. The new Health and Wellbeing Boards create a close partnership between the NHS and local authorities
- CCGs will be asked to identify three local priorities against which they need to make progress during the year
- Involving people in their own care and the use of technology
- Better integration of services with an increased focus on dementia
- Full roll out of the access to psychological therapies programme by 2014/15
- Increased emphasis on patient choice and the right to choose the most appropriate care setting at the point of GP referral and along the care pathway
- Any decision to reduce the cost of providing services must not impact on its quality

The Trust is also aware that we operate within a challenged LHE and are actively participating in a review that we hope will result in improved patient care and a reduction of duplication within the system. This review also involves another 10 LHEs nationally and is aimed at providing a strategic review leading to greater economic stability of services.

The Trust continues to support the development of new ways to deliver services within the LHE to enhance the service offer and work closer with CCGs and GP practices. This has resulted in a number of innovative approaches around Dementia services and reflected within our plans to improve our local services.

The Trust is also cognisant of the national drivers that affect our longer term strategy and that of the LHE. It is vital that we work in partnership within the LHE on the delivery of strategic plans and the sharing of commissioning and provider intentions that will untimely find their way into service delivery. The Trust is proud to have established relationships with our commissioners and finds innovative ways to ensure that joint working is possible, and where we need to compete for services, we do so with a view to enhancing the quality of the offer. This will support us in our aspirations to provide the perfect patient experience.

3.2 Our short term priorities

The following outline the key development areas for the Trust over the next two years:

- To ensure that all our services and service development support the individual's personal journey of recovery whilst reducing the reliance on bed based provision for services
- To remodel our community mental health pathway and acute/crisis pathways
- To explore innovative and streamlined ways of working, to maximise technology (including

new digital and assistive technologies) and to reduce waste and costs, and to increase productivity

- To develop integrated pathways working closely with partner organisations in health, social care, third sector and voluntary organisations
- To progress the Personality Disorder Strategy within current resources to provide training to staff and establish mechanisms to provide clinical support to teams
- To develop an Out of County Team in collaboration with commissioners to promote effective rehabilitation outcomes for people with complex long term conditions and those with continuing health care needs
- To work with commissioners to develop an Adult Autism (Aspergers) service
- To collaborate with the 'Innovations Network' to deliver agreed pilots to improve the outcomes for those with long term psychotic conditions
- To explore the development of a range of different treatment packages and models of care for in-patient detox including the delivery of training and development of staff in substance misuse services to enhance non-medical prescribing
- Continue to develop new service models and provide a competitive offer within the changing NHS landscape
- Ensure that forensic mental health provision is aligned to the national review of specialist services and continues to offer a high quality service within a value for money proposition
- Establishment of an Intensive Support Service within Learning Disability services
- The re-provision of services including Oak House
- The continued establishment of Prime Provider models supporting the repatriation of local people and enabling commissioners to gain greater assurance on quality of service
- The Implementation of the CAMHS review to improve integration across services and deliver seamless care to patients
- The implementation of the estates review including the improvement and rationalisation of inpatient and community estate

3.3 Our Short term operational challenges – Divisional Challenges

Our services are deployed through two clinical divisions (Specialist Services and Mental Health) and supported by a range of corporate services. These corporate service functions are embedded in the clinical management team structures and best practice is shared centrally throughout our Trust Management Team and clinically through our Senior Leaders Forum. Our short term challenges are presented on the following pages and are aligned to our divisions.

Specialist Services Division

The Specialist Services Division consists of four Directorates:

- Inclusion
- Forensic and Prison In-reach
- Learning Disability
- Specialist and Families

The Division is a major provider of Specialist Services locally within South Staffordshire, Shropshire and Telford & Wrekin and provides services as far afield as the Isle of Wight
We recognise that each of the Directorates within the Division are unique in terms of their service offer, commissioning arrangements and operational challenges. For that reason each Directorate has developed their own business plan that provides the detail of Directorate objectives for 2014-16 and strategic analysis of the challenges and opportunities that each Directorate faces.

Inclusion

- **The re-tendering of current services** – Through 2014/15 the Directorate expects a number of current services to be re-tendered including new service models being contracted. Illustrations include holistic integrated contracts with a prime provider.
- **The changing commissioning environment** – Service requirements are becoming larger as commissioners seek to combine services in areas in an effort to make savings. Public Health England have also taken over responsibility and have placed a greater emphasis on the need for services to have a wider impact on employability, general health and families. Within IAPT there is greater pressure to increase flow through services and achieve higher rates of referrals into the service to achieve the 15% national target.
- **Ongoing internal development** – To ensure that Inclusion remains at the forefront of service delivery and can compete with other agencies we will continue to develop new ways of working including the deployment of the Outcome STAR and more phone based interventions.

Forensic Directorate

- Implementation of the Directorate **Model of Care**, to deliver a high quality experience and effective outcomes in a safe and secure environment.
- Full **compliance with NHS England service specification** including planned changes to secure type services.
- The **re-tendering of current services** – We expect a number of our current services to be re-tendered including prison in-reach services. The market place for Prison Services has changed over the last few years with a view to establishing new ways of integrating providers and reducing the number of placements. The commercial strategy for the directorate will need to adapt to ensure that we remain competitive, whilst continuing to offer the same high quality standards.

Learning Disabilities Directorate

- Establishment of an **Intensive Support Service (ISS)** – To provide safe, person centred, effective and responsive community based services to reduce unnecessary hospital admissions and reduce prolonged length of stay. This will also allow the Trust to review its current provision.
- **Prime Provider and Out of County Placement Review** – The development of a Prime contractor and sub contracting relationship based on clinical pathways and supported by the Trust. The Trust will need to ensure that it works in collaboration with other local providers so that services remain sustainable and offer real value to those who use them.

Specialist and Families Directorate

- **Clinical and professional leadership** – To continue to develop leadership capacity and capability across the Directorate
- Implementation of the **CAMHS review** – To develop effective working relationships with patients, carers, commissioners, GPs and partner agencies to improve integration across services and deliver seamless care to patients.
- The **re-tendering of current services** – We expect a number of our current services to re-tendered including Autism services, Specialist Nursing services and Looked after Children's services.

Mental Health Division

Adult Mental Health continues to look at ways to improve its existing services to ensure we meet our customers' expectations and adding value. At the same time we are keen to expand and secure services which will enable us to prevent referral to specialist services. This needs to be achieved through partnership and within the wider climate of efficiency savings.

The main challenges that face the Adult Mental Health Division over the next two years are:

The delivery of a challenging efficiency programme – working with commissioners to review and improve the quality and effectiveness of mental health services to give best value for money and improving the delivery of care. This will be achieved by the deployment of the Virginia Mason continuous improvement philosophy and methodology, which will empower and enable staff to rise to the challenge of redesigning pathways within a reduced financial envelope and to continuously look to improve. The key objective for the Mental Health pathways is to provide a quick and responsive service, reduce waiting times and ensure people receive the right care at the right time in the right place through:

- Extended availability of community services – 8am to 8pm, 7 days per week
- A thorough multidisciplinary single assessment process as near to the patients' home location as possible, to reduce duplication and identify the options for treatment/intervention at an early stage, including provision of brief interventions
- Increased availability and enhanced roles for Community Support Workers including Peer Recovery Workers and the development of new community pathways
- Closer working between community, crisis and inpatient teams to reduce delays and avoid unnecessary admission
- Modernising and remodelling of the dementia pathway to enhance community care through provision of rehabilitation support workers to maintain people in their home environment for as long as possible, avoid crises and reduce admissions to both mental health inpatient beds and nursing home beds
- Provision of defined outcome measures for treatment/interventions and time limited packages of care that encourage recovery
- Further development of integrated transition between CAMHS and Adult Care

Ensuring that commissioners give mental health parity of esteem – Engagement events will be held within each locality to discuss the national and local influences on mental health care. The aim of the engagement events will be to develop a shared understanding between commissioners, providers, stakeholders, staff, service users and carers of the pathways and the expected outcomes of an excellent Mental Health service.

Following the engagement events the Division will work with commissioners and stakeholder organisations to develop the new pathways of care for community and inpatient based services that meet national best practice but remain reflective of the needs of the local population. During the second part of 2014/15 the Division will model the redesigned pathways and develop a delivery plan for the transformation of the existing services and workforce. A series of Rapid Process Improvement Workshops (RPIW) will take place to consider the ways in which the new pathways can best be delivered.

4. Quality Plans

The Trust is registered with the Care Quality Commission (CQC) and with all regulatory requirements. Over the next 12 months we will adapt our governance processes to ensure we meet the requirements of the CQC new regulations framework for clinical quality. Our Service users', carers' and their families' voices must be heard and used to help develop the insight to improve outcomes and guarantee our commitment to removing inequalities. We strive to deliver the perfect patient experience and are focussed on ensuring that quality and experience are metrics we use when evaluating our role as an NHS provider of care. The approach set out in the NHS Mandate is aimed at securing three important objectives:

- Balancing change and continuity: the next two years will continue to see widespread organisational change at a time of increasing financial pressures. We need to constantly be aware that public confidence is key to supporting the local population
- Ensuring that mental health and learning disabilities get parity of esteem when commissioning priorities are set including:

- equal access to the most effective and safest care and treatment
- equal efforts to improve the quality of care
- the allocation of time, effort and resources on a basis commensurate with need
- equal status within healthcare education and practice
- equally high aspirations for service users; and
- equal status in the measurement of health outcomes

- The delivery of national challenges including the eight strategic areas of NHS England's Mandate

1. Help people live well for longer
2. Manage ongoing physical and mental health conditions
3. Help people to recover from episodes of ill health or following injury
4. Make sure people experience better care
5. Provide safe care
6. Free the NHS to innovate
7. Support the NHS to play a broader role in society
8. Make better use of resources

We will deliver these objectives through listening to patients, focusing on outcomes, working in partnership and rewarding excellence. Our continued focus on high quality, governance driven services ensure that service users receive appropriate, timely, recovery focussed care in the most suitable environment. This is fully aligned to the recommendations contained within the Francis Report which highlights the importance of establishing a shared positive safety culture that permeates all levels of the healthcare system. This is deployed within the Trust and monitored within our commitment to delivering quality within an open culture.

4.1 The Francis Report highlights 290 recommendations for the NHS as a whole. We have reflected on the implications of the recommendations and reviewed our services and systems against the five main recommendations below:

- clearly understood fundamental standards and measures of compliance
- openness, transparency and candour throughout the system
- improved support for compassionate and committed nursing
- strong and patient centred healthcare leadership

- accurate, useful and relevant information

Our core value is that service users are at the centre of everything we do. We listen to our service users and carers, and our staff, to understand their needs and for them to highlight where we can improve. We have a robust and transparent scrutiny system and compassionate care is central to what we do, from ward to board. Francis gave us an opportunity to revisit our values, governance and assurance processes and our overall strategy. This is now reinforced by local regulation and a changing CQC regime.

4.2 National/Regional/Local Commissioning priorities

The Trust has a wide range of services covering most of the UK (and abroad) and is aligned to:

- Local commissioning intentions, both operationally over the next 12-24 months and the longer term strategies covering the next 5 years
- Regional commissioning intentions including the review and re-provision of Specialist Services with a particular focus on the shortage of specialist beds such as tier 4 CAMHS
- National strategic commissioning intentions where the Trust supports the development of policy and clinical working groups
- National policy and emerging strategies including the NHS Mandate and NHS operating frameworks

The Trust's quality goals are contained within our Quality plans and our Quality accounts. These plans influence our approach to new business, partnerships, innovation and service improvement. The Trust Board is committed to ensuring that quality is key to any decisions made in our pursuit of the perfect patient experience. The Trust's approach to quality is also reflective of the lessons learned from our staff, feedback from our service users and carers, and commissioners and national reviews including Francis, Berwick, Carter and Keogh reports.

Our approach to deploying the lessons learned include:

- Embedding the key principles of the Francis report in our Divisional plan and objectives
- Delivery of CQINS and other contractual regulations
- Maintain regulatory compliance whilst seeking ways to improve services
- Delivery of our rigorous improvement programme
- Embedding "Quality" into our business development decisions

4.3 The Trust's quality goals, as defined by our clinical strategy and quality accounts

The Trust is committed to delivering high quality, safe and effective services. The Trust Board of Directors is committed to leading the organisation in the delivery of quality services through the continual development and implementation of robust Integrated Governance structures and processes. To ensure that we are succeeding in delivering high quality services we periodically self-assess ourselves against Monitor's Quality Governance Framework.

Each year we produce and publish a set of Quality Accounts. The Quality Accounts provide an annual report of the achievement against agreed yearly improvement priorities as well as a range of information on key elements of assurance and performance against quality metrics and national indicators. Our quality improvement priorities are chosen following a process of reviewing our current services, consulting with our key stakeholders and listening to the views of our service users. We link our improvement priorities to the three domains of quality and also align them to our

Commissioning for Quality and Innovation Schemes.

Key priorities inform the Clinical Strategy and directly influence the focus and aims of individual services, now and in the future. Our key priorities include:

1. Providing care based on the holistic principles of Recovery - this is illustrated by the increased emphasis on employment in mental health services
2. Providing care closer to home - leading to increases in community services and reduced reliance on inpatient care through integrated pathways and closer alignment to primary care
3. Providing care based on evidence based best practice - ensuring clinical services are aligned with National Guidance and informed by other data, for example patient feedback, complaints and incidents
4. Providing effective integrated patient centred care working in partnership with other health and social care providers across complex pathways
5. Providing care that recognises the physical care needs of those with mental health problems or learning disabilities
6. Enhance quality by ensuring that all of the lessons learned from key reviews such as Francis are embedded and delivery of CQUINs and other quality indicators become business as usual
7. Continue to use feedback from partners, staff and service users/ carers to be a lever for improvements, and service change
8. Ensure individual clinicians have their own information about the quality of their care, and take action to make improvements in a way that adds value to both the service delivered to the patient and the support needed by the clinical teams
9. Continue to review and strengthen our systems to ensure good governance, and continue to maintain a culture of openness and learning

4.4 An outline of existing quality concerns (CQC/other parties) and our plans to address them

The CQC undertook a Compliance visit to the George Bryan Centre in Tamworth 31 July - 1 August 2013. This action plan to address two minor concerns was returned to CQC by the due date of 18th October 2013. The Trust has made good progress against the agreed action plan and the only outstanding issues relate to building works, planned as part of a programme of upgrade.

The CQC also undertook a Compliance visit to Oak House in Shrewsbury on 3rd December 2013. At the end of February 2014, the Trust shared evidence of progress against its action plan with the CQC and now believes it is compliant with the two outcomes identified for improvement.

4.5 The key quality risks inherent in the plan and how these will be managed

The Trust obtains assurance that quality is being delivered through the alignment of its governance, assurance and risk processes. These are supported by business decisions that are tested against the quality impacts and benefits to the service users. These processes are integrated into the Trust's strategy and its strategic objectives.

The Risk Management Strategy is designed to create a positive risk culture that encourages employees to consistently use the Assurance Plan and Risk Register in order to:

- Identify and control risks which may adversely affect the Trust's operational ability and its Annual Governance Statement

- Where possible, fully mitigate, eliminate or transfer risks or reduce them to an acceptable level
- Ensure that issues and concerns raised by internal and external audit and external assessment are addressed and resolved
- Provide a systematic and standard way of reporting so that divisions, teams and staff are aware of the process and approach taken to positively report and manage risks by using a scoring and grading matrix that also allows higher level comparisons
- A process where sub committees of the board and the Directors can examine organisational risk and seek assurance where needed

The Trust has now embedded the web-based assurance plan and risk register process. Each of the assigned sub-committees to the Board review the assurance plan and risk register risks on a regular basis and are able to assure the Audit Committee and Trust Board that key risks are being reported, reviewed and escalated in real-time.

Strategic, operational, corporate and other key quality risks and associated action plans to minimise or manage these risks form the Trust's Assurance Framework. The Assurance Plan is a high level document that records the principal risks that could impact on the Trust's ability to deliver against its strategy, vision and strategic objectives. The Assurance Plan is reviewed and reported through the following forums:

- Presented to the Trust Board on a quarterly basis
- Overall review of its delivery being undertaken by the Audit Committee
- Each principal risk identified within the Trust Assurance Plan is allocated to a Trust Board Sub-Committee, which is responsible for monitoring key controls and sources of assurance for each principal risk assigned to them
- Executive Directors review the Assurance Plan on a monthly basis and agree new entries and ensure that mitigants are in place and adequate

The Risk Register is a log that holds the main record of all identified risks that present a continuing threat to the Trust's objectives and operations. The risk register is derived from a number of sources and is a dynamic log updated on a live basis. The risk register is reviewed and reported through the following forums:

- Trust Board review on a quarterly basis
- Monitored by each of the Board sub-committees at each of their meetings
- The Audit Committee takes an overarching role for the monitoring of the corporate risk register and ensures that risks are reviewed in line with the timescales detailed within the register
- Executive Directors Review the risk register on a monthly basis to ensure that risks are identified and the correct mitigants established. Resource requirements are also agreed at this meeting i.e. changes to establishment or delivery mechanism
- Divisional management teams review their risks on a monthly basis or when a new risk emerges

The two key risks to quality for the Trust for over the next two years are:

- The failure to fully deploy the Trust's new clinical electronic record (RiO) and the move to a paperless clinical record. Staged implementation of RiO is underway and there has been consistent engagement with key professional leads during this change process to

ensure that robust clinical records are available and maintained throughout this period of change
- The changing commissioning requirements and expectations of requiring more for less

4.6 An overview of how the Board derives assurance on the quality of its service and safeguards patient safety

The Trust Board takes a number of steps to assure itself in relation to quality and patient safety. This includes:

- Receiving regular reports and updates on its key quality initiatives and improvement plans; ensuring that risks to achieving these are identified, and that mitigating actions are implemented and managed through the Trust Assurance Plan and Risk Register
- Receiving quarterly combined risk management reports that provide information relating to complaints, PALS concerns, compliments, incidents, serious incidents and claims. The reports highlight any significant clusters and trends that required further investigation and subsequently the action taken
- Receiving executive summary reports from all completed Serious Incident investigations, including immediate action taken to mitigate further risk, lessons learnt and associated mechanisms for sharing learning
- A Quality Effectiveness & Risk forum that reports directly to the Trust Board and meets on a monthly basis

As part of the internal governance assurance arrangements the Quality Effectiveness and Risk Committee undertook a governance review and self-assessment in 2013/14. The Quality Effectiveness and Risk Committee as part of this assessment process also completed a review of its Terms of Reference. The Terms of Reference have been updated to reflect changes as a result of this review and include:

- Change of the name of the committee to The Quality Governance Committee
- A clearer focus demonstrated in the Terms of Reference to the three domains of quality (Safety, Effectiveness, Experience)
- Reference to Monitor's Quality Governance Framework and the role of the committee in monitoring our compliance with the assessment standards
- Changes to the reporting arrangements for the sub-groups reporting into the committee

The Quality Governance Committee has continued to meet on a monthly basis throughout 2013/14 to support delivery of the Trust strategic objectives as authorised by the Board.

The Committee has embedded the changes made to its duties and functions following its away time and subsequent review of its Terms of Reference. The Non-Executive Director Chair of the Committee and the Executive Director lead for the Committee are both members of the Trust Board and provide the Board with a summary report of the key issues from each committee meeting. In addition, a Trust Assurance Report is submitted to each Trust Board meeting and the Director of Quality & Clinical Performance is responsible for presenting key quality, risk and clinical performance items within this report as determined by the annual agenda plans for the Board.

4.7 What the quality plan means for the Foundation Trust's workforce

Our workforce strategy has helped us to support new ways of working and enhance skill sets

whilst ensuring that training and development needs are fully met. Our strategy has been used across all aspects of our services and especially in the development of new services.

The Trust regularly benchmarks against other providers and uses all nationally available data/ toolkits to ensure that its services remain as efficient and as modern as possible. Evidence based practice is vital to developing teams with the right culture and skills to do the very best in their roles. The Trust has improved its workforce planning capability in recent years, establishing systems to ensure a workforce of the right size with the right values, behaviours, knowledge, skills and diversity is organised in the right way, within the budget that we can afford, and delivering the services we need to provide safe, effective and high quality patient care.

During 2014/16 we aim to focus on workforce assurance in order to maximise effectiveness and efficiency of workforce structures. We will develop and embed Workforce Assurance systems and implement Business Intelligence reporting. We will also focus on a range of workforce development strategies to ensure a flexible workforce that is fit for purpose in delivering high quality care along patient pathways. We intend to grow the range and number of apprenticeships across the Trust and support Clinical Divisions to develop robust workforce development plans.

Three key elements of delivering our effective workforce planning are:

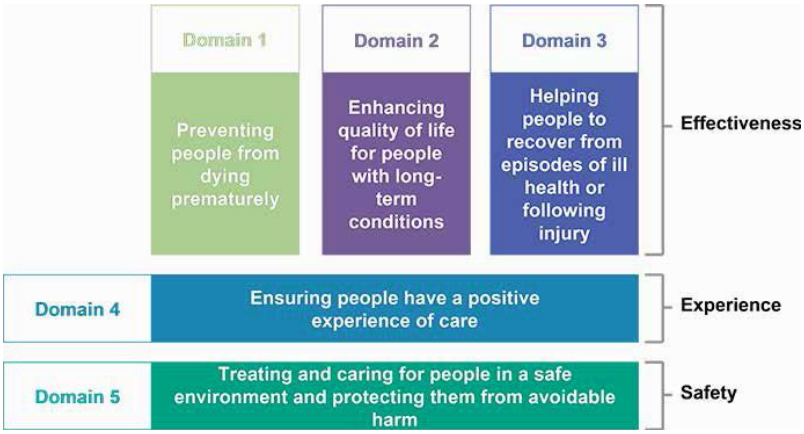
***Designing/Modelling the future workforce* -** understanding the impact that new or reconfigured services will have on the current or future workforce and ensuring that these workforce implications are considered as part of the service and financial planning process

***Developing the future workforce* -** understanding the behaviours, knowledge and skills needed to deliver services, where these behaviours, knowledge and skills will come from and making provision to develop them if they are not already available within the current workforce

***Delivering/Assuring the Future Workforce* -** the actions needed to ensure that our workforce plans:

- are representative of our local communities
- engage staff members in decision making processes
- deliver intended outcomes
- enable learning and the sharing of best practice

We will focus on a range of workforce development strategies to ensure a flexible workforce that is fit for purpose in delivering high quality care along patient pathways. We intend to grow the range and number of apprenticeships across the Trust and support Clinical Divisions to develop robust workforce development plans to inform quality education and training commissions.



5.0 Operational Requirements and capacity

5.1 Clinical Workforce Strategy

Commissioners will continue to seek assurance of the quality and capacity of the workforce delivering services. The Trust will need to ensure we have the capability and systems in place to enable us to meet these requirements including the skill mix and the demand expected. Through the delivery of our strategy we will:

- Maintain our focus on the quality and experience of the service user and carer and workforce whilst ensuring that their views and feedback informs our practice and strategy
- Be proactive in identifying and sharing best practice and identify clear progress and outcome measures in all that we do
- Maintain a clear commitment to delivering against all regulatory, financial, performance, quality and compliance standards
- Continue to play an active role within the health economy to deliver appropriate efficiencies whilst never diluting the quality of care
- Continue to develop teams and individuals who have the knowledge and skills to promote and deliver excellent services
- Develop the right partnerships and working relationships to provide services in more effective ways and promote innovation and the development of new services which are responsive to our commissioners and offer meaningful choice to our service users and carers
- Continue to be commercial to ensure the Trust remains sustainable and can offer flexible alternatives whilst challenging traditional thinking

The Trust has developed a Workforce Planning Approach with contingencies built into the plan. The immediate focus was a systemic review of Workforce Planning and Development activity, leading to an enhanced Assurance Framework and alignment of our workforce planning functioning with our partners Workforce Planning cycles and expectations. Further developments align all of our clinical needs, our commissioner intentions, mental health care clusters and related staff competence requirements with our plans to deliver future, longer term efficiency savings.

These plans are mapped against our staff profiles and the demand profiles outlined through the commissioning intentions and contract monitors. We have heavily reduced our vacancy rates and use of bank and agency by adopting this approach and will continue to improve the information we give to the clinical divisions in order for them to continue to meet the needs of our local population.

The Trust will continue to build on its workforce redesign activity, looking to develop new roles, broaden skills and competencies within existing roles, and use multi-disciplinary approaches to address skills shortages, as well as to provide development opportunities for our staff. The Trust will also look to increase service users and carer involvement in workforce development through this strategy, for example through induction and training programmes and on recruitment panels.

Apprenticeships remain a key element of our approach as they form employment and training opportunities with over 80 apprenticeship qualifications that are relevant to the Health Sector. The Trust feels that apprenticeships are key to assuring the Trust's future workforce supply and to the Trust meeting its corporate citizenship responsibilities whilst receiving the benefits of a contribution to managing the age profile of our workforce. The Trust has committed to providing a minimum of 40 Apprenticeships per annum of which a minimum 10 will be made available to young people. Last year this was exceeded with the appointment of some 50 new starters.

5.2 An analysis of the key risks and how the Trust will be able to adjust its inputs to match different levels of demand

- **(SAS) Doctors**
  The Trust continues to face challenges in recruiting sufficient numbers of high calibre (SAS) Doctors. Trust staff members contribute to the NHS Confederation Mental Health Network Workforce Reference Group (WRG) which has been reviewing issues related to the role, recruitment and retention of the SAS doctor a key problem in a number of Trusts nationally. The Trust developed and submitted its 2013-18 workforce to Health Education West Midlands in July 2013. The Trust's workforce plan was validated with positive feedback. Since then, further detailed work to set out service level workforce plans has commenced.

- **Improving workforce planning for the Psychological Therapies Workforce**
  The Trust is currently working with The Centre for Workforce Intelligence (CfWI) on ways to improve information about the psychological therapies workforce. The limitations of current information sources make this difficult to achieve, so it is important to improve the accuracy of information. At an organisational level there is a strategic commitment to addressing this issue and CfWI's recommendations. The Trust is currently refreshing its long term workforce strategy which will be aligned to its vision and long term strategic plan (2014-19). This will continue to align all of our clinical needs, our commissioner intentions, mental health clusters and our plans to deliver future, longer term efficiency savings.

- **Assessment of other inputs including beds**
  The Mental Health Division is continuing to work collaboratively with Commissioners to develop a 5 year strategy for Mental Health together with agreed pathways of care for community, adult inpatient and dementia services. These pathways will seek to ensure that patients are maintained in their own environments (e.g. home, residential or nursing establishments) for as long as possible and care is provided as close to patients as possible. This work involves major service redesign with the development of innovative, efficient ways of working and the establishment of new partnerships.

The key objective for the Mental Health pathways is to provide a quick and responsive service, reduce waiting times and ensure people receive the right care at the right time through:

- Extended availability of community services – 8am to 8pm, 7 days per week
- A thorough multidisciplinary single assessment process as near to the patients' home location as possible, to reduce duplication and identify the options for treatment/intervention at an early stage, including provision of brief interventions
- Increased availability and enhanced roles for Community Support Workers including Peer Recovery Workers
- Closer working between community, Crisis and inpatient teams to reduce delays and avoid unnecessary admission
- Remodelling of the Dementia pathway to enhance community care through provision of Rehabilitation Support Workers to maintain people in their home environment for as long as possible, avoid crises and reduce admissions to both mental heath inpatient beds and nursing home beds
- Provision of defined outcome measures for treatment/interventions and time limited packages of care that encourage recovery

6.0 Productivity and Efficiency

To achieve the challenges facing the Trust we have agreed that we must deliver health care in a very different way in order that we can improve the services we provide, increase productivity and reduce costs. Therefore during 2013/14 the Trust has embarked on implementing the LEAN approach into our systems and processes with the objective of creating value for the users and carers of health services.

The approach we have adopted is that of the Virginia Mason Production System (VMPS). The Trust felt that the VMPS was much more aligned to the Trust's values and direction of travel compared to other Lean approaches, as it:

- Puts the service user and the carer at the heart of the process
- Ensures that task and process redesign are critically analysed
- Allows different skills of professionals to be maximised in an organisation that believes that no task is seen as out of bounds and that existing form and function can and should be challenged

Although challenging, the journey has commenced with the Trust and each Division re-examining its strategic focus, ensuring we scrutinise what we do ensuring to maximise the value added for patients, thereby reducing waste and non value added activities with staff at the heart of these changes, thereby feeling empowered and accountable for the care they deliver.

This approach has been applied to the implementation of our new Clinical System RiO and will be applied to the development of a refreshed estates strategy to ensure that our estate is fit for purpose and offers high quality environments for people when they need support.

The strategy "Right Service, Right Place" aims to:

- Match accommodation to how services need to be delivered in the future
- Ensure that the physical condition and suitability of our community premises offers the privacy and dignity that our service users deserve
- Support clinical staff by reducing their current time travelling; releasing time to care
- Foster team working by collocating disciplines, skills and experience
- Improve patient and staff safety by meeting in designated spaces rather than 'informally'
- Ensure provision of quality, accessible accommodation from which to provide care

Long term work force plans are being developed in line with this approach to ensure that we are able to both meet the service and financial challenge in both the short, medium and long term.

7.0 Finance

The Trust has built a strong financial base since being authorised as an FT. This has enabled the Trust to make the significant investment in the new premises in Shropshire at The Redwoods (replacing the Victorian Asylum, Shelton). This was completed in 2012/13 and has enabled the modernisation of Mental Health services in Shropshire to develop in line with the business case.

The Trust strategy is predicated on the delivery of sustainable surpluses. Excluding the impact of Impairments, the Trust has always made a surplus and aims to continue to make surpluses in excess of £3m per annum in order to be in position to invest in the estate, as the refreshed estates strategy is developed into an overall Strategic Outline Case and specific cases for distinct elements.

In line with the current economic climate the Trust is anticipating that there will be on-going pressure on levels of income with recurrent reductions in 2014/15 and 2015/16. The Trust continues to look for other growth opportunities.

7.1 Revenue

The Trust operating revenue is as follows:

	2013/14 Plan £M	2013/14 Outturn £M	2014/15 Plan £M	2015/16 Plan £M
NHS Mental Health activity Income	153.807	150.313	156.615	151.221
Non Mandatory/Non protected revenue	3.252	3.274	2.870	2.870
Other Operating revenue	16.895	21.290	18.642	16.372
Operating Revenue	**173.954**	**174.877**	**178.126**	**170.463**

In 2013/14 the Trust Income is broadly in line with plan. Increases arising from the transfer of the North Staffordshire Informatics services and other income gains offsetting non recurrent support not being provided from commissioners in South Staffordshire. Non recurrent income from South Staffordshire commissioners supporting a growth in income in 2014/15 before it reduces in 2015/16 taking account of further income deflation.

The inflation rates assumed with the plan are as follows:

	2014/15 Plan £M	2015/16 Plan £M
Income		
Mental Health contracts	-1.80%	-2.00%
Mental Health Revenue Clinical Partnerships	-0.64%	-2.00%
Expenditure		
Pay	1.00%	1.00%
Drugs	5.50%	5.00%
Clinical Suppllies	2.00%	2.00%
Non Clinical Supplies	2.00%	2.00%
Other	2.00%	2.00%

The other main income movements reflecting service changes are as follows:

	2014/15 £ms	2015/16 £ms
New Business		
Cambridge Alcohol Service	0.95	
Buckinghamshire SMS	1.20	
Sandwell SMS	1.65	
T&W CCG Community LD Nursing	0.31	
S&S and CC CCGs RAID Service	0.38	
Liverpool IAPT Wave VI	0.53	
Lost Business		
SES&S CCG Primary Care	(0.14)	(0.14)
Staffordshire Community SMS	(2.01)	(0.67)
HMP Prisons (Bronzefield & Reading)	(0.39)	

There is ongoing pressure in the economy from commissioners to make further savings from disinvestments. The Trust has previously demonstrated its capability to meet the challenge of disinvestments, working in partnership with commissioners, without impacting on the quality of clinical services. The Trust is working with commissioners to understand what disinvestments they are wishing to make.

The Trust also continues to be involved in Tenders both for services it currently provides and new services. There is also an anticipated pipeline of further tenders. Overall there is therefore less stability to the Trust's revenue than for many years.

7.2 Expenditure

The Trust's operating expenditure is as follows:

	2013/14 Plan £M	2013/14 Outturn £M	2014/15 Plan £M	2015/16 Plan £M
Employee Expenses	126.405	126.131	127.708	123.076
Drugs	2.943	3.460	3.705	3.675
Clinical Supplies	1.405	1.523	1.433	1.447
Non Clinical Supplies	7.504	8.801	7.695	7.834
Secondary Commissioning	8.530	8.075	9.323	10.172
Other Costs	17.939	18.177	19.266	15.630
Total	**164.726**	**166.167**	**169.131**	**161.834**

Expenditure in 2013/14 was above plan reflecting the costs of additional services gained during the year plus ensuring that provision has been made for restructuring costs arising from planned service changes.

Expenditure for 2014/16 is impacted by contract gains and losses included above, the impact of inflation and pressures and delivery of CIPs.

7.3 CIPs

Key to the delivery of the financial strategy is the delivery of CIPs. The 2013/14 programme was 98% achieved. With elements of the delivery being non recurrent the gross 2014/15 programme

would be £10.9m. The 2014/15 programme is supported by non recurrent support and the CIP contingency. The key challenge for the Trust is fully delivering the plans for 2014/15 and delivering the significant 2015/16 programme whilst continuing to develop a sustainable ongoing strategy.

The CIP plans in summary are as follows:

	2013/14 Outturn £M	2014/15 Plan £M	2015/16 Plan £M
Recurrent			
Pay	1.568	4.219	10.303
Drugs	0.009	0.017	0.000
Clinical Suppllies	0.080	0.001	0.000
Non clinical supplies	0.023	0.067	0.000
Other	0.661	0.278	1.900
Total Recurrent	**2.341**	**4.582**	**12.203**
Non Recurrent			
Pay	1.319	0.169	-3.500
Drugs	-0.001	0.000	0.000
Clinical Suppllies	0.000	0.000	0.000
Non clinical supplies	-0.027	0.045	0.000
Other	1.134	1.071	0.000
Total non recurrent	**2.425**	**1.285**	**-3.500**
Revenue Generation	1.269	**0.535**	**-0.333**
Total CIPs	**4.766**	**5.867**	**8.703**
Revenue Generation	**1.269**	**0.535**	**-0.333**
CIPs plus Revenue Generation	**6.035**	**6.402**	**8.370**

All the CIPs for 2014/15 have been risk assessed as follows:

Summary of 2014/15 Savings Plans

	CIP Target £ 000's	Identified £ 000's	Shortfall £ 000's	High Risk £ 000's	Medium Risk £ 000's	Low Risk £ 000's	Recurrent £ 000's	Non Recurrent £ 000's
Mental Health Division	3,787	2,928	(859)	1,783	1,000	145	3,137	(209)
Specialist Healthcare Division	3,989	2,151	(1,838)	432	858	862	1,568	584
Corporate Support Services	1,534	1,003	(531)	0	50	953	711	292
Gross CIP (excluding HIS)	**9,310**	**6,082**	**(3,228)**	**2,214**	**1,908**	**1,960**	**5,416**	**666**
Health Informatics	1,592	750	(843)	0	0	750	680	70
Gross CIP (including HIS)	**10,902**	**6,831**	**(4,070)**	**2,214**	**1,908**	**2,709**	**6,096**	**736**
Less CIP Contingencies								
CIP Contingency Reserve	1,500		1,500					
Non Recurrent CCG Funding (14/15)	3,000		3,000					
Total CIP Contingencies	**4,500**		**4,500**					
Net CIP after Contingencies - as per Monitor Plan	**6,402**		**430**					

The Trust has a well-developed process for the development assessment and monitoring of CIPs. At each stage schemes are taken to star chambers to ensure sufficient challenge is made and that

all schemes are quality impact assessed. These build from initial discussions that test the overall feasibility of schemes, to firming up plans, formally risk assessing, Service User and carer engagement, Board level challenge, ongoing monitoring and formal six monthly monitoring.

The Trust is forecasting overall delivery of the 2014/15 target. This however leaves a high gross target of £11.87m for 2015/16 which is reduced to a net £8.37m through utilisation of £2m of non-recurrent support and the £1.5m CIP contingency. Ensuring identification of and delivery of recurrent schemes in 2015/16 is anticipated to derive from utilisation of the Virginia Mason approach to productivity and efficiency resulting in materially different workforce plans. Initial plans from both the Mental Health and Specialist Divisions were taken to the September 2013 Trust Board. Approval was given to develop the initial plans further and that as they were developed increase the value so that the full 2015/16 target is met.

The Mental Health Division schemes include developing Community Pathways, Modernising Acute Care, Developing the transition between CAMHS and Adult Care, Modernising the delivery of Dementia Care and developing the Rehabilitation and Recovery Services.

The Specialist Division plans reflected the breadth and diverse nature of their services and comprised 26 individual schemes.

7.4 Financial Risks and Mitigations

The following have been identified as key risks in the future year.

- Delivering the CIP
- Additional commissioner QIPP requirements
- CQUIN Funding: Receiving the discretionary payment on the Healthcare Contracts for Care Quality Innovations (CQUIN)
- High Cost/Low Volume Activity Performances: Receiving the targeted level of income on cost and volume / cost per case contracts
- IAPT Contracts and Out of Area Contract Penalties: Delivering performance targets to remove potential financial penalties
- Service Margins: With the large numbers of tenders in particular where the Trust is the incumbent contractor there is a risks that contribution margins will be reduced
- Supplementary Ward Staffing: Ensuring staffing levels do not exceed the funded establishment
- Redeployment, Redundancy & other Restructuring Costs: Ensuring the budgetary reserve is not exceeded

In order to mitigate the risks above the Trust has set aside a number of Reserves to handle Contingencies, as follows:

- CIP contingency has been set within the Trust's budgetary reserves
- General contingency reserve in recognition that 'unknowns' occur during the financial year, along with certain cost pressures such as supplementary staffing of the wards and FP10 costs
- Potential non-recurrent re-structuring costs
- Pay Protection
- IT investment/software license costs
- Integration/acquisition project costs
- 'Lean' and Tender support funding
- Project Management support
- CQUIN funding risk reserve

- Francis Recommendations

A number of reserves have also been set for inflationary issues, agreed cost pressures, developments and specific projects/initiatives. These will be released through-out the financial year as and when the associated expenditure occurs.

7.5 Capital

2012/13 saw the completion of the Redwoods replacing Shelton Hospital. Work has commenced on refreshing the Trust Estates Strategy and subject to business cases it is anticipated that there will be significant expenditure over the next 3 years to improve both the community and inpatient facilities. Indicatively the expenditure over the next two years is anticipated to be as follows:

	2013/14 Outturn £M	2014/15 Plan £M	2015/16 Plan £M	2014/16 Plan £M
Operational Capital		-0.850	-0.850	-1.700
IT		-0.600	-0.400	-1.000
Estates Strategy		-14.285	-13.900	-28.185
Contingency / Previous year schemes to complete		-1.000	-1.000	-2.000
Total Capital	**-3.693**	**-15.735**	**-15.150**	**-30.885**
Disposal Proceeds	0.587	3.371	1.543	4.914
Net Capital	-3.106	-12.364	-13.607	-25.971

The operational capital supports maintaining the standard of the estate.

The IT spend continues investment to ensure the resilience and efficiency of IT systems.

The disposal proceeds includes proceeds from the disposal of the former Shelton Hospital site. During the development of the refreshed estates strategy it is anticipated that further disposal opportunities will be progressed.

The funding of the programme will be identified further through the estates strategy but the Trust anticipates that the funding will be secured through a mixture of internal resources (surpluses and depreciation), asset disposals and indicatively a £10m loan in 2015/16 or 2016/17.

7.6 Working Capital

The delivery of year on year surpluses has strengthened the Trust's working capital position. The Trust continues to exercise tight credit control whilst ensuring that its relationship with creditors is maintained through prompt payment of agreed invoices. During 2014/15 it is anticipated that there will be reductions in accruals and provisions. The level of cash balances reduces over the course of the plan in line with the capital programme. At all points they are however maintained at a sufficient level.

The Trust has since becoming an FT held a working capital facility. No use has ever been made of this. The Trust has therefore agreed not to renew the facility.

7.7 Sensitivity Analysis

The Trust has carried out a sensitivity analysis of the Financial Plan.

An upside or best case would see the Trust delivering on all its CIP plans, delivering all CQUIN schemes with no additional costs and not needing to utilise a number of contingency reserves. This is considered to be unlikely but would result in a surplus of £8.25m in 2014/15 and £7.25m in 2015/16. The Continuity of Service Risk Rating would be a 4.

The most likely downside including mitigations would see the Trust not fully delivering its CIP programme and incurring additional costs and income losses that needed to be covered by the release of contingencies. This would reduce the Surplus to £3.5m in 2014/15 and a £0.1m deficit in 2015/16. The Continuity of Service Risk Rating would reduce to 3 in 2015/16 with the Capital Service Cover being 1. A further downside was assessed which included further pressures resulting in a surplus of £1.8m in 2014/15 and a deficit of 2015/16 of £1.7m. Whilst this is considered to be unlikely the Continuity of Service Risk Rating would reduce to 3 in 2014/15 and 2 in 2015/16 with a capital service cover of 1. The Trust has further modelled the level of surplus reduction that would trigger the Continuity of Service Risk Rating reducing to 2. This would be triggered by the level of surplus reducing by approximately £1.9m in each year.

Summary
The Trust has built up sufficient resources to progress transactions as opportunities arise. During 2013/14 North Staffordshire Combined NHS Trust indicated that it would not be in a position to be a standalone FT. The Trust has signalled its interest in working with North Staffordshire Combined NHS Trust. To date there has not been sufficient progress to include this within the plan as a transaction.

The three core financial statements and anticipated Continuity of Service Risk Ratings are as follows:

Summary Statement of Comprehensive Income

	2013/14 Plan £M	2013/14 Outturn £M	2014/15 Plan £M	2015/16 Plan £M
NHS Mental Health activity Income	153.807	150.313	156.615	151.221
Non Mandatory/Non protected revenue	3.252	3.274	2.870	2.870
Other Operating revenue	16.895	21.290	18.642	16.372
Operating Revenue	**173.954**	**174.877**	**178.126**	**170.463**
Employee expenses, permanent staff	-123.947	-118.718	-125.490	-120.858
Employee expenses, agency & contract staff	-2.458	-7.413	-2.218	-2.218
Drugs	-2.943	-3.460	-3.705	-3.675
Clinical supplies	-1.405	-1.523	-1.433	-1.447
Non-clinical supplies	-7.504	-8.801	-7.695	-7.834
Cost of Secondary Commissioning of mandatory services	-8.530	-8.075	-9.323	-10.172
Other Costs	-17.939	-18.177	-19.266	-15.630
Operating Costs	**-164.726**	**-166.167**	**-169.131**	**-161.834**
EBITDA	**9.228**	**8.710**	**8.995**	**8.629**
EBITDA Margin %	5.3%	5.0%	5.1%	5.1%
Depreciation and Amortisation	-2.500	-2.264	-2.600	-2.800
Impairment (Losses) / Reversals	0.000	-0.034	0.000	0.000
Interest Income	0.100	0.080	0.080	0.080
Gain/(loss) on asset disposals	0.000	0.031	0.000	0.000
Interest Expense	-0.854	-0.578	-1.140	-1.269
PDC dividend expense	-2.000	-1.750	-1.700	-2.000
Surplus	**3.974**	**4.195**	**3.635**	**2.641**
Surplus Margin %	2.3%	2.4%	2.0%	1.5%

Summary Statement of Financial Position

	2013/14 Plan £M	2013/14 Outturn £M	2014/15 Plan £M	2015/16 Plan £M
Property, Plant and Equipment	89.477	88.200	102.335	115.685
Prepayments, Non-Current	0.020	0.010	0.010	0.010
Other Financial Assets, Non-Current	0.563	0.563	0.563	0.563
Assets, Non-Current, Total	**90.060**	**88.773**	**102.908**	**116.258**
Inventories	0.151	0.191	0.191	0.191
Trade and Other Receivables, Net, Current	3.270	5.160	5.160	5.160
Other Financial Assets, Current	1.882	1.556	1.556	1.556
Prepayments, Current	1.480	1.444	1.444	1.444
Cash and Cash Equivalents	39.668	42.408	28.746	28.047
Other Assets, Current	6.037	6.085	2.714	1.171
Assets, Current, Total	**52.488**	**56.844**	**39.811**	**37.569**
ASSETS, TOTAL	**142.548**	**145.617**	**142.719**	**153.827**
Interest-Bearing Borrowings, Current	-1.200	-1.333	-1.333	-1.733
Deferred Income, Current	-6.353	-5.704	-5.704	-5.704
Provisions, Current	-5.222	-9.689	-5.689	-5.689
Current Tax Payables	-3.801	-3.875	-3.875	-3.875
Trade and Other Payables, Current	-8.624	-6.255	-6.255	-6.255
Other Financial Liabilities, Current	-7.682	-9.088	-7.888	-7.888
Liabilities, Current, Total	**-32.882**	**-35.944**	**-30.744**	**-31.144**
NET CURRENT ASSETS (LIABILITIES)	**19.606**	**20.900**	**9.067**	**6.425**
Interest-Bearing Borrowings, Non-Current	-28.200	-28.001	-26.668	-34.735
Deferred Income, Non-Current	-0.076	-0.073	-0.073	-0.073
Provisions, Non-Current	-0.200	-0.188	-0.188	-0.188
Liabilities, Non-Current	**-28.476**	**-28.262**	**-26.929**	**-34.996**
TOTAL ASSETS EMPLOYED	**81.190**	**81.411**	**85.046**	**87.687**
Public dividend capital	75.698	75.698	75.698	75.698
Retained Earnings / (Accumulated Losses)	-17.852	-17.359	-13.724	-11.083
Revaluation Reserve	23.777	23.505	23.505	23.505
Miscellaneous Other Reserves	-0.433	-0.433	-0.433	-0.433
TAXPAYERS EQUITY, TOTAL	**81.190**	**81.411**	**85.046**	**87.687**

Summary Statement of Cash Flow

	2013/14 Plan £M	2013/14 Outturn £M	2014/15 Plan £M	2015/16 Plan £M
Surplus/(deficit) after tax	3.974	4.195	3.635	2.641
non-cash flows in operating surplus/(deficit)				
Finance (income)/charges	0.754	0.498	1.060	1.189
Depreciation and amortisation, total	2.500	2.264	2.600	2.800
Impairment losses/(reversals)	0.000	0.034	0.000	0.000
(Gain)/loss on disposal of property plant and equipment	0.000	-0.031	0.000	0.000
PDC dividend expense	2.000	1.750	1.700	2.000
Non-cash flows in operating surplus/(deficit), Total	5.254	4.515	5.360	5.989
Operating Cash flows before movements in workin	**9.228**	**8.710**	**8.995**	**8.629**
Increase/(Decrease) in working capital, Total	-3.800	-2.641	-5.200	0.000
Increase/(Decrease) in Non-current Provisions	0.000	-0.012	0.000	0.000
Net cash inflow/(outflow) from operating activities	5.428	6.057	3.795	8.629
Property, plant and equipment additions	-5.172	-3.693	-16.735	-16.150
Proceeds on disposal of property, plant and equipment	0.604	0.587	3.371	1.543
Increase/(decrease) in Capital Creditors	0.000	0.209	0.000	0.000
Net cash inflow/(outflow) before financing	**0.860**	**3.160**	**-9.569**	**-5.978**
Net cash inflow/(outflow) from financing activities				
PDC Dividends paid	-1.430	-1.180	-1.700	-2.000
Interest (paid) on non-commercial loans	-0.854	-0.578	-1.140	-1.269
Interest received on cash and cash equivalents	0.100	0.080	0.080	0.080
Drawdown of non-commercial loans	15.000	15.000	0.000	10.000
Repayment of non-commercial loans	-0.600	-0.666	-1.333	-1.533
Net increase/(decrease) in cash	**13.076**	**15.816**	**-13.662**	**-0.699**
Opening cash	26.592	26.592	42.408	28.746
Closing cash	**39.668**	**42.408**	**28.746**	**28.047**

Summary Continuity of Service Risk Rating

	2013/14 Outturn £M	2014/15 Plan £M	2015/16 Plan £M
Capital Service Cover			
Revenue Available for Capital Service	8.790	9.075	8.709
Capital Service	-2.994	-4.173	-4.802
Capital Service Cover metric	2.94x	2.17x	1.81x
Capital Service Cover rating	**4**	**3**	**3**
Liquidity			
Cash for CoS liquidity purposes	14.624	6.162	5.063
Operating Expenses within EBITDA, Total	-166.167	-169.131	-161.834
Liquidity metric	31.7	13.1	11.3
Liquidity rating	**4**	**4**	**4**
Continuity of Service Risk Rating	**4**	**4**	**4**