Operational Plan for 2014-16

West Midlands Ambulance Service NHS Foundation Trust

Operational Plan Guidance – Annual Plan Review 2014-15

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

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

Annual plan review 2014/15 guidance is available here.

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

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

1. Executive summary

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

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

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

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	3rd April 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:

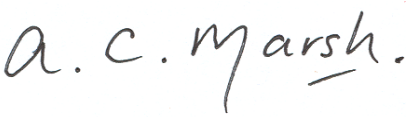
Name *(Chair)*	Sir Graham Meldrum

Signature

Approved on behalf of the Board of Directors by:

Name *(Chief Executive)*	Anthony Marsh

Signature



Approved on behalf of the Board of Directors by:

Name *(Finance Director)*	Rupert Davies

Signature

Contents

1 Executive Summary

During 2013/14, in its first full year as a Foundation Trust, West Midlands Ambulance Service continued to make significant progress towards its strategic objectives. In particular, we have:

- Fully implemented an ambitious "Make Ready" plan throughout the region
- Decreased conveyances to Emergency Departments
- Increased our paramedic skill mix to ensure more appropriate responses are available to our patients
- Worked in partnership to support service reconfigurations

Going forward into 2014/15, the Trust plans to deliver upon local and national commissioning priorities and achieve its quality goals in the context of patient safety, clinical effectiveness and patient experience. In the Trust's assessment of these goals and priorities, the following short term challenges to achieving performance standards have been identified:

- Expected increased demand and obtaining the resources required to meet that demand
- The requirement to reduce conveyance to hospital without sufficient alternative pathways
- Continued loss of resource due to long hospital turnarounds
- Acute reconfigurations which require ambulances to be diverted away from the nearest ED

This plan identifies the following priorities in order to overcome these challenges:

- Partnership Working
- Delivery of safer care, closer to home
- Front Line On Line – Introduction of Electronic Patient Report Forms
- Supporting efficiency in the Wider Health Economy:
  - Improving hospital handovers
  - Promotion and Use of Directory of Services
- Improved patient assessment and signposting for treatment
- An ambitious Paramedic development programme to ensure a qualified clinician is available on every response
- Investment in the workforce resources available to deliver front line services
- Ongoing implementation of our management and leadership development

The Trust expects 2014/15 and 2015/16 to be financially challenging, but is currently planning for small operational surpluses in both years. Planned turnover is expected to rise by £9m in 2014/15, with costs rising at a similar rate, driven by a rise in establishment of 193 WTE operational staff. Staffing levels are however, planned to stabilize thereafter. The Trust continues to commit to an ambitious capital programme, through the use of internal resources. The Trust therefore plans to secure a strong continuity of service risk rating for each of the next two years.

	2013/14 Forecast £m	2014/15 Plan £m	2015/16 Plan £m
Income	(208.3)	(217.0)	(221.7)
Pay	149.9	156.9	160.8
Non-pay	53.2	53.1	52.4
Total expenditure	203.1	210.1	213.1
EBITDA	(6.3)	(7.0)	(8.5)
Financing costs	6.3	6.8	6.8
(Profit)/loss from sale of assets	(2.5)	(5.5)	0
Retained (surplus) for year	(2.5)	(5.7)	(1.7)
Capital spend in year	8.2	10.0	9.3
Cash balance at year-end	22.3	23.7	21.7
CoSRR	4	4	4

2 Operational Plan

2.1 The Short Term Challenge

Following the trend over the last 10 years the Trust continues to experience activity increases on average around 4.5 per cent each year. However, the newly formed Clinical Commissioning Groups (CCGs) are setting out their intentions to reduce demand. Whilst the CCGs continue to gather pace by redesigning Urgent Care systems across the region, the Trust does not expect to see a reduction in demand until the 2015-16 contracting round. To put this into context the Trust has seen a 7 per cent increase in call demand between 2011-12 and 2013-14 and is forecasting a further increase of 5 per cent by end of 2013/14.

The Trust will work with CCGs and other providers to ensure an effective 999 service is available for patients that require an emergency response and that patients who require alternative pathways are signposted accordingly.

The Trust's Emergency Operations Centres are world class and our call answering performance against the national standard of 95 per cent of all calls answered within 5 seconds is consistently the top performer at 1 second. The efficiency and quality of our call handling functions are considered high performing with all emergency calls taking an average of 5 minutes with the patient's presenting condition being identified within 1.5 minutes. Management of calls via both 999 and 111 is key to delivering a high quality cost effective service to the people of the West Midlands.

The challenges facing the Trust in achieving performance targets have been broken down into the core elements of our patient pathway. These are:

- Availability of resources to meet demand
- Conveyance to hospital and availability of alternative pathways
- Hospital turnaround delays
- Acute reconfigurations

Each of these challenges is interdependent and requires specific actions from WMAS, its commissioners and relevant NHS providers to achieve desired service improvements and outcomes. The following provides an overview of the extent of each challenge and WMAS' planned actions:

a) Availability of Resources to Meet Expected Demand

WMAS is dealing with an increasing workload in terms of volume and complexity alongside the need to reduce costs and the commissioning requirement to increase Hear and Treat rates. The Trust has seen an average 4.5 per cent annual growth in activity over the last five years, as evidenced by looking at the actual growth in assigned incidents since 2007/8.

Financial Year	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013
Assigned Incidents	714,898	745,017	785,822	816,087	832,795	884,254
Annual Growth		4.2%	5.5%	3.9%	2.0%	6.2%
			Average over 5 years			**4.5%**

The difficulties in establishing an effective NHS111 service in the West Midlands were well documented. During the early part of the year, the failure of the service had a significant impact on WMAS' operations with surges in 999 activities and the management team spending significant time assisting commissioners with rectification plans. It is anticipated that the re-procurement of NHS111 and the step-in contract will address the issues experienced to date and create the opportunity to develop the service to eliminate inappropriate calls being passed to the 999 service.

WMAS Response to this challenge:
The challenge of ensuring that resource levels are accurate to meet expected demand requires an accurate forecast of the spread of activity. Having stabilised the 111 service, the Trust is confident that there is a continuing rise in 999 activity that corresponds with the historical position of a 4.5 per cent increase. The difference witnessed to date, is that some of the activity is being received by 111 and whilst this is not affecting forecasted demand either upwards or downwards, as the Trust continues to experience the traditional demand increase, it is changing the profile of when the activity is received. Typically Saturday and Sunday mornings are the busiest time for 111 in addition to weekday evening and around 12 per cent of their activity is passed for an emergency response. As a result, the Trust is revisiting its traditional rotas to ensure that appropriate resources are deployed to deal with the activity.

b) Conveyance to Hospital and Availability of Alternative Pathways
As part of the overall efficiency work that the Trust has conducted, there has been a change in the growth of conveyances over the last two years. This has resulted in an actual growth of transports to hospital of less than 2 per cent despite a significantly higher increase in incidents. That is, if our activity had not increased, we would have taken approximately 75,000 fewer patients to hospital over the last three years.

Financial Year	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013
Conveyances	468,729	486,681	501,854	517,852	524,732	535,322
Annual Growth		3.83%	3.12%	3.19%	1.33%	2.02%
Average growth in conveyances over last 2 years					**1.7%**	

Over the next two years, conveyance rates are expected to plateau at around 50 per cent unless further changes to the response model are considered. Currently the Trust's decrease in the percentage of conveyances is offset by the growth in activity which means that whilst activity is climbing by 4.5 per cent, the Trust is conveying almost identical numbers into hospitals each year. The increase in activity will mean that overall conveyance numbers begin to rise. Contributing to this is the limited availability of alternative pathways, coupled with the variation of admission avoidance plans across the region. Whilst WMAS delivers a regional service, the challenge for the Trust will be to provide local crews to respond to local patients, whilst dealing with the challenging patterns of demand and alternative pathway provision.

WMAS Response to this challenge:
The Trust continues to review schemes to reduce conveyance rates and is actively looking for partnerships with other healthcare providers that can assist, for example, local GP deployment to primary care type incidents and links with fall services.

The Trust plans to increase its skill mix ratio of paramedics to non-paramedic staff by around three per cent over the next two years which will assist in discharging patients on scene. The Trust will also increase its number of advanced paramedics to 250 which will also provide pathways for patients with minor injuries and minor illness.

The Trust continue to work on the Directory of Services (DoS) to provide an up to date view of all pathways in the region that can be accessed by Trust clinicians instead on conveyance to hospital. Furthermore, we will work with CCGs, other providers and our patients and staff to identify where and what alternative pathways are required.

c) Hospital Turnaround Delays

During 2013-14 the health economy introduced a process for fining acute hospitals and the ambulance service for delays in hospital handovers and clearing crews. WMAS had anticipated that the fines would have an impact on the acute arrangements and had therefore resourced based upon a 30 minute turnaround. Whilst improvements in turnaround have been seen due to actions being taken by both WMAS and the acute trusts, some hospitals still have difficulty in releasing ambulance crews. Delayed hospital handovers mean we are unable to release emergency ambulances for patients who are in an immediately life threatening situation. Between April 2013 and March 2014, WMAS reported:

- Continued pressure on the ambulance service with 154,544 ambulance arrivals experiencing delays over 30 minutes, of these the following were finable breaches:
- 36,416 fines were attributable to hospitals throughout the region
- 2,708 were attributable to WMAS
- Over 20,308 lost ambulance hours due to delays at acute hospitals, during which time a further 13,944 cases could potentially have been responded to.

WMAS Response to this challenge:

The Trust has continued to provide an effective response to the turnaround problem and over a period of time have implemented the following actions:

- Use of Hospital Ambulance Liaison Officers (HALOs) at key hospitals to support ambulance crews on turnaround
- Implementation of a hospital desk in the Emergency Operations Centre (EOC) to track crews in and out of hospitals and provide a point of contact for any issues
- Implementation of a Strategic Operations Centre (SOC) that is staffed with a senior manager to provide a point for escalation of issues
- Implementation of a pin code that is exchanged between ambulance crew and receiving centre to ensure accuracy of data
- Active engagement with hospitals to improve both the quality of the data and turnaround

d) Acute Reconfigurations

The consequences of increased demand coupled with an unprecedented level of acute hospital reconfigurations have impacted on our performance in 2013-14. A number of service reconfigurations have taken place with little or no notice.

These reconfigurations have had a significant impact on our ability to meet targets and to respond appropriately within existing funded resources. Many of these reconfigurations necessitate significantly longer journey times, drawing ambulance resources away for some of the most rural areas of the region. The current reconfigurations are shown below:

Hospital Trust	Services Affected
The Shrewsbury and Telford Hospital NHS Trust	Stroke Services Surgical Services Head and Neck Services Women's and Children's Services
Worcestershire Acute Hospitals NHS Trust	Stroke Services
Mid Staffordshire NHS Foundation Trust	Overnight Closure of Emergency Department Trust Special Administrators (TSA) Consultation on other service reconfigurations
University Hospitals of Coventry and Warwickshire NHS Trust	Downgrading of Rugby St Cross Emergency Department
George Eliot Hospital NHS Trust	Reconfiguration of Paediatric Services
Rugby St Cross	Conveyance to UHCW, due to change of operation to nurse-led

WMAS Response to this challenge:
A review of these service reconfigurations has taken place with members of the Trust's senior team and Commissioners in support of the 2014-15 contracting process. This should enable the Trust to better plan for and respond to service reconfigurations with the appropriate commissioning arrangements in place

e) Achievement of Performance Targets

All of the challenges identified above have a significant impact upon the Trust's operational model and the ability to deliver performance targets satisfactorily. The key target which has suffered through the large part of 2013/14 is the Red 2 target, with the year-end position being 73.6 per cent against a target of 75 per cent.

WMAS Response to this challenge:
Monitor has been updated through the in-year reporting process on the following actions that were in place by the end of quarter 2:

- Recruitment of additional paramedics, as specified in our Workforce plan identified above. Further building on our success in achieving the highest paramedic skill mix in the country
- Continuation of planned training, including up-skilling existing paramedics
- Introduction of an extensive Student Paramedic training programme supported by Health Education West Midlands
- Regular negotiation with commissioners
- Emphasis on clinical quality including Infection Prevention and Control, Medicines Management, Safeguarding
- Continued achievement of local targets i.e. Green 2, Green 4 and Referrals
- Continued negotiation with staff on changes of practice to introduce more flexible working arrangements

Additionally, the following were put in place during Quarter 3:

- Introduction of surge crews (20 per day)
- Provision of up to 6 additional crews per day through re-employment of St Johns Ambulance
- Additional overtime
- Standing down rapid response vehicles to create more ambulance capacity for conveying patients, resulting in a reduction of waiting time for both patients and solo paramedics

The above actions have continued throughout Quarter 4 to stabilise performance. The Trust plans to achieve all operational KPIs in quarter 1 2014/15 and will include enhanced recruitment and contingency planning which will be carried forward throughout 2014-16. In addition to the above actions, the following are also under consideration:

- A review of the triage system and process to reduce the volume of red calls and increase the number of calls viable for triage
- Creation of a multi-disciplinary team (Paramedics, Nurses, GPs) to address hear and treat volumes
- Working with 111 to reduce the number of inappropriate calls at peak times
- A review of management arrangement around 'lost' hours
- Further understand training, clinical and operational issues that increase on scene times
- Increasing ambulance fleet by 20 vehicles
- Review correlation between supply and demand to improve forecasting model
- Implementation of training package for Ambulance Support Officers to ensure a consistent approach

2.2 Operational Requirements and Capacity

Based upon historical trends, the Trust expects to receive an average increase in demand of approximately 4.5 per cent. Based upon this rationale, the following estimates apply to incidents and calls in 2014/15 and 2015/16 respectively:

If activity rises at the predicted levels across all the elements of the Trust, the organisation will expect a 4.5 per cent growth in calls, incidents, transports and responses. Traditionally, this would need to be matched with the same growth in workforce to ensure the Trust is able to respond to all of its activity and maintain the required clinical and performance standards. However, due to the current financial constraints, the Workforce Plan for the next two years shows an increase in staffing of at a much lower trajectory.

WORKFORCE PLAN			
	2013/14	**2014/15**	**2015/16**
Budgeted Establishment	2179	2372	2384
Recruitment Activity			
Direct Entry Paramedic	50	50	50
Student Paramedic	159	250	17
New Role *(Trainee Technician level)*	0	0	71
Attrition	-110	-114	-126
Growth applied To Student Paramedics & New Role (4.5%)	0	193	107
CIP applied to Paramedics (4%)	0	0	-95
Paramedic Skill Mix	60.91%	56.86%	61.73%

The above plan has been developed through an iterative process and reflects the Trust's calculation of its staffing requirements in the face of expected activity rise. To ensure enhanced flexibility and to manage against random shifts in staff availability it has been agreed by the Board of Directors that funding will be made available for an additional seventy whole time equivalents at overtime rate.

The above figures are based upon:

- Recruitment of Direct Entry Paramedics maintained at 50 per year
- Growth of 1.5 per cent in establishment applied to Student Paramedics - recruitment of Student Paramedics increased to reflect growth
- Growth of 3.0 per cent in establishment applied to New Role - recruitment of New Role increased to reflect growth
- CIP of 4 per cent in establishment applied to Paramedics - reduction in Paramedics to reflect Cost Improvement

In order to respond to the needs of all patients appropriately, the Trust must continue with its current controls over efficiency metrics of increasing Hear and Treat incidents, whilst reducing See and Convey incidents and the number of responses sent per incident, as follows:

Financial Year	2013/2014 Actual	2014/2015 target	2015/2016 target
Hear and Treat	5.6%	7.5%	8.0%
See and Treat	33.4%	35.5%	36.0%
See and Convey	61.0%	57.0%	56.0%
Responses per Incident	1.26	1.22	1.18

The understanding of these metrics gained by the Trust over the past two years will enable it to continue to show improvements and at times, stabilise activity. The targets shown on the table above have been modelled using systems that have been developed by the Trust and can be used to show the effects of each change on activity. These models can also be used to calculate the Unit Hour Utilisation required to achieve these efficiencies.

Unit Hour Utilisation (UHU) is a simple key indicator that shows the organisation what pressure is on the systems through either activity changes or resource numbers. UHU can be used to both ensure enough resource is planned to be on duty and that the resource is used effectively. Over the next two years it is envisaged that the UHU will rise as the organisation becomes more efficient. The control of this rise is key to ensuring the maintenance of good performance standards.

2.3 Quality Plans

a) National and Local Commissioning Priorities

In line with guidance derived from national reviews such as the Francis Review of Mid Staffordshire and the government's response the Trust will work with Commissioners and other providers to ensure patients receive safe and effective care from the most appropriate provider. Key priorities include:

Partnership Working:

- Engaging with local healthcare providers to embed Community Paramedic Scheme to support higher quality care for patients at home and preventing the need for emergency care in hospital
- Developing an integrated End of Life Register (2nd year of CQUIN) to ensure better care for patients in their preferred place of care
- Sharing of information across organisations regarding frequent users and the development of care packages to reduce the reliance of these callers on the ambulance service
- Developing pathways for falls and diabetic patients
- Ensuring appropriate referrals of care concerns and safeguarding issues
- Developing an integrated approach between 999 and 111 services
- Supporting effective and safe reconfiguration changes
- Working with CCGs to identify care pathway requirements to reduce re-contact rates

Delivery of Safer Care, Closer to Home:

- Further increasing Paramedic skill mix to enable more patients to be treated at scene
- Training and education, focussing upon long term conditions, frail elderly and end of life care pathways
- Refining our triage system and enhanced call handler training to provide greater resilience at times of surge
- Introducing and supporting telemedicine schemes where appropriate
- Considering other professional groups in rapid response vehicles e.g. mental health practitioners
- Formalising the governance and operational models for GP in car schemes

Front Line on Line – Introduction of Electronic Patient Report Forms

- Providing real time access to patient's emergency care record for the point of dispatch of emergency care personnel to patient handover at receiving location
- Automatically transferring data from ambulance control room and other diagnostic equipment used by ambulance personnel, to avoid the need for manual recording of some key observations
- Improving data collection and audit processes ensuring accuracy, timeliness and integrity of data
- Communicating in real time with other healthcare professionals including Emergency Departments, GP surgeries and other healthcare professionals
- Supporting CCG plans to introduce shared Health and Social Care records

Supporting efficiency in the Wider Health Economy:

We recognise that our involvement in cross-organisational priorities will contribute to joint realisation of benefits. Given the appropriate commissioning, we will:

- Reduce Hospital Handover time – aiming to:
  - Eliminate issues of data accuracy
  - Gain regional agreement from all parties of the start and finish points of handovers
  - Invest in technology to ensure that handovers are accurately and easily recorded
- Review and standardise the role of Hospital Ambulance Liaison Officers to ensure that corridor waits are kept to a minimum at peak times
- Promote and use of Directory of Services, incorporating key actions to continuously improve quality
  - Provide consistent gap analysis in service provision across the region
  - Work with CCGs and other organisations across the Health and Social Care economy to develop and use alternative pathways, thereby reducing conveyance rates to hospitals
  - Regional monitoring of use and effectiveness

Patient Assessment and Signposting for Treatment

- Implement a pilot of the award winning Pathfinder tool. Following a detailed benefits analysis a full roll out will be scheduled throughout the Trust.
- improve quantity and quality of reflective clinical practice reviews
- Reduce re-contact rates through ensuring patients receive the right care, first time with appropriate safety netting as required

Development of Commercial Services

WMAS aims to increase its focus and presence in provision of services for which there is a commercial market. Specific plans in this area are detailed in the Appendix.

b) The Trust's Quality Goals, as Defined By Its Quality Strategy And Quality Account

The Trust has developed a Quality Strategy, which incorporates priorities for patient safety, clinical effectiveness and patient experience. Quality goals are identified in the strategy and are monitored through the Quality Implementation Plan, which is reported to appropriate Trust assurance committees up to and including Trust Board. The Trust Board acknowledges its responsibility to monitor the implementation and progress of the Quality Strategy. The Director of Nursing and Quality and the Medical Director will report on progress to the Trust Board and will refer to independent reviews and assessments to give assurance on the effectiveness of these measures. Key goals include:

Safety

- All external formal reviews and inspections will endorse the Trust's compliance with its regulatory obligations e.g. The Health and Social Care Act 2008: Code of Practice for the NHS on the prevention and control of Healthcare associated infections and related guidance
- The Trust will continue with its Professional Clinical Leaders programme that enables strong leadership to be sourced through succession planning
- All staff will receive mandatory training in accordance with the Trust's agreed Training Needs Analysis

Clinical Effectiveness

- The Trust's Clinical and Quality scorecard will demonstrate achievement of quality targets and standards of care are being delivered each year
- Quality Impact Assessments for all cost improvement plans that have the potential for negative impact on quality will be fully agreed by the Trust's senior clinicians
- A clear clinical audit process for measuring processes and outcomes will continually drive improvements in the delivery of safe effective care
- The Trust's Quality Account will:
    - Demonstrate a balanced view of the Trust's quality agenda
    - Receive stakeholder input and be agreed at Trust Board
    - Be published by 30 June each year
    - Be monitored throughout the year and goals set within it will be reported on at end of year as achieved

Patient Experience

- The Trust will achieve positive results from patient experience and staff surveys to include the Friends and Family Test
- Learning from Experience and resulting changes to improve the patient experience will be shared both locally and nationally
- Patient and staff engagement will be evident in future planning of services (see the Trust's Quality Account)
- The Board of Directors will continue to be attended by patients and their relatives to share their experiences

c) Outline Of Existing Quality Concerns

In January 2014 the Trust was inspected by the Care Quality Commission (CQC), the assessment concluded that WMAS was non-compliant against one standard: **Outcome 4 – Care and Welfare of people who use services - People should get safe and appropriate care that meets their needs and supports their rights.** The CQC considered the Trust was not meeting this standard and stated;

"Care and treatment was planned and delivered in a way that was intended to ensure people's safety and welfare. However some people experienced a delay in receiving treatment and this could impact on people's wellbeing and safety. We have judged that this has a minor impact on people who use the service, and have told the provider to take action."

The actions detailed within this plan, once completed should improve performance and will ensure this minor impact on patient care is addressed.

WMAS was assessed as compliant against the following standards:

Outcome 7 – Safeguarding people who use services from abuse - People should be protected from abuse and staff should respect their human rights	
Reason for Compliance	**Areas for Development**
Positive feedback received from Local Authorities	The CQC identified that there can be over reporting of safeguarding issues that could and should be dealt with via other pathways such as falls or care concerns. This will be addressed as part of the Quality Account priorities and has been proposed to Commissioners as a CQUIN for 2014/15

Outcome 8 – Cleanliness and infection control - People should be cared for in a clean environment and protected from the risk of infection	
Reason for Compliance	**Areas for Development**
The changes made to the Trust Estate and vehicle Make Ready services had resulted in a good overall standard of cleanliness	Inspectors noted that some of the monthly deep cleans had been delayed due to winter pressures on the vehicles. The Trust assured the CQC that they were aware of this and a plan was in place to rectify the situation during quarter 4

Outcome 14 – Supporting Workers - Staff should be properly trained and supervised, and have the chance to develop and improve their skills	
Reason for Compliance	**Areas for Development**
Feedback from staff identified support from their line manager and education and training being very good	The Trust identified a training attendance drop that was expected to be rectified by the middle of April 2014. The training plan is monitored closely through the assurance committees up to and including the Board of Directors.

Outcome 16 – Assessing & Monitoring quality of service provision - The service should have quality checking systems to manage risks and assure the health, welfare and safety of people who receive care	
Reason for Compliance	**Areas for Development**
Inspectors were assured that any issues they identified had already been picked up through the Trust's own systems	An action identified by the Trust and picked up through the inspection highlighted a need for a more robust recording of vehicle deep cleans and monitoring. This action forms part of the Trust Infection Prevention and Control section of the Quality Implementation Plan.

d) How the board derives assurance on the quality of its services and safeguards patient safety

The Trust Assurance Framework (TAF) provides the Trust with a simple but comprehensive method for the effective and focused management of the significant risks that arise in meeting its objectives. This simplifies Board reporting and prioritisation which in turn allows more effective performance management.

The Assurance Framework identifies which of the organisation's objectives are at risk because of inadequacies in the operation of controls or where the organisation has insufficient assurance. At the same time, it provides structured assurances about where risks are being managed effectively and objectives are being delivered. The principal tools for this are the Trust's Risk Registers and Key Performance Indicators. This assists the Board to determine where to make most efficient use of resources, and address the issues identified in order to improve the quality of care.

To deliver these the Board of Directors:

- Agrees a common set of objectives that set the Strategic Direction of the Trust
- Determines whether it can robustly achieve its objectives based on risk analysis and identification of Significant Risks
- Establishes governance systems enabling it to monitor and achieve its objectives
- Understands what information it needs

The Board of Directors agree the roles and responsibilities of its Committees to ensure each Committee reporting directly to them has:

- A clear and appropriate membership
- Clear terms of reference including limits of delegated powers
- Defined accountability arrangements including the role of management to deliver assurances

The Board of Directors has agreed that the principles above should be applied to all committees and working groups. whether directly reporting to the Board or not. Individual responsibilities for aspects of the strategy are set out within relevant Trust Policies and Procedures.

e) What our Quality Plans Mean for Our Workforce

The Workforce plan supports the Clinical and Operational models by specifying the numbers of staff required and skill mix over a 5 year period. Workforce information is used to influence the Regional Recruitment Plan that aims to be representative of communities within the West Midlands. It is a key objective to maximise capacity through better utilisation and productivity of the workforce. The Plan recognises the changes in knowledge and skill requirements necessary to support the provision of a wider range of quality responses to patients and the increasing range of patient pathways available. The Plan reflects the funded skill mix and the Trust's aspirations to achieve a workforce of 70 per cent qualified Paramedics and 30 per cent support workers.

The Workforce Development Committee is responsible to the Board of Directors for the delivery of the People Strategy. The People Strategy is supported by three pillars, namely Organisational Development (incorporating Staff Engagement), Human Resources (incorporating Health and Wellbeing) and Education and Training. A number of work plans and actions plans are also reported to the Workforce Development Committee to provide assurance on the delivery of Workforce Matters.

The People Strategy is underpinned by design, delivery and evaluation of plans between Finance, Clinical, Operations and Workforce. The NHS Ambulance Services in England work regularly in partnership to benchmark a suite of operational, staffing, clinical and financial information. This provides valuable data for determining greater efficiency, value for money and improving quality. The Trust also benchmarks Workforce information against other NHS Trusts within the Region, such as sickness, turnover levels etc.

Achievement of the Trust's Operational Plans and ambitions is dependent on strong and sustainable leadership throughout the organisation. Continuing investment in the development of all those involved in leading service delivery forms a key part of our workforce plan. We have made a Board commitment that all of the Trust's senior and middle managers will participate in leadership development based on a learning needs analysis. The Leadership programmes delivered within WMAS have been designed to develop our internal talent and improve service performance for the benefit of patients; supporting transformational leadership to empower the required evolutionary changes required within the NHS, as highlighted throughout the Francis Report. The Engaging Leaders Programme led to the Trust's Head of Organisational Development winning the Health Education West Midlands (HEWM) Leadership Champion Award for 2013, and this programme is now being delivered across the Region in partnership with HEWM for the benefit of all NHS Trusts.

WMAS believes that all staff should have access to development opportunities and has robustly taken forward apprenticeship programmes, to secure the workforce of the future and to enable career pathways for people with whom traditional classroom-based education and training would not be the most beneficial for their learning style.

Staff engagement is at the heart of our organisational success. We recognise that we provide a significant investment in our workforce and therefore have developed a wide range of initiatives to empower and engage staff so as to ensure we continue to be sighted on patient care. We will continue to drive this approach using current methods, and researching new ones.

Excellent working relationships with three Universities in the region enable the Trust to have access to high quality Paramedic Graduates as well as up-skilling our internal staff to convert their competences to full HCPC Paramedic registration.

f) WMAS' Response To Francis, Berwick And Keogh

The Trust developed an action plan in April 2013 in direct response to the publication of the review of Mid Staffordshire NHS Foundation Trust (Francis Report), the action plan has been closely monitored by the Board of Directors over the past year and many actions have been completed.

The Francis Plan was updated to include the recommendations from the Keogh and Berwick reports in January 2014.

The key elements of the plan require every single person serving patients to contribute to a safer, committed and compassionate and caring service. Over the life of the plan the Trust has

- Developed the Organisational Development Strategy with an emphasis on the Trust's core values. The strategy can be found on the Trust website and includes specifics such as Leadership development for managers and the Board of Directors and Listening into Action that ensures the staff have a say in implementing positive change
- Improved its learning from incidents and patient experience through the Learning Review Group, Root Cause Analysis and improved engagement with frontline staff and patients
- Improved governance arrangements with external contractors delivering/providing services for patients
- Listened to patient stories presented to the Board of Directors and worked with patients to improve systems such as introduction of a Family Liaison Officer (FLO) service
- Reinforced our Code of Conduct at all levels of the organisation
- Introduced a Clinical Steering Group to provide expert clinical advice on a wide range of subjects including safety culture
- Engaged in Peer Reviews to benchmark and improve effectiveness
- Reinforced its Being Open policy to maintain our Duty of Candour responsibilities

This is just a sample of the work that has been undertaken over the last year that will be continued into 2014/16. During this time there will be an emphasis on the culture of the organisation through a Cultural Barometer, which will incorporate work with Commissioners and partner organisations to reinforce a caring and responsive culture that all staff are signed up to.

g) Key Risks

Risk management is a key component of enhancing patient care and is a central part of the Trust's strategic management. It is the process whereby WMAS methodically addresses the risks attaching to its activities with the goal of achieving sustained benefits to patient care and to WMAS strategic agenda, within each activity and across the portfolio of all Trust activities. The focus of risk management at WMAS is the identification and treatment of risk

The Trust Risk Register identifies and assesses risks at two levels;

- Level 1 – Significant Risks - Those risks that have major implications across the whole of WMAS and could prevent the Trust achieving its Strategic Objectives (High risks graded 12 and above that are assessed by EMB and/ or CQGC as 'significant' and are accepted by Trust Board as such)
- Level 2 – Operational Risks - Risks identified and managed through the various Directors, managers, sub committees and working groups.

The Board of Directors acknowledges its responsibility to monitor the implementation and progress of risk management across the Trust activities. The Board of Directors monitors the Trust significant risks and gains assurance through the Trust Assurance Framework that those risks are being correctly identified and managed. The Trust's significant risks are currently:

Failure to achieve operational performance standards		
Key Controls		
• Tactical deployment protocols and planning including ECP/FCP deployment • Community First Responders Scheme • Ongoing review of training schedules that maximise capacity and capability Strategic Operations Cell (SOC) Hospital Ambulance Liaison Officer (HALO) and hospital desk arrangements • NHS Pathways, Directory of Services (DOS) and Clinical Support Desk (CSD) – Lower conveyance rates • Scheduling departments set up in each of the 5 areas to forward plan staffing requirements and rostering reviews • Performance Cell dashboard maintenance and provision • Fleet procedures resulting in higher vehicle availability • Winter, adverse weather and Escalation & Recovery plans • Major Incident Plans		
Gaps in controls	**Positive Assurance**	**Gaps in Assurance**
• Lack of demand management to reduce the number of 111 calls resulting in the need for an ambulance response • Unplanned variation in activity • External impacts routine (e.g. hospital turnaround), and abnormal (sustained major incident)	• CQC 2013 inspection confirmed compliance • Achievement of Foundation Trust status January 2013 • CQC Quality and Risk Profile– consistent low risk	• Assurance is required that 111 service will not adversely affect delivery of timely service
Mitigating Actions		
• Improved handover times at hospital • Fleet strategy review and implementation • Reviewed and revised rostering arrangements (Hubs) and Make Ready Implementation • Skill Mix completion • Delivery of Efficiency Metrics and new operating model • Sickness reduced to under 4.5 per cent creating more capacity in the system		

The Trust fails to manage its finances appropriately resulting in failure to achieve financial balance		
Key Controls		
• Annual business plan including associated financial plan and Workforce plan and their in-year monitoring and management • Finance team – structure, functions, roles • Standing Financial Instructions and Scheme of Delegation • Policies and Procedures • Close working with Commissioners • Reviews of services' cost base • Cost Improvement Programme (long term) including close monitoring • Finance & Performance Committee • Programme Management Board and associated project teams • Capital control group • Internal Audit Plan		
Gaps in controls	**Positive Assurance**	**Gaps in Assurance**
• Identify potential gaps through involvement in national procurement exercise • Seek additional income through local partnership working	• 2012-13 Yearend Audit Opinion • Scrutiny of in year budget statements (Finance dept star chamber and F&P Committee)	• Relevance and costs of overtime payments to staff including band 8 payments
Mitigating Actions		
• Close working with commissioners • Identify new partners to help manage additional activity • Reviewing cost base of all services • Continuing review of Trust's workforce plan • Continuing application of sound procurement techniques • Application of sound project management techniques (CIP plans)		

The Trust fails to comply with the Care Quality Commission (CQC) Essential Standards of Quality and Safety		
Key Controls		
• Clinical and Quality Strategy, Policies and Procedures (including Clinical Audit Policy and plan) • Trust acceptance and adherence to JRCALC guidance • Clinical Team monitoring of latest research/guidance/directives • Clinical education and training delivered in line with evidence based Training Needs Analysis • Clinical Education – University delivered • Clinical/Safety notices, Clinical Times, Weekly briefing, Intranet, Clinical conference, Virtual Learning Environment, Seminars) • Workforce and Organisational Development Strategies – including Personal Development Reviews, Continuing Professional Development • Requirements of Professional Registration (HCPC, NMC etc.) • Clinical supervision programme • Clinical team leadership – Regional (inc Director of Nursing & Quality and Medical Director) and Local (CPGMs) • Risk Management: Risk Registers, Risk Assessments and monitoring throughout committee structure • Patient experience team – Management of Patient Surveys, • Complaints, PALS and learning from patient experience • Risk team – Management of Incident Reports (Inc Serious Incidents), Claims, Patient Safety Action Plan, and learning from experience		
Gaps in controls	**Positive Assurance**	**Gaps in Assurance**
• Communication between 111 and 999 to ensure safety netting for patients is adequate • Crews on scene unable to access GP out of hours due to difficulties accessing 111	• NHSLA level 1 achieved September 2012 • CQC Feb 2013 inspection confirmed registration compliance • Achievement of Foundation Trust January 2013 • CQC Quality and Risk Profile – consistent low risk • Governance Compliance reviews and action plans at each QGC	• Clinical Audit evidence not readily available for all areas of the Trust to demonstrate compliance • Clinical Audit to support compliance with C&Q Strategy • Effective audit of hear and treat or GP referral (patient outcome)
Mitigating Actions		
• The Clinical and Quality Implementation plan is delivered within agreed timescales (Monitored by QGC) • For assurance Clinical Audit end of year report and Quality Account demonstrates compliance with C&Q Strategy across all areas of the Trust		

The impact on patients due to over 30 minute ambulance turnaround time		
Key Controls		
• REAP and Surge Plans • Increased communications through internal (weekly brief etc) and SOC twice daily reports • Escalation Management System (EMS) and Plan monitoring and WMAS management response where possible • HALO provision • Implementation and monitoring of the conveyance policy • Commissioning monitoring and fines system agreed		
Gaps in controls	**Positive Assurance**	**Gaps in Assurance**
• Ability to control the jobs requiring ambulance response (999 and 111) • Ability to manage hospital patients (inpatient and those self presenting)	• None at present	• No formal target agreed and monitored at DH level • Lack of engagement and communication • Lack of demand management to reduce the number of 111 calls • resulting in the need for an ambulance response
Mitigating Actions		
• Improved partnership working with all stakeholders • Implementation of agreed target and fining structure • Review of the HALO structure and role • High level stakeholder engagement on technical		

2.4 Productivity, Efficiency and CIPs

a) Traditional Cost Improvement Programmes

A systematic approach has been applied to the identification of a set of sustainable CIPs. The Trust has two clear approaches to its CIP programme. Firstly, the Trust has an excellent track record of continually reviewing its expenditure budgets in order to identify potential savings and to deliver further value for money. The second approach involves transformational projects. As an example, in relation to 2014/15, the Trust has worked closely with local universities to support the training of student Paramedics to diploma level. This approach will release £1m from the Trust's cost base.

Practical development of both the transformational and other CIP work streams was primarily led by the Trust's executive management team, but in close collaboration with the full Board of Directors. All CIPs have an identified lead executive director who takes responsibility for signing off Quality Impact Assessments and the Trust has operated a Project Management Office for the supervising of CIPs associated.

Delivery of CIPs is managed and reported through key Trust committees including:

- Service Delivery Programme Management Board
- Quality Governance Committee
- Operational and Financial Performance Review Committee

The CIP Profile for 2014/15 is:

CIP Profile	Savings (£000s)
'Buy out' of Trust's meal break policy	1,500
Review of pay and non-pay budgets	1,380
Review of support budgets	700
PTS savings	700
Procurement savings	1,049
Additional income – 111 contribution	500
Changes to Paramedic training	981
Pay savings from salary sacrifice schemes	112
Revenue to capital transfers for major project management (non-recurrent)	100
Total	**7,022**

To enable the achievement of CIP targets, the following enablers are in place:

- Twice yearly review process led by the Chief Executive
- Regular reviews of management cost structures
- Benefits realisation reporting through the Programme Management Office
- Use of technology and innovation
- Benchmarking against a variety of indicators with other organisations
- Quality Impact Assessments
- On-going review of the Trust's commercial strategy resulting in a detailed review of the cost structure of the Trust's patient transport services, as well as identifying a range of income generation opportunities form non-operational activities

The commercial Services department is working to maximise profits and contribution through a root and branch review of efficiency and productivity. This will be achieved through full scale rota reviews to match demand, productivity and stretch targets. Improve output and utilisation of available resources by adopting lean techniques and reducing unsocial hours pay.

b) Transformational Schemes

This plan gives an overview of our key plans to deliver improved quality of services to our patients whilst meeting the expectations of our commissioners and overcoming anticipated challenges. These plans are based upon the following key transformational schemes, which are aligned to our Strategic Objectives in the following ways:

999 / 111 Inter-Operability			
Achieve Quality and Excellence	✓	Accurately Assess Patient Need and Direct Resources Appropriately	✓
Increase Market Position		Work in Partnership	✓
Now that the service also hosts the 111 provision for 80 per cent of the West Midlands region there is opportunity to assist with the flow of patients to alternative pathways and self-care advice regardless of the point of entry into the Service			

Directory of Services Gap Analysis			
Achieve Quality and Excellence	✓	Accurately Assess Patient Need and Direct Resources Appropriately	✓
Increase Market Position		Work in Partnership	✓
The Trust has developed bespoke software to collect and analyse the data which clearly maps out the usage of services and also the gaps that exist in current service provision which, if commissioned would result in better patient outcomes. Using this tool with commissioners will allow the Trust to better inform stakeholders of patients' flows and requirements. This can also be used to inform the various urgent care reviews that are being undertaken in the wider health community. This software is ready to be deployed for 999 activity with 111 activity being mapped out within the next 6 months			

Implementation of Electronic Patient Report Form			
Achieve Quality and Excellence	✓	Accurately Assess Patient Need and Direct Resources Appropriately	✓
Increase Market Position		Work in Partnership	✓
Further to our recent transformational progress and increasing emphasis on the use of appropriate alternative care pathways, the time is right to look at developing a comprehensive electronic Patient Report Form (e-PRF). We will procure and implement a system that will enable our clinical staff to deliver the safest and highest quality service to our patients whilst having the ability to exchange health information electronically. This is fully in line with focus of the whole health economy on clinical performance and outcomes, particularly following the recent publication of the Francis Report which stresses the importance of placing the patient at the centre of the process of delivery of care. Once the system is implemented, the Trust will begin to consider its role in the provision of telemedicine services as a natural extension to the chosen e-PRF product.			

Pathfinder			
Achieve Quality and Excellence	✓	Accurately Assess Patient Need and Direct Resources Appropriately	✓
Increase Market Position		Work in Partnership	✓
The award winning Pathfinder tool has been developed from a traditional triage filter (Manchester triage) which allows prioritisation of appropriate patients for rapid transportation, but allows those appropriate patients to be considered by clinicians for alternatives whether this is the emergency department, urgent care, community pathways or self-care. A key feature is the sharing of information across services which ensures ambulance clinicians are aware of pre-existing care plans for patients being managed in the community. The Trust will pilot this system, involving all clinical stakeholders across the local health economy.			

Conveyance Rates			
Achieve Quality and Excellence	✓	Accurately Assess Patient Need and Direct Resources Appropriately	✓
Increase Market Position		Work in Partnership	✓
The Trust has already made significant improvements with the measures to reduce unnecessary conveyances to hospital. Up skilling of Paramedics and other clinical staff continues at pace to further support this position. Additionally, consideration is given to putting other professional groups in rapid response vehicles e.g. mental health practitioners.			

Job Cycle Times / On Scene Times			
Achieve Quality and Excellence	✓	Accurately Assess Patient Need and Direct Resources Appropriately	✓
Increase Market Position		Work in Partnership	✓
Significant work is being undertaken to reduce the job cycles time further. This is seen as an area of improvement, given these have increased over the past six months by approximately four minutes (two of which are spent on scene with the patient). Such focus will include the use of live informatics to challenge and inform crews of better options for patients whilst realising the efficiency benefits for the Trust.			

Commercial Services' Enhanced Use of Technology			
Achieve Quality and Excellence	✓	Accurately Assess Patient Need and Direct Resources Appropriately	✓
Increase Market Position	✓	Work in Partnership	✓
To provide value and enhance the existing operation and contribute to patient experience. This will be achieved through an initiative such as automatic texting service. This will provide patients with the vehicle arrival time. The development of track and trace for the logistics and courier services.			

WMAS will monitor the progress of this plan via key performance indicators and deliverables.

Measure of Progress	Baseline (2013/14)	Target 2014/15	Target 2015/16
Red 1 (National target 75%)	80.0%	75.0%	75.0%
Red 2 (National target 75%)	73.6%	75.0%	75.0%
Red 19 (National target 95%)	97.0%	95.0%	95.0%
Green 2 (Local target 90%)	88.6%	90.0%	90.0%
Green 4 (Local target 90%)	99.6%	90.0%	90.0%
Referral (Local target 90%)	91.1%	90.0%	90.0%
Achieve an increase in hear and treat incidents (emergencies only)	5.6%	7.5%	8.0%
Achieve an increase in see and treat incidents (emergencies only)	33.4%	35.5%	36.0%
Achieve a reduction in see and convey incidents (emergencies only)	61.0%	57.0%	56.0%
Reduce the number of responses per incident (emergencies only)	1.26	1.22	1.18
Reduce the average job cycle time for Red calls	73 mins 34 secs	71 mins 30 secs	69 minutes 30 secs
Reduce the average job cycle time for Green calls	64 mins 47 secs	63 mins 30 secs	61 mins 30 secs
Maintenance of Response Unit Hour Utilisation (UHU)	0.72	0.60	0.60
Improvement in Transport Unit Hour Utilisation (UHU)	0.42	0.39	0.39
Increase the percentage of cases which were cleared within 30 minutes from arrival at hospital	70.3%	73.0%	75.0%

Measure of Progress	Baseline (2013/14)	Target 2014/15	Target 2015/16
Answer 111 calls within 60 seconds	96.8%	95.0%	95.0%
Maintain call abandonment rate within national target	0.4%	5.0%	5.0%
Achievement of National and Local Quality Requirements as set out in the Trust Contracts and Quality Accounts	As detailed in the ambulance commissioning contract		
Achievement of CQUIN targets	As detailed in the ambulance commissioning contract		
Strive to achieve a 4% sickness level by end local target by March 2015	5.3%	4.0%	4.0%
Reduce long term absence rate of over 28 days from 3.6% to 2.5% by 31 March 2015	3.5%	2.5%	2.5%
Increase our Paramedic skill mix levels towards a 70% target by 2016/17 to enable more patients to be treated at scene	60.91%	56.68%	61.47%
Average time from advert to appointment is maintained at 15 weeks	15 weeks	15 weeks	15 weeks
Increase by 10% of BME Student paramedics graduating from Coventry, Staffordshire and Worcestershire Universities by 2016 (5 year target starting from 2011)	Coventry 6% UoW: 0% Staffs: NA (2011/12 Baseline)	Coventry: 12% Worcester:5% Staffs: 5%	Coventry: 16% Worcester: 10% Staffs: 10%
Actively promote and encourage BME development to encourage a higher percentage of staff appointed to post at Agenda for Change Band 7 and above. (Was 4.39% March 2013)	6.02%	7.5%	9.0%
All managers have attended a Leadership Programme or are supported to complete an Engaging Leaders Programme (5 year development plan covering 2013/14 to 2018/19)	57 people	42 people	42 people
Increase the number of staff with reviewed PDPs in place	76.1%	85.0%	85.0%
Staff are supported to receive necessary mandatory clinical update training in accordance with our training needs analysis	93.5%	85.0%	85.0%
Annually deliver programmes according to the agreed Training Days Analysis (TDA) Plan	94%	85.0%	85.0%

3 Supporting Financial Information

	2014/15 Plan £m	2015/16 Plan £m
Income	(217.0)	(221.7)
Pay	156.9	160.8
Non-pay	53.1	52.4
Total expenditure	210.1	213.1
EBITDA	(7.0)	(8.5)
Financing costs	6.8	6.8
(Profit)/loss from sale of assets	(5.5)	0
Retained (surplus) for year	(5.7)	(1.7)
Capital spend in year	10.0	9.3
Cash balance at year-end	23.7	21.7
CoSRR	4	4

The Trust's income is from four main sources – E&U income (85 per cent), PTS contracts (7 per cent), 111 (5 per cent), and other commercial and contractual sources (3 per cent). Contract negotiations in respect of the 2014/15 contract for E&U services have been satisfactory with the Trust securing an overall strong settlement. In total, E&U income is expected to rise by £7m, which is driven by an expected 4.5 per cent rise in activity across the West Midlands. Additionally, attention should be paid to agreement with commissioners on the resourcing and financial consequences of a number of local service reconfigurations – most particularly in respect of the restriction of ED services at Mid-Staffordshire Hospitals NHSFT and the impact of the centralization of stroke services within Shropshire, Worcestershire, and East Staffordshire.

The Trust has planned on this increase in activity continuing into 2015/16, and has therefore assumed a 3 per cent rise in income in the year (i.e. a continued 4.5 per cent activity increase offset by a 1.5 per cent efficiency requirement).

Income in respect of PTS and 111 services is derived from an analysis and assessment of the individual contracts. The market in respect of PTS services is competitive and the Trust's contract base has reduced between 2013/14 and 2014/15 by some £5m (c25 per cent). The contract for the 111 service is based on a 'no financial detriment' clause guaranteeing the Trust that its costs will be covered for the duration of the step-in arrangements (i.e., until September 2015). Notwithstanding that clause the Trust is fully aware that securing the contract on a long term basis will require the 111 cost base to reduce and has planned – in co-operation with commissioners – on that basis for the step-in period.

The Trust's cost base is predominantly driven by its E&U workforce plan. The funded establishment will rise from 2,179 whole time equivalent front-line staff in 2013/14 to an average of 2,372 whole time equivalents for 2014/15, before levelling off to an average of 2,384 whole time equivalents in 2015/16. This rise in 2014/15 is designed to respond to the failure of the Trust to achieve key performance targets in 2013/14, and in particular the 'Red 2' target. There is no reason to believe that the long term trend rate in activity increase – 4-5 per cent pa – will cease. However the Trust acknowledges the imperative to respond differently to this trend. Despite this levelling off in whole time equivalent numbers in 2015/16, pay costs in 2015/16 are expected to rise by 2.75 per cent, reflecting pay awards, incremental drift, but also a 5 per cent rise in the proportion of fully qualified Paramedics in the front line workforce.

As already indicated in this Plan the Trust is pursuing a range of initiatives designed to reduce the resources (particularly staffing) necessary to respond to 999 calls – in particular continuing to increase the proportion of responses dealt with as a 'hear and treat' incident, reducing the proportion of 'see and convey' responses, and reducing the responses per incident by 6 per cent across the two years under review here. The Trust has already piloted a range of initiatives designed to reduce pressure on ED departments and will continue to work with commissioners on similar initiatives over the next two years.

The Trust has a clearly formulated capital plan for the next two years to support service modernisation and which is summarised in the table below:-

CAPITAL SPEND 2014/15 AND 2015/16		
	2014/15 £m	**2015/16 £m**
IM&T Programmes	2.7	2.9
Medical equipment	0.4	0.4
Estates	3.2	3.2
Fleet purchases	3.2	2.1
'111' capital requirements	0.1	0.1
Contingency	0.4	0.5
TOTAL - ALL EXPENDITURE AREAS	**10.0**	**9.2**

2014/15 will represent the final full year of the roll-out (or renovation) of the Trust's Make Ready hubs and capex is therefore expected to drop significantly in 2015/16 to £3m. One major hub scheme – Lichfield – will be completed in the year while a second – Stoke – will start in the year and will complete in 2015/16. The Trust will fund its capital plans entirely from internally-generated sources – retained surpluses, asset sales, and depreciation.

The Trust's underlying liquidity is good and will continue to be so into the next two years. The opening cash balance on 1st April 2014 was £22.3m. The cash balance will stay fairly stable over the next two years (rising to £23.7m at the end of 2014/15, before dropping to £21.7m at the end of 2015/16). As part of these shifts, approximately £500k of the Trust's underlying cash balance will be applied to support the capital programme. This will deliver an overall Continuity of Service risk rating for both years of four.

The Trust has undertaken a risk assessment as part of its financial planning processes for 2014/15. Key risks have been identified as:-

- The Trust fails to secure its major CIP of £1.5m from 'buying out' staff from the current meal break policy
- The Trust's activity level fails to meet the 4.5 per cent uplift embedded in the budget, thereby resulting in failure to achieve normalized break even
- The Trust is unable to achieve its performance standards within the allocated front-line budget (to fund a workforce of 2,372 operational WTEs) and therefore starts to use additional overtime (and/or external agencies) to secure performance
- OR – the Trust is unable to achieve its performance standards and incurs penalties for non-compliance from commissioners
- The Trust is unable to achieve performance standards at specific times of the year ('winter pressures') and has not identified enough budget reserve to respond to short term threats of under-performance.

- The Trust believes that it has these risks adequately mitigated, through seeking alternative cost reductions and income sources or by pursuing alternative policies.