North East London NHS Foundation Trust

Strategic Plan

2014 – 2019

(Public Version)

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Declaration on sustainability

NELFT has a sound track record in both financial and business management. This strategy sets out our plan to maintain the established position of strong financial ratings over the next five years. This position will be maintained through strong liquidity and underlying financial performance supporting our clinical priorities.

Our record has been based on good forward and market judgement with careful assessment of the policy direction and strategic environment. This has been the basis of prudent decision making leading to strong delivery and these are the principles underpinning this strategy.

We will continue to invest in transformation and future risk mitigation and preparation of the organisation for future demands utilising non recurrent investment throughout this strategic period.

Our five year plan is constructed to ensure that all of our financial metrics work together to deliver our CoSRR at 4 for the duration. The five year plan is challenging and reflects the poor state of the London economy where much of our business operates. Annual efficiencies range from £11.4m to £13m which is a cumulative sum of £56.8m. In this period our EBITDA ranges between 3.4% and 4.8% with our cash ranging from £56m down to £30m at the end of this period and this primarily represents capital investment supporting our development.

Cash efficiencies will be generated through a number of sources including income maximisation, productivity, efficiency improvements, transformational change and some degree of business growth and new initiatives. The target surplus set for the period is challenging but we maintain some flexibility due to our strong liquidity. The downsides of this strategic plan have been tested to understand our sustainability but this will be limited in reliability the as we go further into the future. Therefore there is a higher degree of rigour in the first three years.

Given the nature of the economic demand we are putting emphasis on addressing staff and patient experience through non-recurrent discretionary spending. Major change creates a huge challenge for staff and we are expecting further transformational change to adversely impact on staff. Mitigating this is a central focus. We maintain a single priority in delivering high quality clinical experiences for patients and our investment in cultural and behavioural change reflects this priority.

Overall our growth expectations are modest and consistent with the current and forward view of the market. We expect to benefit from the strategic shift in providing more care out of hospital and this will deliver growth in our business baseline. We will move towards taking on some existing primary care business or developing new business in this area. We are committed to expanding into new areas of operation in our existing geographical footprint and we expect to expand the latter to include broader new market opportunities more particularly in Essex. The technological demands of the future will grow exponentially and we will transform the workforce, their agility and our estates portfolio to reflect this radical shift.

Market and commissioning demands expect higher levels of acuity to be managed at home or in the community and much more will be made of integrated working across health and social care. Our plans for development clearly embrace and progress these principles and point to significant developmental change in this strategy. Finally, we have committed to a wider programme of development designed to create a partnership for the broader good of our community called Care City. This initiative will significantly grow our research and development portfolio and its contribution to the organisation. It will create additional education partnerships and workforce opportunities such as apprenticeships as well as bring technology partnerships together creating a test bed for new products and healthcare solutions. It will also generate a social enterprise allowing the partnerships to compete more effectively for non-core services which support our core business.

On the basis of the information supplied above, conceding the point that the further out we go into the strategy the more uncertainty we will encounter, the board believes this to be a plan that renders the organisation sustainable.

1 Introduction

North East London Foundation Trust (NELFT) provides mental health and community services for people living in the London Boroughs of Waltham Forest, Redbridge, Barking & Dagenham and Havering. We also provide community health services for people living in the South West Essex boroughs of Basildon, Brentwood and Thurrock. With an annual budget of more than £300 million, we provide care and treatment for a population of almost 1.5 million. We employ around 6,000 staff.

We were originally a provider of mental health services in outer north east London. Our strategy for several years has been one of growth, both in size and geography, and spreading our service portfolio beyond mental health into community health services. We acquired community services in Barking and Dagenham, south west Essex and, more recently, the other three outer north east London boroughs of Havering, Redbridge and Waltham Forest. The strategy has been successful both clinically and financially.

The requirement that all foundation trusts develop a five year strategy has been an opportunity for the us to reflect on whether our historical approach will still be fit for a future environment with increasing competition, increasing demand and increasing financial challenge.

We began developing our strategy by setting out our long-term vision and gathering evidence on the contextual issues facing the trust over the next five years. Issues included the changes in the local population and its health needs, the intentions of the local organisations who commission our services, our competitive position and our organisation's internal capacity and capabilities.

Through a series of workshops, we then considered this evidence and refined our understanding of the key contextual factors that should shape our strategy, the opportunities that we might pursue and the key risks that could impact on our long term sustainability.

From these discussions, various strategic initiatives were drafted. We prioritised each initiative in terms of the feasibility of delivering it and its impact on our strategic goals. We then developed the actions over the next five years that we believe will enable us to achieve the aims we have set for ourselves.

At the same time, we have also been working with our local health economies around the wider strategic initiatives involving ourselves, commissioners and other health service providers. These discussions have also informed our final strategy.

Our analysis and conclusions are laid out in the sections that follow.

2 Market analysis and context

2.1 Commissioning

Since the abolition of PCTs in April 2013, commissioning responsibilities have been devolved to a wider group of organisations.

Organisation	Commissioning responsibility
Clinical Commissioning Groups (CCGs)	General community and mental health services
Local Authorities	Some 5-19 year old services, oral health promotion, smoking services, sexual health services
NHS England	Specialist commissioning, health visiting, retinal screening, Community Dental provision, overseas visitor income
Others	Organisations, such BHRUT (a local acute provider), that subcontract NELFT to provide specific services, e.g. BHRUT

2.1.1 General Commissioning Intentions

In general, the five year commissioning intentions of our local CCGs have some common themes that will have a significant impact on what services we deliver in the future and how we will deliver them:

Primary Care Delivery

- Community services will be remodelled (physical, mental and social) to support clusters of GPs to enable more proactive management of the population by early intervention and prevention. The focus will be on those with Long Term Conditions, high service users, and those vulnerable to decline.
- This will result in less demand for community beds, with resources transferred from acute settings into multi-disciplinary teams based around GP practices supported by borough level community response teams.
- Patients will be supported (by an Intensive Rehabilitation Service, for example) to manage their own conditions at home, escalating to community services for more intensive support (by a Community Treatment Team, for example) when experiencing a crisis. This will enable patients to live independently at home for longer, and will help to shift the focus of delivery of care closer to home.

Specialist pathways of care

- Existing community, acute and specialist services will be integrated to provide comprehensive pathways of care for designated indications.

Reduced reliance on urgent or unplanned use of hospital services

- Unnecessary emergency admissions into hospital will be reduced by developing integrated community & social care alternatives.
- More acute clinical and social care services will be moved to the community.

Social enterprises & voluntary sector

- A provider market for both statutory and voluntary sector will be developed through co-design and capacity building

Extended working

- Extended working, such as weekend and evening access, core hours plus will be developed.

The following paragraphs describe the intentions of our local clinical commissioning groups as stated in their published plans.

2.1.2 Barking & Dagenham, Havering & Redbridge Cluster of CCGs

Within five years, the BHR cluster plan to provide new ways to access primary care and develop new innovative services to reduce acute admission and A&E attendance by implementing:

- Weekend access, Core hours plus, 6-10pm appointments,
- Triage service,
- Primary care provider support,
- Dedicated registered list,
- Specialist expertise,
- Implementation of a unified point of access
- Implementation of the BHR Integrated Care Strategy designed to care for people in their homes or closer to home, shifting activity from acute to community
- By 2019, remodel Community services (physical, mental and social) to support clusters of GPs. The focus will be on those with long term conditions, high service users, those vulnerable to decline.
- Implement an Acute Reconfiguration programme (A&E and maternity services)
- Groups of GP Practices working in federations
- Increase the take up of therapeutic work by Social Enterprises
- Key enablers to be implemented by 2016: Integrated Case Management, Community Treatment Teams, Joint Assessment and Discharge Team

2.1.3 Waltham Forest CCG

Within five years, Waltham Forest CCG plan to:

- Tailor care plans & budgets to individuals' needs to empower self-management
- Implement joint accountability, care coordination, navigation & management as key components to an integrated service supported by local networks which are community-based and primary care led
- Implement proactive care planning, incorporating later life planning, mental health needs and loneliness, and high quality specialist care services at the right time
- Develop solutions to ensure hospitals care only for people with genuinely unavoidable admissions
- Develop the provider market for both statutory and voluntary sector through co-design and capacity building

2.1.4 Basildon & Brentwood CCG

Within five years, Basildon & Brentwood CCG plan to:

- Achieve excellence in primary care service delivery by building teams of GPs into geographic GP Federations, GPs to be the lead professional working with multi-disciplinary teams focused on early intervention and prevention.
- Move resources from acute into community setting to ensure more people pre-emptively receive care in primary care and community based settings.
- develop specialist pathways of care and improve outcomes by the integration of existing community, acute and specialist services.
- Reduce reliance on urgent/unplanned use of hospital services by 15% by 2018. Reduce unnecessary emergency admissions and develop fully integrated community alternatives across health and social care. Develop reablement and rehabilitation as the default offer.
- Better Care Fund spending to include community nursing services, community beds and reablement in year 1, expanding to include social care funds for elderly care in following years.

2.1.5 Thurrock

Within five years, Thurrock CCG plan to:

- Work with the primary care community to federate in Thurrock Hubs that will define geographical areas for service provision across health and social care. This will include the wider provision of primary care (pharmacists, optometrists and dentists)
- Transfer resources from the acute setting into the primary and community care setting to ensure that there is the capacity outside of hospital to proactively manage need.
- Integrate of existing community, acute and specialist services to provide comprehensive pathways for designated indications.
- Reduce unnecessary emergency admissions and developing fully integrated community alternatives across health and social care.
- Proactive case finding, with reablement and rehabilitation as the default offer; more acute clinical and social care services moved to the community.

2.1.6 Impact on adult community health services

A rising elderly population, with an increasing number with two or more long term conditions, will increase the demand for community health and social care services. This will be compounded by an increase in the percentage of ethnic minorities, who have an increased incidence of long term conditions such as diabetes. This will place increasing pressure on not only district nursing services, who will be required to undertake visits to patients at home to prevent escalation to more intensive services, but also on therapy services, such as podiatry, to prevent diabetic complications.

2.1.7 Impact on adult mental health services

Similarly, a rise in the adult population will result in a rise in demand on mental health services. An ageing population will place additional demand on dementia services, and a rise in the incidence of long term

conditions. The increase in the numbers of unemployed since the start of the recession will also place demands on a number of mental health services.

2.1.8 Impact on children's services

The anticipated rise in the number of children and younger people over the next few years will place additional demand on health visiting services, school nursing services, targeted services (including those provided into schools serving children with complex disabilities) and CAMHS services.

2.1.9 Costs

NELFT operates with comparatively low reference costs. The table below shows the published 2012/13 reference cost indices for the Trust and for our local direct and potential NHS competitors:

	Market Forces Factor	Organisation-Wide Reference Cost Index	Outpatient Services	Other Acute Services	Community Services	Mental Health	A&E
North East London NHSFT	1.1729	94	102	51	99	92	49
East London NHSFT	1.2178	102		134	90	105	80
North Essex Partnership NHSFT	1.0865	102			453	102	
South Essex Partnership University NHSFT	1.1099	99	84		99	99	
Barking, Havering and Redbridge University Hospitals NHST	1.1744	104	93	101	83		126
Basildon and Thurrock University Hospitals NHSFT	1.1228	92	99	83	144		85

2.1.10 Quality & Performance

We consistently meet our priority quality and performance targets (both national & local) and have maintained good ratings with both Monitor and CQC.

NELFT has a reputation for the ability to acquire new services and then, through redesign and transformation, to improve their quality & efficiency.

Recent mental health trust benchmarking figures suggest that we outperform many of our peers on key quality and performance indicators such as community contacts, readmission rates, follow up after discharge, 12 month CPA review and length of stay. However, the same figures suggest our medical and nursing staff are slightly less productive in terms of bed days and outpatient attendances per clinician and our outpatient performance, in terms of follow to first ratios seems to lag peers.

3 Strategic Options

3.1 Strategic Objectives

Our five year vision is:

To be a successful foundation trust making a significant contribution to the success of the local health economy

To achieve this, our strategic objectives are:

Improve service quality & productivity

We want the services we provide to be safe, high quality and effective; enabling more services to be provided out of hospital and in the community, and more people to be cared for at home.

Deliver service transformation and improve local environments

We will respond to the changes in the NHS nationally by redesigning services - being innovative in transforming the services we provide and ensuring these are delivered in the right place with the appropriate facilities. We will work jointly with partner organisations to establish new services that reduce hospital admissions.

Deliver improvements on financial and performance targets

We need to demonstrate to our commissioners our ability to deliver against agreed targets and to deliver high quality, effective services.

Deliver new business opportunities

We must make decisions about business opportunities, based on good quality, intelligent, data. We need to build close relationships with the newly developing health services, such as the local Clinical Commissioning Groups.

Improve capability and capacity

We want to ensure that we have the right capacity and capability to support high quality service delivery, and will need innovative workforce solutions to achieve this and attract, or develop, more advanced skills within our teams.

3.2 Strategic Options

Our two year operational plan outlines the plans we have for service developments and delivering service efficiencies in the short term. We have a number of strategic options, not all of which are mutually exclusive, that will contribute to our longer term five year sustainability:

1. **Further acquisition of CHS & MHS service lines within existing geographical market**
2. **Acquisition of service lines outside our existing geographical boundaries**
3. **Review and possible rationalisation of non-core service lines**
4. **Vertical integration with acute services**
5. **Vertical integration with primary care services**
6. **Acquisition of mental health services in Essex**
7. **Development of joint ventures with other service providers**
8. **Strengthening the NELFT brand**
9. **Development of Non-NHS Income generation schemes**
10. **Developing Integrated Care Service Models**
11. **Partnership development**
12. **Implementation of Agile working**
13. **Rationalisation of our estate**
14. **Workforce recruitment & development**
15. **Developing our Organisational Culture**
16. **Reducing Agency Expenditure**
17. **Developing our ICT and use of information**
18. **Investment in Care City**

4 Strategic Plans

4.1 Key Milestones

This section outlines the key milestones for some of our strategic initiatives and, where appropriate, resourcing requirements, dependencies and risk mitigations.

Initiative	Milestones				
	2014/15	2015/16	2016/17	2017/18	2018/19
Competitiveness					
Develop Capability for Joint Ventures/ Partnerships	Research partnership models that are currently being used across the country (eg. Sandwell-esteem Kings Fund evaluation) Identify services that could be managed by NELFT under the current section 75 agreements and identify areas of business in each locality Investigate and assess frameworks for establishing joint ventures Actively engage potential partners (NHS, SMEs,3rd Sector & Independent)	Successfully win at least one contract under a prime contractor arrangement Work with at least one primary partner to win a primary care contract identify 2 integrated care delivery projects with other main providers Develop at least 3 Memoranda of Understanding with other providers (as a lead provider, as a prime contractor, and for mental & community services) Specifically identify and pursue opportunities for joint ventures with primary care			Have in place models of service delivery that enrich patients' & service users' lives (evidenced through audit, evaluation and research) Leverage the success of Care City to support integrated ways of working and partnerships Secured new investment Robust partnerships established and proven

Initiative	Milestones				
	2014/15	2015/16	2016/17	2017/18	2018/19
Integration					
Develop services to support primary care delivery	Establish relationships with GP Federations and scope service support required	Design services to support primary care delivery:	Implement services to support primary care delivery		
Integration of physical, mental health & social care services with focus on elders, children & young people		Working with stakeholders, develop models for community-based multi-professional teams based around general practices	Implement integrated care models		
Integration with Acute Provider Services	<u>Stroke</u> Establishing the integrated pathway for stroke services <u>Continuing care</u> Work with partners to establish clear pathways of care for NHS continuing care <u>Admission avoidance</u> Review evaluation of crisis teams (SPOR (currently being undertaken)/RRAS	<u>Stroke</u> We are awaiting clarity on the acute stroke review <u>Continuing care</u> We have not yet established next steps <u>Admission Avoidance</u> Evaluation of the new CCT and Community Geriatrician models in the community			

Initiative	Milestones				
	2014/15	2015/16	2016/17	2017/18	2018/19
Enablers					
Care City	Outline Business Case Agreed Allocated land identified by LBBD MOU and Interim Governance established Project team, funded established with clear plans to delivery	Full business case agreed Governance and legal structures in place Interim site open and operational Third party developer commencing construction of the agreed 'shell' Additional revenue secured via R&D, education and training Frailty Academy established ICT developments agreed, esp within NHSE Open Source programme	Full site operational EU funds beginning to be secured Education, training and Leadership Academy operational R&D portfolio grown BHRUT R&D and education departments also operating from Care City site System wide Frailty programme operational SME programme established	Satellite sites operational in Essex and Havering Care City trading and spreading its brand across UK and wider WHO partnership programme agreed ICT and SME products benefitting founding partners And wider health economy	Outline Business Case Agreed Allocated land identified by LBBD MOU and Interim Governance established Project team, funded established with clear plans to delivery GLA and LEP support for outline EU bids within LEP strategy ICT development partner secured

4.2 Strategy Implementation, Monitoring and Review

We will need to monitor the implementation of our strategy and adapt it to future changes in the environment. To do this, we will put in place a framework comprising:

- Regular strategy review sessions by our executive management team, the board and directorate leadership teams
- Strategy discussions with local health economy stakeholders (including commissioners and providers)
- More detailed implementation plans for each strategic initiative
- Performance measures to monitor progress in implementing our strategic initiatives
- A strategy support function to facilitate:
    - Intelligence gathering,
    - Analysis and identification of strategic opportunities, threats & risks
    - Monitoring of delivery plans, milestones, resource requirements, dependencies and risks

5 Supporting financial information

Across health and social care, in addition to raising the quality and standards of services, there is a challenge to close a potential funding gap of £30bn by 2020/21. Monitor estimates that all NHS providers need to make real efficiency savings of at least 2% every year as part of their contribution to this. Additionally, providers and commissioners will need to work together to redesign care pathways across local health economies which will form part of our two and five year financial planning requirements.

For 2013/14 the Trust has again surpassed its plan and reported a surplus of £11.7m, which included profits on the sale of assets of £8.0m. The cash position remains very healthy. The Trust is achieving an overall outturn of 4 on our Continuation of Service Risk rating which it plans to maintain for 2014/15.

The 2014/15 to 2018/19 planned Income and Expenditure positions are summarised as follows;

NORTH EAST LONDON FOUNDATION TRUST **Summary Income & Expenditure Position**					
	2014/15 **£000**	**2015/16** **£000**	**2016/17** **£000**	**2017/18** **£000**	**2018/19** **£000**
Income	329,901	325,785	323,226	321,728	320,239
Expenditure (incl. Reserves)	(318,859)	(312,772)	(309,394)	(307,705)	(305,458)
EBITDA	**11,042**	**13,013**	**13,832**	**14,023**	**14,781**
Depreciation	(3,987)	(5,576)	(6,455)	(6,897)	(7,481)
PDC	(3,728)	(4,113)	(4,097)	(3,895)	(4,125)
Interest Receivable/Payable	(1,077)	(1,074)	(1,030)	(981)	(925)
Continuing Operations Surplus / (Deficit)	**2,250**	**2,250**	**2,250**	**2,250**	**2,250**
Discretionary Expenditure	(4,169)	(4,000)	(4,000)	(4,000)	(4,000)
Gain / (Loss) on Asset Sale	(31)	0	(12,446)	(5,072)	0
Total I & E Surplus / (Deficit)	**(1,950)**	**(1,750)**	**(14,196)**	**(6,822)**	**(1,750)**

5.3 Capital plans

The sum of £9.8m has been approved by the Board for the 2014/15 annual capital programme. This includes planned expenditure for the development of new capacity and the reconfiguration and upgrading of existing buildings and IT infrastructure to support the needs of the Trust's clinical service provision. We are planning to spend a further £14m in 2015/16, £14m in 2016/17, £12m in 2017/18 and £9m in 2018/19.

Expenditure will be financed from the annual capital allocation derived from the Trust's internal resources and the proceeds of planned surplus site sales.

NELFT has been successful in securing an additional £3.7m capital from the Safer Hospitals, Safer Wards Technology Fund. This will be used to procure and implement an inpatient prescribing system, integrate e-prescribing system with the electronic patient record (EPR) and, with other trusts across our local health economy, develop better integration of clinical records across social services and primary care (through use of NHS number as the unique identifier). The second part of this bid related to establishing a portal and data sharing platform that supports the needs of the organisation and enables links with the local health economy.