

# **Annual Planning Review 2014/15 5 Year Strategic Plan Summary Plan**

**30 June 2014**

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## 1. Executive Summary

The following five year strategy is presented as a statement of our plans to continue to provide quality services across all of our communities in line with commissioner intentions and CQC standards.

The financial environment we are entering with the added and appropriate focus on quality and safety will make this a very challenging period. This strategy has supported each business division to identify within their clinical strategies the initiatives that will contribute to the overall sustainability of the organisation, for the next five years.

Our strategy is based on three core purposes:

- **Maintaining a focus on sustaining our core secondary care services in each local area;**
- **Developing Specialist Inpatient and Community Services;**
- **Transforming community services and diversifying into social care.**

It has been identified that the successful delivery of these priorities and the associated themes are reliant upon a number of corporate strategies that are the key enablers. These are:

- Information Management and Technology Strategy;
- Workforce and Organisational Development Strategy;
- Estates Strategy;
- Collaborative Enterprises.

The business division priorities and enabling corporate strategies are aligned to the supporting five year financial plan, which provides a strong foundation on which to maintain sustainability; through the allocation of a capital expenditure programme and robust mitigation strategies, which deliver capacity and flexibility. Nevertheless, the financial challenge, which lies at the heart of this plan, will be difficult. The implementation will be supported through the identified non-recurrent sustainability fund that will pump prime the implementation.

The key risks to achieving successful implementation have been determined as:

- Maintaining the quality of services
- The financial challenge;
- The changing commissioner landscape;
- Commissioner expectation in relation to level and standard of service provision;
- Improving our competitive edge.

The driver to achieve this overall plan, taking account of the financial challenge and management of the risks is through strengthened planning governance arrangements. The learning from implementation during 2014/15 will inform the refinement of the Trust's strategic planning approaches for 2015/16 and beyond, ensuring that we remain sustainable, delivering safe and effective services to our patients across all services.

## 2. Declaration of sustainability

**We believe that RDaSH is sustainable over the life of this plan; this is based on the direction of travel that has been set by the strategic plan process, our refreshed underpinning strategies and our strong financial foundation.**

The RDaSH Strategic Plan has been produced through a robust and thorough inclusive organisational process; utilising our experience of operational, business planning and building on the existing RDaSH strategic framework. Organisational assurance has been achieved by the early and regular influence of the business divisions, Senior Leadership Team, Board of Directors and Council of Governors and is supported by the completed self-assessment tool.

The “Vision” and “Priorities” of the Health and Wellbeing Boards for the localities in which we serve have heavily influenced the development and transformational plans for our services. The alignment to the local health and social care economies is reinforced by the strategic and commissioning plans for the next five years of our health commissioners. This, combined with our engagement with our local Clinical Commissioning Groups in the completion of this plan, provides our external assurance.

The financial challenge, which lies at the heart of this plan will be difficult. The base case reduces the income of the organisation by £13m over the five years, with an associated £30m cumulative efficiency target. However, the cash balance is anticipated to remain robust at £18-£19m throughout, which will continue to afford the Trust some flexibility in the upside scenario for capital investment to generate income and contribute to efficiencies. In addition, a non-recurrent sustainability fund has been identified in 2014/15 to pump prime the implementation of this plan.

The strategic delivery model for the years 2014-2019 comprises seven clinical strategies; one for each of our business divisions, supported by individual financial plans. The priorities identified for our clinical services fall into three main categories, which are:

- Maintaining a focus on sustaining our core secondary care services in each local area
- Developing Specialist Inpatient and Community Services
- Transforming community services and diversifying into social care

These are aligned to and supported by the enabling corporate strategies that have been identified across the organisation as key to maintaining sustainability; Information Management and Technology Strategy, Workforce and Organisational Development Strategy and Estates Strategy.

A range of collaborative enterprises are also expected to provide RDaSH with additional flexibility to meet the sustainability challenge during the life of this plan

The outcome of the self-assessment highlighted that the Trust needs to strengthen its longer term strategic planning, monitoring and performance management. The Board of Directors will identify quarterly dedicated time to focus on the implementation and development of this plan; facilitating successful delivery, enabling flexibility and exploiting the benefits of internal and external collaboration; ensuring that RDaSH remains sustainable for the life of this plan and beyond.

## 3. Strategic Plan Introduction/Context

### 3.1 Strategic Framework

The Trust employs 3700 individual members of staff and deploys its operational staff across an organisational model based on two operational directorates and seven business divisions:

- Mental Health Services Directorate:
  - Adult Mental Health Services Business Division
  - Older People's Mental Health Services Business Division
  - Forensic Services Business Division
- Children's and Community Services Directorate
  - Doncaster Community Integrated Services Business Division
  - Children's and Young People's Mental Health Services Business Division
  - Learning Disability Services Business Division
  - Drug and Alcohol Services Business Division

The strategic framework under which the Trust operates is provided by its Vision, Mission, Values and Strategic Objectives. The Trust has recently reviewed its set of Values.

The purpose of the review was to focus on values that connect with staff, including reflecting on the values within the NHS Constitution and the 6 C's (*Developing the culture of compassionate care: Creating a new vision for nurses, midwives and care-givers*: Department of Health, September 2012)), and to emphasise the importance of quality in the day to day work of our staff.

The Council of Governors has also been consulted and influenced the refreshed Values of the organisation.

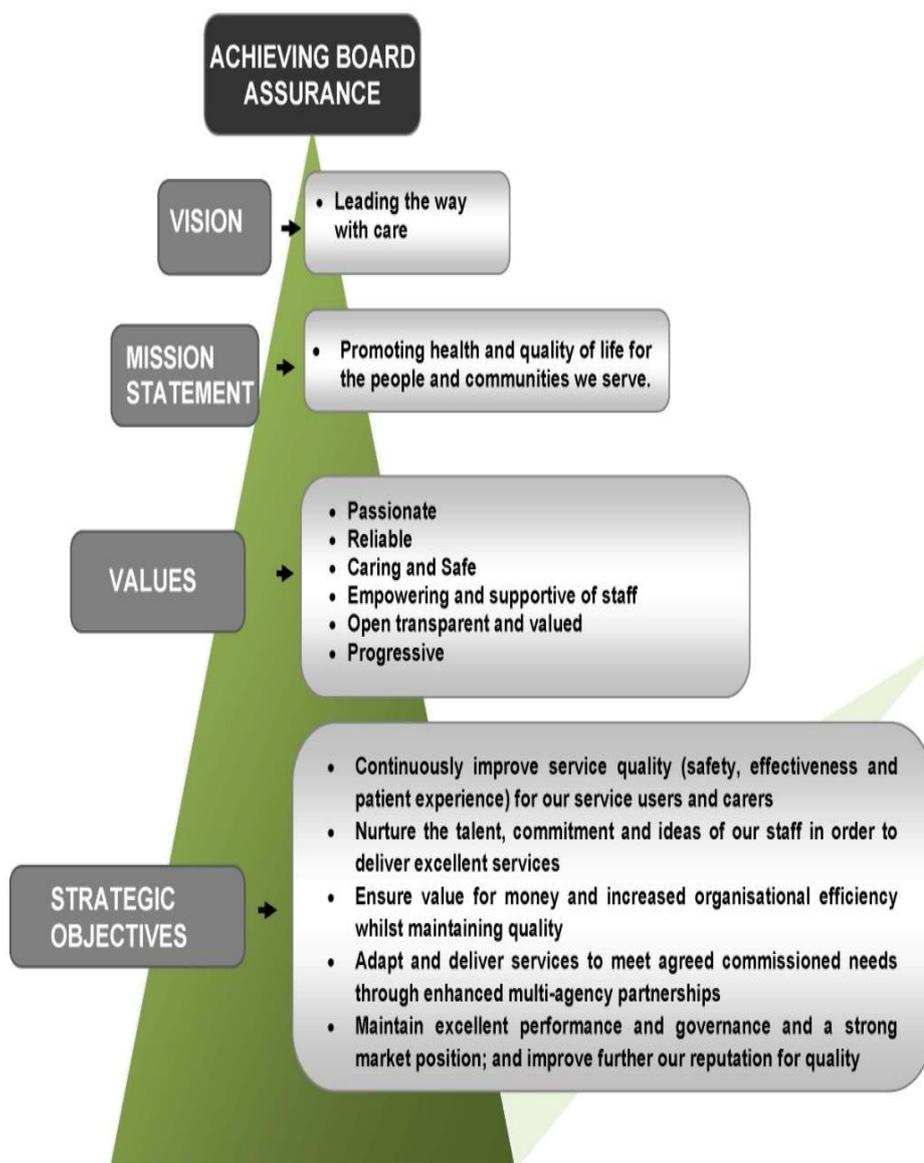
The Board of Directors considered and approved the outcome from this work in June 2014, therefore the RDaSH values going forward are:

- Passionate
- Reliable
- Caring & safe
- Empowering and supportive of staff
- Open, transparent and valued
- Progressive

The strategic objectives are refreshed annually by the Board of Directors to adapt to the changing environment in which we work, while remaining firmly aligned to the Vision, Mission and Values.

The strategic framework under which the Trust operates is provided by its Vision, Mission, Values and Strategic Objectives, which is represented in the diagram below:

## Trust Strategic Framework



### 3.2 Strategic Plan Development

This Strategic Plan has been produced in line with the Monitor guidance document and utilising the PwC research findings report and associated technical annex.

Operational and strategic planning are continuous processes within the Trust and an early task in the preparation of this 2014/15 Annual Plan involved reviewing the current Trust *'Business Strategy 2012-2015'*, to consider what had been achieved to date, whether the plans for current developments are on track and what new proposals had arisen. In reviewing achievements against the plan, the Board was able to identify that most of the objectives within the Business Strategy had either been met or due to commissioning intentions remain on-going and will be taken into consideration within the Strategic Plan. This validated the earlier planning work and provided a strong foundation for the development of the operational plan and this strategic plan.

The development of the Strategic Plan commenced with the Board of Directors reflecting back and looking forward at the first dedicated development day in February 2014. In addition, a Senior Leadership Team timeout session highlighted the opportunities for development within corporate services, and connected to the business support units, that would support the delivery model and provide the key enablers for the delivery of the Strategic Plan.

The Annual Planning Group has facilitated workshops and dedicated sessions between February and May 2014, attended by clinical leaders, Assistant Directors, Clinical Directors and Service Directors. These workshops were held to support each business division to develop their own clinical strategic plans, including market analysis, initiative identification and prioritisation, capacity and demand consideration, and identification of key supporting enablers.

The Council of Governors has been engaged throughout the development of the operational and strategic plans. Updates have been provided at each of the relevant quarterly meetings and a sub-group of governors has provided more focussed engagement with the completion of the plans on behalf of the wider Council.

The second dedicated development day engaged the Board of Directors and the leaders from each of the business divisions to work collaboratively, ensuring that the clinical strategies and the underpinning corporate strategies and priorities are fully aligned.

During this development day, the Board of Directors also:

- Agreed the themes for the Declaration of Sustainability;
- Completed the self-assessment tool to support the completion of the strategic plan;
- Agreed the implementation and monitoring arrangements;
- Agreed the use of a non-recurrent sustainability fund to support the implementation of the strategic plan.

### 3.3 Quality Plans

In order to ensure that patients remain at the heart of everything we do, the quality planning described within Section 3 of the Trust's Operational Plan 2014-2016 has been reviewed and will be implemented and further developed in conjunction with this strategic plan. The quality plans will continue to be reviewed through our annual quality planning process throughout the next five years to inform the refreshing of the strategic plan.

## 4. Market analysis and context

### 4.1 Local Health Economy Analysis

Each of the localities in which the Trust provides services represents one "unit of planning" for the purposes of NHS strategic planning and the Trust has been engaged in the unit of planning in the main three localities in which it provides services: Doncaster, Rotherham and North Lincolnshire. The Trust also provides drug and alcohol services in North East Lincolnshire under a collaborative arrangement and Early Intervention in Psychosis Services in central Manchester.

A detailed analysis of the Manchester locality has not been undertaken, as, although the Trust has provided the Early Intervention in Psychosis Services in central Manchester for the past seven years, we are aware over the past year of the plans of the CCGs to re-commission these services alongside all the adult mental health services in central Manchester.

#### **Doncaster**

The development of this strategic plan has been informed by the most current needs assessment available in Doncaster. These include:

- Joint Strategic Needs Assessment 2012/13, Doncaster Data Observatory, May 2012
- Health Profile 2013; Doncaster, Public Health England
- Community Mental Health Profiles 2013: Doncaster, North East Public Health Observatory
- Child Health Profile; Doncaster, March 2014
- Learning Disabilities Profile 2013, Doncaster, Public Health England

The Doncaster health and social care economy has utilised the needs assessment information to inform and plan their aspirations for the community over the life of this plan. This in turn, informs

the commissioning and provision of services, which include those provided by us. These aspirations are captured within the following documents:

- Healthy Doncaster: Doncaster Health and Wellbeing Strategy 2013-2016, December 2012
- Doncaster Borough Strategy: A Refresh (Draft, May 2014)
- Moving Forward, Getting Better Five Year Commissioning Strategy: 2014/15 – 2018/19, NHS Doncaster CCG (DCCG)

The Doncaster Health and Wellbeing Board vision is: *'Doncaster people enjoy a good life, feel happy and healthy, and agree Doncaster is a great place to live'*

The five focus areas for Doncaster are:

- Alcohol
- Mental Health and Dementia
- Obesity
- Family
- Personal Responsibility

The focus for the NHS Doncaster Clinical Commissioning Group's five year strategy is to concentrate on three connecting service areas of systemic transformational change:

- Care out of hospital;
- Care of the frail;
- Co-ordinated care.

The DCCG strategic plan also provides the financial context facing the local health economy. In order to meet the funding gap between projected spending and NHS resources, DCCG will:

- Generate sufficient QIPP savings to offset the demographic growth in demand for services year on year, technological development and medical advances and health cost inflation.
- Over the planning period from 2014/15 to 2018/19 anticipate making £20.5m in savings to reinvest back in health care services.
- Strengthen the underlying financial position by committing funding non-recurrently where possible to pump prime new services that will lead to overall reduced costs, accelerated efficiencies or increased productivity.

In Doncaster, the plans for the utilisation of the Better Care Fund target a multiplicity of new initiatives and enhancements to existing services, with the aim of achieving a sustainable system of integrated care and support. In 2015/16, the fund will total £24m, of which over £7m relates to services currently commissioned from the Trust, principally from DCCG. The impact of the Better Care Fund is greater in Doncaster, when compared to Rotherham and North Lincolnshire, due to the provision by the Trust of the community healthcare services in Doncaster.

Doncaster Metropolitan Borough Council (DMBC) has closely involved the Trust in its plans to transform the public health services provided. The 2014/15 contract details a project plan for each of the services commissioned to deliver new, innovative and more efficient services during the 2014/15 financial year. The Trust is working collaboratively with DMBC to ensure that the changes to services are implemented with the minimum impact on the level and quality of service provision.

## **Rotherham**

The development of this strategic plan has been informed by the most current needs assessment available in Rotherham. These include:

- Rotherham's Joint Strategic Needs Assessment, September 2011
- Rotherham's Draft Joint Strategic Needs Assessment 2014 website
- Health Profile 2013; Rotherham, Public Health England
- Community Mental Health Profiles 2013: Rotherham, North East Public Health Observatory
- Child Health Profile; Rotherham, March 2014
- Learning Disabilities Profile 2013, Rotherham, Public Health England

The Rotherham health and social care economy has utilised the needs assessment information to inform and plan their aspirations for the community over the life of this plan. This in turn, informs the commissioning and provision of services, which include those provided by us. These aspirations are captured within the following documents:

- Rotherham Borough; Joint Health and Wellbeing Strategy 2012-2015
- NHS Rotherham CCG: Commissioning Plan 2014-2019

The Rotherham Health and Wellbeing Board vision is: *“To improve health and reduce health inequalities across the whole of Rotherham”*.

The six priorities for Rotherham are:

- Prevention and early intervention
- Expectations and aspirations
- Dependence to independence
- Healthy lifestyles
- Long-term conditions
- Poverty

The NHS Rotherham Clinical Commissioning Group’s strategic plan highlights that all local health and social care organisations will address collectively Rotherham’s five year £75m efficiency challenge, being mindful of the overall sustainability of health and social care services.

The RCGG strategic plan also provides the financial context facing the local health economy and recognises the increased focus on seven day working in all parts of the health service, parity of esteem for people living with mental health issues and better care for people requiring integrated health and social care services.

The Better Care Fund plans for Rotherham, which total £21m in 2015/16 have been aligned to the key objectives of the Health and Wellbeing Strategy, £1.5m of which relates to mental health services.

The Trust has a good relationship with Rotherham Metropolitan Borough Council (RMBC) both in respect of delivering and developing integrated services and in its role as commissioning public health services. The Trust’s drug and alcohol services in Rotherham are commissioned by RMBC. Although they have not explicitly indicated an intention to market test those services, based on our experience in other localities it is anticipated that this is likely during the life of this plan.

### **North Lincolnshire**

The development of this strategic plan has been informed by the most current needs assessment available in North Lincolnshire. These include:

- Securing the Future Together: North Lincolnshire’s Joint Strategic Needs Assessment 2012/13, January 2013
- Health Profile 2013; North Lincolnshire, Public Health England
- Community Mental Health Profiles 2013: North Lincolnshire, North East Public Health Observatory
- Child Health Profile; North Lincolnshire, March 2014
- Learning Disabilities Profile 2013, North Lincolnshire, Public Health England
- North Lincolnshire Data Observatory website

The North Lincolnshire health and social care economy has utilised the needs assessment information to inform and plan their aspirations for the community over the life of this plan. This in turn, informs the commissioning and provision of services, which include those provided by us. These aspirations are captured within the following documents:

- North Lincolnshire Joint Health and Wellbeing Strategy 2013-2018
- NHS North Lincolnshire CCG – Strategic Plan

The North Lincolnshire Joint Health and Wellbeing Board vision is: *“North Lincolnshire is a healthy place to live where everyone enjoys improved wellbeing and where inequalities are significantly reduced”*

The six strategic priority outcomes across the life stages for North Lincolnshire are:

- Safeguard and protect
- Close the Gaps
- Raise Aspirations
- Prevention of Early Deaths
- Enhance Mental Wellbeing
- Support Independent Living

The NLCCG’s strategic plan also takes account of the national and regional parameters and drivers that inform the expectations and best practice for the delivery of our services, which includes parity of esteem, person centred care, integration and care close to home.

The NLCCG strategic plan also provides the financial context facing the local health economy. The NLCCG plan describes a challenging position that requires pace to deliver the required scale of service change across the local health economy. Risks are identified in relation to QIPP delivery, the implementation of the major service change initiative, Healthy Lives Healthy Futures, adopting new models of care and the Better Care Fund.

The Better Care Fund in North Lincolnshire will total £4.5m in 2014/15 and £12.4m in 2015/16. In 2015/16 this value is reliant upon de-commissioning £7m from acute services, by reducing admissions and building up community services. The need to increase the number of services operating for seven days per week is core to the plans for the Fund; which may require mental health practitioners to support e.g. liaison psychiatry.

The Trust has an improving relationship with North Lincolnshire Council (NLC) both in respect of delivering and developing integrated services and in its role as commissioning public health services. Discussions have recently commenced on a provider to provider basis to inform the shaping of social care services over the life of this plan. The Trust’s drug and alcohol services in North Lincolnshire are commissioned by NLC. The initial stages of procurement for this service have commenced and it is anticipated that this will progress during the 2014/15 financial year.

### **North East Lincolnshire**

The development of this strategic plan has been informed by the most current needs assessment available in North East Lincolnshire. These include:

- Joint Strategic Needs Assessment 2012: The Health and Wellbeing of People in North East Lincolnshire
- Health Profile 2013; North East Lincolnshire, Public Health England

The North East Lincolnshire health and social care economy has utilised the needs assessment information to inform and plan their aspirations for the community over the life of this plan. This in turn, informs the commissioning and provision of the drug and alcohol services. Reducing alcohol related admissions to hospital has been identified as a priority

The Trust’s services in North East Lincolnshire are commissioned by North East Lincolnshire Council (NELC). In March 2014, the Trust was successful with the re-tendering of the service in collaboration with the Care Plus Group and our existing partner, the Alcohol and Drug Service (ADS).

### **Summary**

The priorities of our four local health economies are closely aligned and all apply to the services that we are commissioned to provide. The assumptions within these plans are in line with those used within our financial submission.

It is acknowledged that the strategic plans within each of our local health and social care economies will be updated and refreshed during the life of this plan and the Trust will ensure that it is fully engaged and active in this process. This will inform the review and refresh of the seven clinical strategies during the implementation of this plan.

## 4.2 Specialist Commissioning Analysis

The Trust is commissioned for its Low Secure Male Learning Disabilities Unit, Amber Lodge by NHS England. In addition, we have an aspiration to grow our provision of specialist services. Therefore, our market analysis also takes account of the strategic plans for specialist commissioning, both locally through the South Yorkshire and Bassetlaw Area Team and the influence of the national planning and financial context. The document that has informed this analysis is:

- Specialised Commissioning Operational Plan, South Yorkshire and Bassetlaw 2014/15 – 2015/16

We are also aware that NHS England is currently developing its five year strategy for specialised commissioning, which is due to be published for consultation in July 2014.

## 4.3 Competitor Analysis

The Trust updated its competitor analysis in 2012, within the *Business Strategy 2012-2015*, which has been maintained since by the Business Development Forum. To provide a comparative approach, the Board of Directors has undertaken a high level analysis against the Trust's main categories of competitors.

Each business division has also undertaken a bespoke competitor analysis assessment within their individual clinical strategies.

## 4.4 Strengths, Weaknesses, Opportunities and Threats

The Board of Directors and Council of Governors considered the key influencers on the competitive position of the Trust in the form of risks, strengths and enablers. The Strengths, Weaknesses, Opportunities and Threats (SWOT) planning tool has been utilised in conjunction with the local health economy, specialist commissioner and competitor analyses, by each business division, to complete their market analysis to underpin the development of their clinical strategies.

# 5 Risks to sustainability and strategic options

## 5.1 Clinical Strategies Summary

Each of the Trust's business division's senior management and clinical leadership teams has produced a clinical strategy that assesses the sustainability of each of their service lines for the life of this plan. Each clinical strategy has been developed with the support of the Trust's Annual Planning Group, applying the same methodology to ensure that a robust and consistent assessment has been undertaken. The seven clinical strategies consider:

- Needs Assessment;
- Demand and capacity analysis;
- Market analysis;
- Initiative Identification and Prioritisation;
- Alignment with Local Health Economy;
- Financial Analysis;
- Implementation and Monitoring.

The analysis includes consideration of each service line in relation to the strategic options of: Grow, Shrink, Merge, Collaborate, Transform, Steady State and Let Go. This has been undertaken on a “heat matrix” basis; mapped against the five year timescale of the plan.

## 5.2 Children and Community Service Directorate

### 5.2.1 Doncaster Community Integrated Services

Doncaster Community Integrated Services (DCIS) predominantly provides community services to adults, older people and children and young people across Doncaster. The services are commissioned by the Doncaster Clinical Commissioning Group, Doncaster Metropolitan Borough Council (DMBC) and NHS England (NHSE), providing an annual income of circa £64m. DCIS currently employs approximately 1,150 individual members of staff; 800 in adult services and 350 in children’s services.

The identification of priorities by the business division for adult and older people’s services is based on the principles of integrated patient centred care across our community and inpatient services meeting individual communities’ needs, across our interdependent pathways. The priorities include:

#### All DCIS Services:

- Increase staff capacity and efficiency – by continuing to review caseload numbers and changing ways of working. In particular, optimising the benefits from agile working.
- Increasing the efficient use of capacity by reducing the DNA rates for services, new to follow-up ratio of appointments and length of stay on caseloads.
- Review skill mix of teams and services.
- Ensure that all non-face to face clinical work undertaken by clinicians is correctly recorded and income maximised under contract.
- Monitor performance of out of area work & ensure income matches service provided

#### Adult and Older People’s Services:

- Community Nursing Specification;
- Development of rapid response in end of life care.
- Continue to build on the integrated service arrangements established through the One Team Working initiative.

#### Children’s Services:

- Children’s Community Nursing
- Health Visiting
- Early Help Collaboratives

A number of business growth opportunities have also been identified.

### 5.2.2 Learning Disabilities Services

The Learning Disabilities Business Division provides services to people with a learning disability across the localities of Doncaster, Rotherham and North Lincolnshire and operates a range of services across the learning disabilities spectrum, including assessment and treatment services (ATS), registered and supported living homes, multi-disciplinary/multi-agency community services and day services.

The business division’s services are commissioned by the local clinical commissioning groups, local authorities, NHS England and specialist schools, providing an annual income of circa £15.7 million. The division employs over 450 individual members of staff in order to fulfil these contracts.

The priorities have been identified by the senior management team, with the following identified as the main priorities from the process:

- Reconfiguring the Assessment and Treatment Services;
- Transformation of Community Health Teams;
- Developing a Bespoke Rotherham Registered Service;
- The development of social care services.

### 5.2.3 Drug and Alcohol Services

The Drug and Alcohol Business Division predominantly provides services to those who misuse illicit substances in inpatient and community settings across Doncaster, Rotherham, North and North East Lincolnshire. The division's services are commissioned by the local authorities, generating an annual income of circa £10m. The division employs approximately 200 individual members of staff.

The identification of priorities by the business division has been informed by a requirement to undertake efficient transformational initiatives across all its local services within the next two years. In addition:

- A number of workforce development issues have been identified, including the further development of non-medical prescribing, a shift in the skill mix in favour of support workers to deliver a care co-ordination/care delivery model and the increased use of volunteers/mentors.
- To support the longer term planning, innovative solutions will be developed in collaboration with commissioners and partners to support the local health economies to meet the needs and improve the outcomes for this service user group.

### 5.2.4 Children and Young People's Mental Health Services

The Children and Young People's Mental Health Services Business Division predominantly provides services to children and young people in the community across Doncaster, Rotherham and North Lincolnshire. The Division's services are commissioned by the local clinical commissioning groups (CCGs), local authorities and two private contracts with specialist providers for children with autism. The business division has an annual income of circa £6.3m and employs 126 individual members of staff.

The identification of priorities by the business division has been informed by the context that the demographic profile of children with emotional and mental health issues is likely to change considerably over the next 10-15 years. There are a growing number of young people experiencing mental health problems and recent studies and media interest has highlighted there are increasing numbers of children experiencing depression nationally.

Workforce development has been identified as one of the key aspects for development over the next five years to provide the appropriate skill mix, supporting the delivery of efficient service models and maximising business growth opportunities. The business division has utilised its business planning forum and meeting structure to inform the prioritisation of initiatives for the next five years. The business division has identified growth opportunities as its priority. In addition, incremental and efficiency driven, transformational/service redesign schemes have been identified to support the delivery of high quality, high performing services within a shrinking funding envelope.

## 5.3 Mental Health Services Directorate

### 5.3.1 Adult Mental Health Services

The Adult Mental Health Business Division provides services to adults with mental health needs in an inpatient or community setting across Doncaster, Rotherham, North Lincolnshire and Manchester. The Division's services are principally commissioned by the local clinical

commissioning groups and local authorities, generating an annual income of circa £33m. The division employs approximately 1,000 individual members of staff.

The business division provides IAPT (Improving Access to Psychological Therapies) services in primary care settings, secondary mental health services in community settings, and tertiary inpatient services. It also provides specialist mental health services including locked rehabilitation, deaf mental health service, ADHD and autism services.

This analysis recognised the financial challenge in the absence of a contracted tariff for mental health inpatient and community services, as additional demand does not create additional income. Significant work has taken place and will continue on implementing the Care Packages and Pathways Project, which also includes developing tariffs with commissioners for adult mental health services.

A number of services provided by the division have been targeted for improvement or re-design in recognition of one or more factors related service performance or changes in national strategy, often involving higher expectations of the service. The division is currently reviewing its services against '*Closing the Gap: Priorities for essential change in mental health*' and, in particular, '*Mental Health Crisis Care Concordat: Improving outcomes for people experiencing mental health crisis*'.

The business division has identified a number of potential business opportunities to continue to develop its services that have the potential to increase income. In addition, a number of transformation themes have been highlighted as having the ability to contribute to achieving the balance between meeting the financial challenge and the consequential impact on the quality of service provision.

### 5.3.2 Older People's Mental Health Services

The Older People's Mental Health Services Business Division predominantly provides services to older people with a mental illness (including all-age dementia services) in inpatient and community settings across Doncaster, Rotherham and North Lincolnshire. The Division's services are commissioned by the local clinical commissioning groups and local authorities, generating an annual income of circa £16m. The division employs 458 individual members of staff.

The priorities identified by the business division include:

- The development of the dementia care pathways with primary care to ensure clear and purposeful targeting of our service, reduction in waiting times and an ability to respond to urgent need.
- Reviewing service and team structures, modernised day services and developed the management of waiting times.
- Development of new technologies in care.
- Modernisation of community and social care services.

Opportunities for business growth over the next five years have also been identified.

### 5.3.3 Forensic Services

The Forensic Services Business Division provides forensic inpatient low secure and step-down/locked rehabilitation services to adult males with a learning disability. The division's services are commissioned by NHS England and clinical commissioning groups, generating an annual income of circa £4.6 million. The division employs approximately 95 whole time equivalent staff.

The senior leadership team in the Forensic Services Business Division has taken account of the market analysis and the context of their service provision within the local and regional health economies. Amber Lodge provides low secure care for a large geographical area, which includes South Yorkshire and North/North East Lincolnshire. The step down/locked rehabilitation unit, Jubilee Close can attract referrals from a wider geographical area.

In order to deliver high quality, high performing services within a shrinking funding envelope, the business division will identify ways to be more productive and efficient. The business division would like to further develop its services to meet patients' low secure needs in a recovery focused way.

## 5.4 Enabling Corporate Strategies Summary

It was identified early that one of the main areas of added benefit in the strategic planning process has been to enable the organisation to review and refresh its key enabling corporate strategies to ensure alignment with the seven clinical strategies. Three corporate strategies were identified for review as part of this strategic plan process:

### 5.4.1 Information Management and Technology Strategy

#### Background

The Trust has a live five year strategy for Information Management and Technology (IM&T), "Leading the way with Information and Technology: An Enabling Strategy 2012-2017". A refresh of the strategy began in April 2014 and a number of emerging themes have been identified, as below.

In order to ensure that financial and the specialist workforce resources are deployed to maximise the benefit to meet the Vision of the IM&T Strategy "*To deliver the best care and health outcomes through the use of information and technology*"; the Trust is seeking to appoint an IM&T strategic partner during 2014/15.

#### Themes

- **We want the ability to deliver patient care and access patient records anywhere and anytime of any day**

In the next year the Trust plans to roll out 120 agile working devices. The need for an offline access solution is apparent, due to connectivity issues. A staggered roll out will commence during 2014/15, supported by a programme of wi-fi access.

- **We want safer care supported by technology**

The Trust has set up a project group to scope the requirements and available systems for e-prescribing to meet the needs across the Trust. A need to integrate the incident reporting system with the electronic patient record system has been identified.

- **We want streamlined and integrated systems where we only have to input information once**

A rolling review of the electronic patient record systems' windows and templates is being undertaken.

- **We want to know about and use up to date and innovative technology**

A new technology group has been established will look at new IT products on the market and in particular how they could work to improve efficiency within the clinical and corporate areas.

- **Our patients and service users want to interact with us using technology**

The Trust has developed its own platform to deliver online consultations to patients and in 2014/15 this will be developed for use on tablets and smartphones. Patient access to wi-fi is currently being developed for roll out to commence during 2014/15. The Trust has just begun promoting the use of twitter for patients to interact with the Trust, and a new website was launched on 2 June 2014 with the opportunity to leave feedback, online. The implementation of the Friends and Family Test in 2014/15 will also require the Trust to review its real-time feedback capability.

- **We want to be able to communicate with patients, service users, partners, health professionals, and carers and families, remotely**

Over the next 5 years the Trust will implement more efficient video conferencing and communication systems and will consider options for rolling out Microsoft Lync across the Trust.

## 5.4.2 Workforce and Organisational Development Strategy

The Trust's workforce strategy aims to develop a professional and sustainable workforce with a positive 'can do' attitude. The organisation pursues this in the genuine belief that this is an important way in which our long term future may be secured, leading to increased job security for employees and greater stability in health services for patients. This section outlines actions to provide a comprehensive range of high quality and competitive patient services whilst cementing our ability to recruit and retain the best staff.

### Pay Terms and Conditions

A significant proportion of the required savings targets over the life of this plan will need to come from payroll costs and due to previous and continual cost improvement programmes it is highly unlikely that more than a third could come from traditional measures, including skill mix, service staff rationalisations and 'back office' reductions. Considerable effort will be required to maintain this level of contribution through productivity improvements.

Our workforce strategy is to seek to avoid at all costs, wholesale and arbitrary reductions in workforce as it is recognised that this may contribute to a decline in the quality of care offered and therefore patient safety.

There are a range of options/recommendations as to how changes to pay, terms and conditions may support the Trust, these include:

- Existing Terms and Conditions - implementing the previously agreed Agenda for Change deals reached nationally with trade unions.
- Adopting Local Terms and Conditions - consideration of adopting local pay terms and conditions to some staff groups.

### Clinical Workforce Development

To support the implementation of this strategic plan and taking account of the recommendations within *Hard Truths: The Journey to Putting Patients First*, the development of the clinical workforce needs to continue over the next five years. Each business division has considered within its clinical strategy the requirements for workforce development, taking account of the future demands on services, their prioritised developments and considering their optimal skill mix.

There are three main areas that have been highlighted for development, across the range of qualified and unqualified practice:

- Non-Medical Prescribing;
- Advanced Practitioners;
- Unqualified Staff Development.

## 5.4.3 Estates Strategy

A number of priorities have been identified within the Estates Strategy, to support the Trust's Strategic Plan:

### Geographical presence

In order to reinforce the Trust's presence in each of its geographical areas and to rationalise its estate, the Trust is planning to develop a central hub for its services in each of its main localities. This would support an increase in mobile working and enable corporate staff to be more visible and accessible to frontline staff and local commissioners.

### Estates review in line with other strategies

Over the next five years a number of other Trust strategies will influence the estates capacity needed to deliver services as follows:

- New service models and potentially more partnership working;
- QIPP Plans to reduce service line costs;
- More mobile working practices in community services;
- Hot desking and home working for clinical/corporate/support staff;
- ICT Developments such as video conferencing and E-Clinics;
- Pressures on commissioners to reduce costs (e.g. review of continuing care/ review of health community wide estate).

### **Change of assets to facilitate business development**

A timetable has been developed to schedule the use of capital funding required for business development proposals over the life of this plan. All these schemes will be facilitated from capital investment in existing surplus buildings, refurbishment and a possible new build.

## **6 Financial commentary**

### **6.1 Introduction**

This section provides a narrative to the financial assumptions detailed in the 5 year base case financial model, along with the sensitivities in relation to the base case. The overall financial model has been developed on a bottom up basis, working with the seven business divisions and consolidating their individual plans into a corporate financial model.

### **6.2 Background**

The Trust has a successful track record of delivering recurrent QIPP plans and increasing turnover. Over the last 3 years the turnover has increased from £118m in 2010/11 to £163m in 2013/14 (mainly due to the transfer of community services under the Transforming Community Services initiative). In addition, the Trust has delivered £21.7m of recurrent efficiency savings for the 3 years 2011/12 to 2013/14. The challenge for the next 5 years is to identify further savings of £30m whilst at the same time maintaining the quality of services provided.

### **6.3 Key Financial Assumptions**

The table below sets out the key assumptions that are included in the base case 5 year financial model:

<b>Detail</b>	<b>Assumption</b>
NHS Income contracts	1.8% deflator in Year 1 (2014/15) – 1.5% deflator years 2-5.
Local Authority contracts	Actual based on discussions / cabinet papers
Annual inflation	2.2% in year 1 and 2.5% per year in years 2 to 5
QIPP Target	4% per year through tariff, plus impact of Local Authorities /cost pressures averaging an additional 0.2%.
Income	Income only anticipated if there is a contract agreement.
CAPEX	A capital programme that covers essential upgrade of assets, investment in the IM&T strategy and investment in assets to facilitate business growth.
Surplus assumption/EBITDA Margin	The minimum surplus to ensure going concern / financial stability. Target - an EBITDA of 5% p.a.

### **6.4 Base model key results**

The key messages in relation to the base case plan above are:

- A surplus plan that delivers a 5% EBITDA margin each year. This is based on the agreed Board of Directors policy of achieving the surplus which maintains an acceptable financial rating in a difficult financial environment.

- A capital programme that allocates investment in the Trust IT strategy and the enhancement of assets to deliver the potential for business growth.
- Maintenance of a strong liquidity position that allows for the management of risk.

## 6.5 Key challenges to achievement of the financial plan

The Trust, in line with other NHS organisations, is facing a very difficult financial environment over the next 5 years. There are 3 key financial challenges as follows:

### 6.5.1 Cumulative projected income reduction

With an assumption of a 1.5% deflator per year on NHS contracts and more significant reductions in local authority contracts, income will reduce by £13.17m by 2018/19. This model assumes that the Trust will retain all of its current contracts and will only achieve income growth where there is a current contractual commitment.

### 6.5.2. Cumulative QIPP Target

With the income reduction as detailed in **Section 6.5.1** of this paper and the inflation assumption of 2.5% per year, the Trust will be required under the base model to deliver efficiency savings of £30.38m by 2018/19. Work has been on-going with the seven business divisions to develop their long term plans in relation to the efficiency requirements.

### 6.5.3. Reduction in overhead recovery

The contract reductions described in the model will also result in the reduction of the recovery of overheads that provide the corporate service functions. The Trust is seeking to offset this loss of overheads through attracting new corporate support contracts to offset the loss and developing alliances with other organisations to consider sharing overhead costs.

## 6.6 Key risks and sensitivities

### 6.6.1 Key risks

In order to deliver the 5 year financial plan, the Trust will need to manage a number of key risks as follows:

- As detailed in **Section 6.5**, the Trust will need to deliver QIPP efficiency savings of £30m in the period 2014/15 to 2018/19.
- CQUIN is expected to remain at 2.5% per year and therefore £3m per year of the Trust's income will be dependent on the delivery of the required CQUIN targets.
- As highlighted in the Trust's Operational Plan (2014-2016) and acknowledged in the associated response from Monitor; the public health services provided by the Trust through Local Authority contracts will be market tested during the 5 year period of the plan, which could result in a further loss of income
- As highlighted in the Trust's Operational Plan (2014-2016) and acknowledged in the associated response from Monitor; in 2015/16 it is expected that £7m to £8m of the Trust's services will transfer into the Better Care Fund and be jointly commissioned by the CCG's and Local Authorities. The Trust is currently engaged actively involved in the local Health and Wellbeing Boards in each commissioning locality, which will enable early notification of these changes to support the management of this risk.
- As a result of contract reductions and the tariff deflator the Trust's overheads will need to reduce
- The implementation of payment by results, potentially moving away from block contract arrangements to cost per case.

In recognition of the risks detailed above the 5 year financial model has assumed an annual risk reserve.

## 6.6.2 Sensitivities

The Trust has modelled the impact of not managing these risks and developed a mitigation strategy for immediate implementation, when required.

## 6.7 Financial Conclusion

The Trust, in line with other NHS organisations is facing a very difficult financial environment over the next 5 years. These challenges include a potential reduction in income and a QIPP target of £30m over this planning period. Work has been undertaken with the seven business divisions to develop schemes to manage this challenge and there is a clear vision of areas of business growth that the Trust will target. In addition, the historic financial results of the Trust have put it in a strong liquidity position to manage the risks identified over the next 5 years.

## 7. Strategic Plan Priorities

### 7.1 Priorities

The Strategic Plan process has supported each business division to identify within each of their clinical strategies the initiatives that will contribute to the overall sustainability of the organisation, for the next five years. These initiatives have been prioritised by mapping benefits against feasibility to provide an initial workplan for the business divisions senior teams for the life of this plan.

The process has also identified the corporate strategies that are the key enablers to ensuring the successful delivery of the prioritised initiatives and thereby, the implementation of the plan.

This is all aligned to the supporting five year financial plan, which provides a strong foundation on which to maintain sustainability; through the allocation of a capital expenditure programme and robust mitigation strategies, which deliver capacity and flexibility.

The priorities identified within the clinical strategies fall into three main categories; which are:

- **Maintaining a focus on sustaining our core secondary care services in each local area;**
- **Developing Specialist Inpatient and Community Services;**
- **Transforming community services and diversifying into social care.**

An overview of the plan identifies a number of cross cutting themes across the business divisions. In order to maximise the benefits from implementing the initiatives, the Trust will ensure that the delivery of the cross cutting themes are aligned between business divisions, business support units and corporate services.

In order to ensure the achievement of this Strategic Plan; it was identified early in the process by the Board of Directors that some non-recurrent capacity was required during 2014/15. Therefore, a non-recurrent sustainability fund has been identified in 2014/15 to pump prime the implementation of this plan.

## 7.2 Risks

The finance risks to the delivery of the strategic plan are detailed in **Section 6.6.1**. Each business division has also identified the risks associated with the delivery of its priorities within their clinical strategies. The key risks identified within the Trust's operational plan were:

- Maintaining the quality of services
- The financial challenge;
- The changing commissioner landscape;
- Commissioner expectation in relation to level and standard of service provision;
- Improving our competitive edge.

The strategic plan process has confirmed that these risks remain and also apply to the delivery of our five year strategic plan. The Board of Directors are aware of these risks, mitigation arrangements are in place and additional capacity is being utilised to support the implementation.

## 7.3 Communication

The Trust has sought assurance of its plan through communication with stakeholders throughout this process. This has included:

- Consultation with the Council of Governors, including a dedicated session with representatives;
- Discussion within the Health and Wellbeing Boards in each local health economy;
- Discussion at Chief Executive Officer Meetings.

The Trust has participated in a number of commissioner-led events arranged to support the development of the commissioners' strategic plans. The clinical commissioning groups and local authorities which commission the majority of the Trust's services were given the opportunity to comment on the draft plan and their comments have been incorporated into this final version.

Going forward, the public version of this plan will be made available through the Trust's website. An additional summary version will be designed during July 2014, which will specifically be targeted at staff. The summary version will be actively promoted throughout the organisation to ensure that staff are aware of the Trust's intentions for the next five years. The Fit for the Future final Momentum events that will be held in July 2014, will enable the leaders of the organisation to understand and connect with the identified priorities within the strategic plan, providing further engagement with business divisions to support implementation.

## 7.4 Monitoring

The outcome of the self-assessment highlighted that the Trust needs to strengthen its longer term strategic planning, monitoring and performance management.

The Board of Directors has confirmed that it will dedicate time quarterly to focus on the implementation and development of this plan; facilitating successful delivery, enabling flexibility and exploiting the benefits of internal and external collaboration; ensuring that RDaSH remains sustainable for the life of this plan and beyond.

It is the intention of RDaSH to continuously reflect and learn during the 2014/15 financial year both through the monitoring arrangements of the strategic plan and the development of the individual initiatives. This will inform the refinement of the Trust's strategic planning approaches for 2015/16 and beyond, ensuring that we remain sustainable, delivering safe and effective services to our patients across all services. It will support staff to be clear about the direction of travel of the Trust, enabling them to provide services to our patients in line with our vision; Leading the Way with Care.