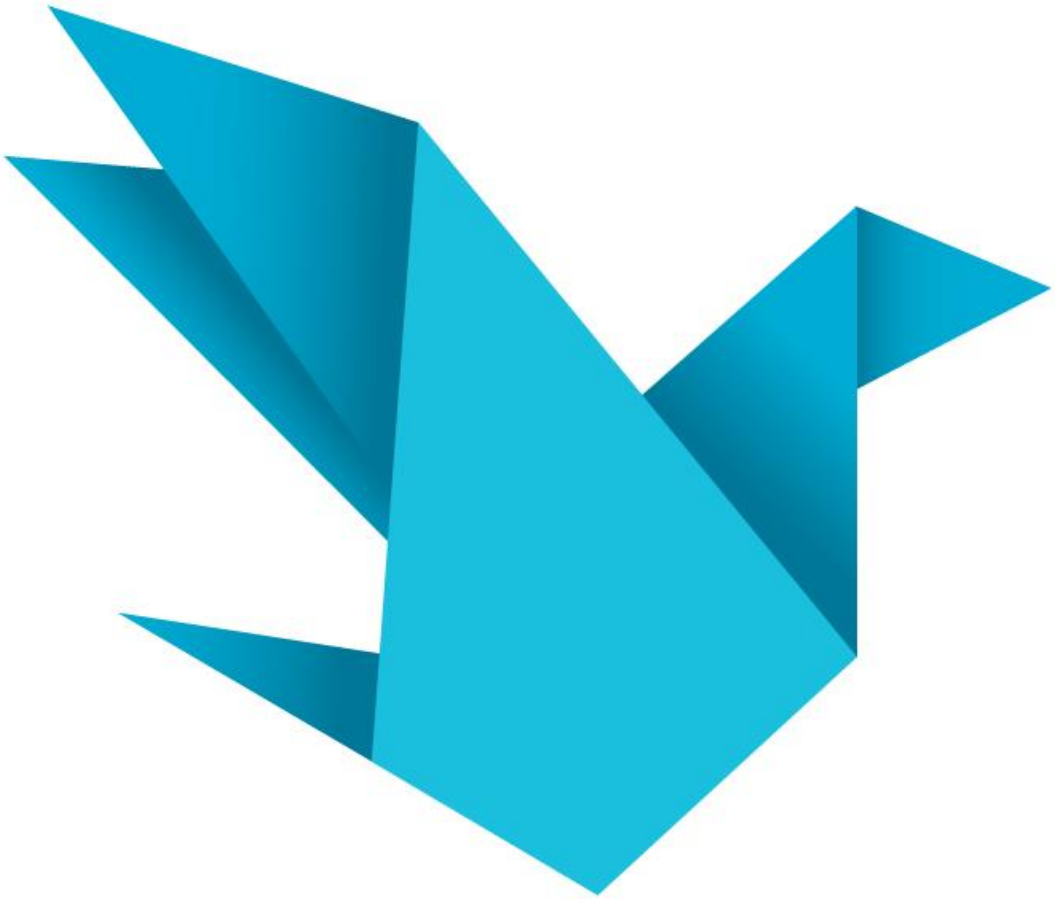
Black Country Partnership NHS
NHS Foundation Trust



Operational Plan Document for 2017/18-2018/19

Black Country Partnership NHS Foundation Trust

Our Community
you matter, we care

Annual Plan for y/e 31 March 2019

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1.0 Introduction

This plan describes and triangulates Black Country Partnership NHS Foundation Trust's short-medium term operational objectives in line with the strategic ambitions of the Black Country Sustainability and Transformation Plan (STP) 2016-2019.

In October 2016 inspectors from the Care Quality Commission (CQC) undertook a second assessment of whether the Trust's services were safe, caring, effective, well led and responsive. Whilst the Trust still awaits the results of this inspection, initial feedback from the inspectors included:

- Praise that our staff were consistently ***caring, driven, motivated and innovative***,
- That they consistently found ***good care plans and risk assessments*** across all services,
- That ***patient feedback*** had been ***exceptionally positive****,*
- That ***physical health*** care in the planned care services was ***excellent.***

The final report and any areas for further development will inform our priorities over this planning period.

The Trust has a number of workforce priorities aligned to our staff opinion survey with key themes including levels of staff engagement, team working, systems for raising concerns, staff well-being and the experience of our workforce (including equality of opportunity). The organisation has engaged with the workforce and implemented a number of solutions aligned to these priorities including the development of 'speak up champions', a healthy eating campaign, complimentary exercise classes, executive-led job/career pathways discussions and promoting processes for raising concerns. All developments are communicated to the workforce through a '*you said, we did'* approach.

At a time of unprecedented change the Trust has continued to lead, and engage in, an increasing number of partnerships across the local health economy. This extended collaboration underpins our ambitions for service transformation, productivity and efficiency at a local level, and enhances our ability to drive sustainable improvements described in the Five Year Forward View for Mental Health:

- Through the route map of the Black Country STP, we are seeking to realise a reduction in unwarranted variation in quality of care, to standardise services and to enable improved resource utilisation across our Black Country footprint,
- Through the 'Transforming Care Together' (TCT) strategic partnership between Birmingham Community Healthcare NHS Foundation Trust, Dudley & Walsall Mental Health Partnership NHS Trust and our Trust, we continue to harness the strengths of our uniquely aligned services (Mental Health, Learning Disabilities & Children's Young People and Families) to identify and deliver synergies that will benefit our communities, our staff and our stakeholders, and
- Through the Mental Health Excellence, Resilience, Innovation and Training (MERIT) vanguard we are driving improvements to Adult Mental Health services through crisis care, and developing approaches to enhance and embed recovery practices and community engagement.

At the heart of all of our partnerships remains our commitment to ensuring that service developments are designed and delivered in the best interest of our local communities, to deliver the right care, at the right time, delivered in the right place, by the right people long into the future.

The financial position of the Trust has continued to deteriorate, with a deficit forecast for 2016/17 leading to increased pressure on cash. Whilst a number of efficiencies have been delivered in the current financial year, many of them were non-recurrent and therefore it is anticipated that there will be an increase in the deficit until a strategic partnership solution can be delivered. It was hoped that the new partnership would be able to take effect from

April 2017, but this is now not likely to be until quarter three of 2017/18. As a stand-alone organisation the Trust would not be able to achieve the £863k deficit control total (before Sustainability and Transformation Funding), as this would require CIPs of c.6.5% which the Board does not believe is credible. Instead a deficit for 2017/18 of £3.18m has been forecast which still depends on a stretching CIP delivery target of 4.1% (well above the national guideline of 2%), and plans for recurrent delivery against this target are still in the early stages of development, and subject to a number of interdependencies across our partnerships, resulting in a significant level of risk. The plan also reflects the current status of anticipated contract income agreed through the on-going contract negotiations. There is, however, a reasonable expectation that if the partnership proceeds to current timelines, the three partner organisations could achieve the aggregate control total.

The Trust will not have sufficient cash to meet its needs in the year ahead, and is in discussion with organisations in the local health economy to support liquidity; however this support will be dependent upon the strategic partnership being achieved to provide the mechanism for repayment. There may be a requirement for access to the working capital fund and/or distressed finance in year. The template has been completed based on the assumption that working capital funding will be drawn down in year to avoid negative cash balances.

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2.0 Activity Planning

The Trust continues to deliver services in both hospital and community settings. Inpatient services are monitored in terms of occupied bed days (OBD's), and community activity through a combination of outpatient attendances and community contacts. Contracts with main commissioners are primarily set on a block basis, with activity reported for information. Annual plans have been based on agreed contracts, or forecast outturn, adjusted to reflect any agreed service changes arising from developments or efficiency targets. There is an agreement with commissioners to commence a review of the currencies and tariffs across service lines in order to move towards cost and volume in the future, with the initial period being a shadow format. During the contract negotiations two of the main commissioners have agreed to work collaboratively with the Trust, in line with the National Tariff payment system guidance, to review local prices and activity levels to establish a robust indicative activity plan for future years. A greater granularity of information will be provided in 2017/18 to aid this process. Timelines have not been agreed at this point however the intention is to continue with the discussions from January 2017. Aligned to the Transforming Care Together partnership, the STP workstream for MH and LD has been reviewing future capacity requirements and demand management across the footprint. At this time it is not anticipated that there will be significant change in activity levels resulting from the partnership, however, there is ongoing transformation to deliver the national objectives of improved access to community services and a reduction in inpatient care.

The following summarises the Trust's draft activity plan for this planning period:

Mental Health						
			2016/17 Plan Final	2016/17 FOT	2017/18 Plan	2018/19 Plan
Adult	Inpatient	Bed days	33,074	32,936	32,631	32,631
	Community & Outpatients	Contacts	110,974	110,454	111,699	111,699
Older Adult	Inpatient	Bed days	19,186	17,988	16,754	16,754
	Community & Outpatients	Contacts	36,177	40,272	36,236	36,236

Learning Disabilities						
			2016/17 Plan Final	2016/17 FOT	2017/18 Plan	2018/19 Plan
LD	Inpatient	Bed days	20,025	15,582	19,246	19,246
	Community & Outpatients	Contacts	32,207	38,486	32,226	32,226

Children, Young People & Families						
			2016/17 Plan Final	2016/17 FOT	2017/18 Plan	2018/19 Plan
CYPF	Community	Contacts	89,335	70,172	89,176	89,176
	CAMHS Community & Outpatients	Contacts	33,072	27,694	33,097	33,097

2.1 Inpatient Activity

2.1.1. The Trust is just above the national average of number of Mental Health beds (Adult and Older People), and it is particularly difficult to predict peaks and troughs in demand with admission not following the recognised patterns seen in physical health. In general, occupancy of 85% is planned for these beds, which is lower than the 2016/17 planned occupancy levels.

2.1.2. In line with national direction of *'Building the Right* Support' the Trust is planning on reviewing the number of Learning Disability Assessment and Treatment beds it provides during 2017/18, and will work closely with Commissioners to ensure that the complex needs of this service user group continue to be met. Whilst activity in 2016/17 is lower than the plan underpinning the block contracts, the commissioners have agreed to retain the same planned levels to support the transformation necessary to reduce LD beds.

2.1.3. Our *Acute* beds are high turnover beds and as such significant focus is given to the

patient's pathway through acute beds ensuring that length of stay is managed and robust discharge planning is in place. This supports both the need for bed availability for emergency admissions, and reduced reliance on out-of-area placements.

2.1.4. Our *Specialist* beds have a lower turnover and the potential for waiting lists and as such aim to be 100% occupied. The trust employs a marketing strategy to ensure commissioners are aware of the current bed state and any upcoming discharges.

2.2. Community Activity

2.2.1. Community contacts have a direct correlation with the workforce supply. As such activity mapping is undertaken as part of each contracting round focusing primarily on services which are newly developed, have undergone changes in working practice, or services where activity performance is not within the agreed tolerances. Activity modelling includes use of recognised capacity demand modelling e.g. CAPA (Choice and Partnership Approach). Given the correlation between workforce and capacity, the Trust will manage demand within the agreed funding.

2.2.2. CYPF services 2016/17 forecast outturn is lower than plan. Community services forecast outturn activity is low in Dudley, in part due to data capture during the PAS migration. In addition, forecast outturn for 2016/17 activity for CAMHS community and outpatients is lower than plan in Early Intervention and Eating Disorders services. This under performance is as a result of ambitious estimations in the 2016/17 plan following service transformation. The plan requires rebasing in line with the activity levels expected from the investment at the end of 2015/16. This work will be undertaken collaboratively with the commissioner and agreed formally during 2017/18 and a contract variation will restate the planned activity levels for 2017/18.

2.3. Performance

2.3.1 Delayed Transfer of Care continues to be a significant issue for the Trust with the main impact being around Mental Health and specifically older adult services. The Trust has been proactive in trying to manage and reduce the number of delays and has instigated a number of new processes to ensure that delays are identified and flagged to all relevant partners and commissioners on a weekly basis as well as escalating the ongoing issues both from a clinical perspective but also a contractual one. The Trust has also reviewed the way in which bed management is approached and actively approached commissioners and local authority representatives to be part of our weekly meetings in reviewing all cases, to ensure any blocks are addressed and removed to allow for patient transition. In addition, we are continually looking to review supporting policies to identify opportunities to strengthen the discharge process and improve the approach to discharge to ensure that patients do not get delayed. The Trust is using the emergence nationally of A&E boards as an opportunity to tackle the delays currently experienced, and in particular Sandwell and Wolverhampton A&E boards have agreed to support the Trust in a focused piece of work to reduce delays which will ultimately have a positive impact across the Health Economy.

2.3.2 Mental Health core access standards:

- The Trust has continued to perform well in delivering core mental health access standards in Improving Access to Psychological Therapies (IAPT) services;
- In line with local transformation plans the Trust is continuing to address under-performance in relation to Early Intervention access, and in particular the key challenge of DNA rates. Whilst all referrals are offered an appointment within two weeks, the Trust has developed and implemented a number of interventions to increase the likelihood of attendance (e.g. extended opening hours) and will continue to develop this approach over this planning period.
- A further priority of the Trust over the planning period will be to plan for, and seek to deliver against, anticipated access targets in Eating Disorder services.

3.0 Quality Planning

3.1 Approach to Quality Governance

Led by the Executive Director of Nursing, Allied Health Professionals and Governance the Trust has developed a range of policies, systems and processes, which together comprise an integrated assurance and escalation framework for quality and performance. Utilising the three dimensions of quality defined in '*High Quality Care for All*', the Trust has embedded a clear definition of quality and quality governance. The Trust routinely reports quality measures from ward to board level, through clinical quality scorecards and reports. Data quality is assured through the Trust's data quality governance structures, with the Board of Directors confirming a statement of compliance within the Trust's Quality Report.

Following the CQC rating of 'requires improvement' in November 2015 the Trust developed and implemented an improvement action plan in all areas identified as a concern by the CQC. This was led by the Executive Director of Nursing, AHPs and Governance and was overseen by the Quality and Safety Committee, reporting through to the Trust Board. A collective approach that involved clinical staff at ward and team level cascading right through to Board was taken to address the areas of concern and support improvement. The detailed improvement and action plan included the utilisation of Executive, Non-Executive and Governor-led '*Key Lines Of Enquiry'* (KLOE) and *'You Said, We did'* methodology. The delivery of the improvement plan was monitored closely (utilising a PMO approach), and relevant areas of concern were either addressed in full, or where factors such as estate limited the Trust's ability to fully address the concern, risk assessments were completed and mitigations put in place to ensure care met the required Caring, Responsive, Effective, Well-led and Safe (CREWS) standards. The CQC undertook a second visit of Trust services in October 2016, and we are currently awaiting the final report. Once the Trust is in receipt of this report the Acting Executive Director of Nursing will lead on the implementation of any recommendations cited, utilising the proven approach from the NHS IHI '*Always Events'* methodology. The Board have delegated responsibility to oversee the delivery of any improvements required to the Quality and Safety Committee, which will provide exception reports back to Board.

3.2 Quality Improvement Plan

The Trust's quality improvement plan in relation to local and national initiatives includes:

National clinical audits	The Trust participates in the National Clinical Audit and Patient Outcomes Programme. Due to the paucity of national audits for mental health services, the Trust also participates in the Royal College of Psychiatrists Prescribing Observatory for Mental Health, which provides the nearest equivalent. This commitment will continue over the planning period, as participation enables the Trust to benchmark its performance against nationally agreed standards with up to 55 other mental health trusts.
Safe staffing	The Trust has implemented a score card approach for reporting *Safer Sustainable and Productive Staffing*, this approach has embraced the principles set out in the new guidance building on the existing triangulation of data with a more strategic longitudinal oversight. It reflects more timely access to data and builds on the current ward to board review of safe, sustainable and productive staffing. Clinical front line ward managers and teams are fully engaged in this agenda and contribute to local safe staffing reporting for their specific wards with reporting through the Quality and Safety Groups and Quality and Safety Steering Group. The Trust also undertook a self-assessment using the '*Monitor/TDA (NHSI) Diagnostic Tool to reduce the use of Agency' with* the overall aim of eliminating agency use. This has resulted in a number of on-going developments including: • 'At a Glance' Carter style dashboard reports which have been developed at

	ward level to ensure staff teams are fully engaged and understand the financial as well as the quality impacts of safe staffing, supporting solution focused discussions at the front line. • A recruitment campaign targeting agency workers to join the Trust as permanent staff and/or the Trust bank. • Roster management workshops incorporating recent national guidance and Lord Carter recommendations regarding making the best use of roster management systems to support flexibility in deployment and redeployment of staff. • Safe Staffing Escalation meetings across clinical Groups to monitor use of bank/agency to understand the clinical risks and to support staff redeployment. In addition, a 'sign off' process has been put in place for agency usage requests. The Trust will participate in the *NHSI Mental Health Collaborative* focused on the reduction of use of clinical observations in the autumn of 2016.
Mental Health Standards	The Trust will continue to participate in a number of service improvement exercises aimed at ensuring compliance with, and achieving excellence in mental health standards. This includes: • Following participation in the National Audit of Early Intervention in Psychosis (EIP) Services, the Trust is participating in a Royal College of Psychiatrists quality assessment and improvement programme. Based on the new national standards for EIP Services this programme will provide the Trust with a framework, self-assessment tool and a performance assessment scale to embed and sustain improvements. • The National Association of Psychiatric Intensive Care Units (NAPICU) audit of practice standards, • The Forensic Quality Network (Mental Health Services) annual peer review and self-assessment by NHS England's Specialist Commissioners Quality Surveillance Programme, • The annual Royal College of Psychiatrists ECT Accreditation Service to assure and improve the quality of electroconvulsive therapy, • The West Midlands Quality Review Service to develop pathways and quality standards for mental health services, • The Institute of Psychiatry's *Safewards* Initiative.
Seven Day Services	Throughout 2015/16 and 2016/17 the Trust, as part of contractual requirements and working closely with commissioners, has been working towards implementing seven day services and the requirement to meet the national clinical standards by 2017. This has included completing the Self-assessment as well as undertaking a Clinical Standards Gap Analysis for Urgent Care Pathways and 7 Day Working. This was shared and discussed with commissioners through Clinical Quality Review Meetings which supported ongoing work for the Trust and confirmed where the Trust is already meeting Seven Day services. This includes urgent care pathways and supporting the local health economies through Psychiatric Mental Health Liaison within acute services. The Trust has looked to work closely in Wolverhampton with both Commissioners and Royal Wolverhampton Hospitals NHS Trust as part of "Working together to shape 7 day services". Royal Wolverhampton NHS Trust is an early implementer site. The Trust will continue to work closely with Commissioners throughout 2017/18 in reviewing pathways and service provision as part of work incorporated into the STP Mental Health Work programme and continue to actively be involved in the Mental Health Alliance for Excellence, Resilience, Innovation and Training

	(MERIT) with our partners across the region, working through the crisis-care work-stream e.g. by developing approaches to reduce risk and embedding a recovery approach.
Better Births	In line with this priority agenda the Trust intends to continue to work with its partnerships to develop a perinatal mental health services clinical pathway.
Quality of mortality review, and Serious Incident investigation.	In response to the Mazars report into the deaths of patients receiving services from Southern Healthcare NHS FT, the Trust undertook a review of existing processes to report, investigate and learn lessons from both expected and unexpected deaths. The review provided assurance to the board that appropriate systems and processes were in place and that all unexpected deaths are reported and investigated in line with current guidance. Led by NHSE and CQC, the Trust is also actively involved in the national development of a mortality tool for mental health and learning disabilities.
Reducing restrictive interventions	The Trust has implemented its '*Restrictive Intervention Reduction Programme'* and delivered against the majority of the recommendations outlined within Department of Health Positive and Proactive (2014) guidance. In addition further local objectives relating to blanket restrictions across inpatient areas and the implementation of *Safe-wards* ensuring that in patient areas provide environmentally safe and therapeutic spaces have been progressed. Assurance against delivery of this programme will continue through the Quality and Safety Steering Groups.
Safeguarding	The Trust's philosophy in safeguarding children and adults in our care is based on the '*think family'* model. To embed this model the Trust has a Safeguarding strategy in place, and has created a link worker role in clinical areas. In particular to note, the Trust has developed and implemented an action plan to train staff in the recognition, management, and escalation of the two key priorities of Female Genital Mutilation, and Child sexual exploitation.
Improving safety and reducing harm	The Trust has implemented and embedded systems and processes to improve safety and reduce harm, including: • Continued compliance with the regulatory standards of the Care Quality Commission, NHS Litigation Authority, National Patient Safety Agency, Medicines and Healthcare Product Regulatory Agency and Health Protection Agency, • Surveillance and weekly monitoring of the incidence of infections across each division, and wherever possible prevention and control of the risk of infection to people who use our services, • Appointment of risk facilitators to work with clinical staff within each division, • Further development of the Trust's incident reporting system to enable full use of its functionality, • Monthly review of all serious untoward incidents with commissioners, • Focus on what lessons staff can learn from serious incidents that have taken place, • Root cause analysis training and workshops for clinical staff.
Improving clinical effectiveness and outcomes	Across the Trust, clinical teams engage in continuous, evidence-based quality improvement, making use of the best evidence based practice to provide improved outcomes for people who use our services. The Trust demonstrates its progress in this area to service users and other stakeholders, and listens to, and act upon their feedback through a number of means and this is monitored through: • Clinical quality dashboards and scorecard, • Monthly divisional quality and safety reports,

	• Annual compliance reports from committees e.g.: clinical audit, research, medicines management, and infection prevention/control, • Successful delivery of CQUIN, • Participation in national clinical audits and research, • Review of current quality standards and accreditation schemes, • Continued compliance with regulatory quality standards, • Engagement of Assembly of Governors.
Improving service user and carer experience	The feedback that the Trust receives about the experience of service users is paramount. The Trust will wherever possible seek to recruit people who have used our services, or similar services, to carry out the role of receiving this feedback, acting independently and empathetically with the person they are asking the views and opinions of. In particular, the expertise and impartiality of these individuals should positively impact on any reluctance to comment on the more negative aspects of care, which if left unaddressed could hinder opportunities for learning and service improvement across the Trust.
Improving the accessibility and quality of information available to service users and carers	The Black Country is an ethnically diverse area made up of people from many different cultures, communities, and backgrounds. Being responsive to the diverse range of people in the Black Country is a responsibility the Trust takes very seriously, and aims to provide person-centred, accessible, and effective services for all people. The Trust is committed to promoting equality and diversity, both in the services we provide and as an employer. To ensure equality of access we recognise that patient information must be provided in alternative formats to meet the specific requirements of different service user groups e.g. large print, the use of more symbols and pictures, braille, as well as in other languages for people whose first language is not English. This is in place, together with development of and accessible website for patients with a learning disability.

3.3 Quality and Equality Impact Assessment Process

In order to support the development of meaningful efficiency and transformation programmes the Trust is intending to strengthen its *gateway processes* which will assess how likely a project is to deliver its anticipated outcomes, including without adversely impacting on the quality and safety of services. The gateway panels will provide an opportunity to challenge the robustness of plans, their impact and strategic fit and ultimately to gain assurance that plans are deliverable recurrently. The new gateway process, which commences in January 2017, will take a 'confirm and challenge' approach where Executive Directors will be challenging project teams in a formal and supportive forum. The plans will be challenged for quality and equality impact, operational impact, and financial delivery, and also to ensure more cost improvement plans deliver recurrent efficiencies. The joint forum will enable the Executive team to collectively understand and oversee the full cost improvement programme and to mobilise the necessary support services to enable the plans to deliver. The responsibility to develop and present plans for change, and their probable impact, will remain with divisional and clinical leads, and at all stages of the gateway process plans for change will be presented hand-in-hand with relevant quality indicators that can be monitored through the life of the project. As part of this process all CIP's will continue to be risk assessed against a Quality Impact Assessment (QIA) and an Equality Impact Assessment (EIA), with plans scrutinised through the 'Star Chamber' (led by the Medical Director, and Acting Executive Director of Nursing) to ensure that any potential adverse effects relating to safety, effectiveness, experience, equality or diversity are identified and mitigated. During 2017/18 more detailed monitoring of the agreed quality indicators identified at the point of the quality impact assessment will be signed off by the Nurse and Medical Directors for monitoring. The performance on quality indicators will be reported monthly to Quality and Safety Committee to ensure that the cost improvement programme is regularly assessed for quality impact.

3.4 Triangulation of Quality with Workforce and Finance

The Trust has systems and processes in place (as described in the Board Assurance Escalation Framework), to monitor quality, activity, financial and workforce data, and the Trust is taking steps to improve its overall performance approach, e.g. in October 2016 the Trust introduced a new integrated performance report which will enhance the ability of the Board to triangulate key performance indicators, enabling the identification and prioritisation of trends, issues or concerns for action. The introduction of a Trust level balanced scorecard has identified appropriate performance targets that will be measured and reported, this will support triangulation of quality, workforce and finance as the scorecard includes a range of performance measures that relate to Safety, Quality, Patient Experience, Workforce and Efficiency.

4.0 Workforce Planning

Currently at service level the Trust has an annual Workforce Planning System (based on the principles of the NHS six step model) encompassing clinical service delivery, business planning, transformation projects, skill mix and competencies and succession planning which feeds the Trust wide business plan. This is approved at strategic level through the Trust Board. These service level plans continue as mitigation to the outcome of the TCT programme and include clinical, corporate and operational staff involvement. These plans are aligned to clinical strategy, the Trust's Equality & Inclusion agenda, and divisional service development plans.

The clinical divisions ensure the workforce plan is supported by activity and income assumptions, commissioning intentions and transformational plans. This also ensures the correct resource required to deliver the planned capacity is in place.

The responsibility to ensure the development and sign-off of the Trust's workforce plan sits with the Workforce Committee, informed by both the Quality and Safety Committee, and Business and Performance Committee, to ensure operational and clinical alignment prior to final sign off at Trust Board level.

The Trust's Workforce Committee overseas a range of strategic workforce priorities including transformational change, national workforce initiatives such as Apprenticeships and Temporary Staffing management, leadership development, succession planning, role development, recruitment and retention ensuring future organisational health and sustainability.

There are a number of cost improvement schemes in 2017/18 that are currently under development (e.g. the review of assessment and treatment beds, and the corporate productivity programme) that will be tested through the Trust's new Gateway processes which will include a detailed analysis of the planned workforce impact and pay efficiencies.

The key workforce risks and challenges identified for the service are:

- Developing new roles and career pathways, Associate Nurses and including the impact of the Apprenticeship Levy.
- Development of leadership within teams at all levels.
- Recruitment and retention challenges – medical staff, male staff and long term sickness
- Embedding a culture of staff health and wellbeing to keep people safe and well at work.
- Improving efficiency of workforce systems: implementation and further development of Electronic Staff Record (ESR) 'Manager self-service'.

- Addressing the challenges of an ageing workforce with the development of new roles and succession planning.
- Reducing reliance on temporary staffing ensuring compliance with national agency caps.
- Development of a recognised robust workforce planning solution.

During the beginning of 2017 the workforce planning process will be refreshed. This will link to the Trust CIP gateway process and transformational schemes. Workforce plans will flow from Divisional plans to create a full workforce analysis to inform development of a Trust wide strategic workforce plan and completion of the Annual operational plan workforce planning template. This will demonstrate the impact on the workforce numbers and skill mix for future service delivery and efficiency.

The Trust is actively working with a number of partners to achieve workforce efficiencies and service transformation to ensure organisational sustainability moving forward including as a partner in the Mental Health Alliance for Excellence, Resilience, Innovation and Training (MERIT) Vanguard where the Trust is actively leading the workforce agenda across the region. Through the Trust's strategic partnership programme (Transforming Care Together) the Trust will develop opportunities to deliver workforce (and in particular back-office) efficiencies, aligned to the STP, and in partnership with Dudley Multispecialty Community Provider the Trust will manage any impact of the proposed new model of care on our existing workforce.

The planning assumptions for 2017/18 and 2018/19 within this plan are counter-factual submitted as a stand-alone organisation, with the workforce impact of any strategic partnership still to be determined. The CIP programme for 2018/19 will undoubtedly impact staff levels, however at this stage the CIP planning is insufficiently detailed to assess the specific effect on any individual staff group and therefore the workforce template has not been adjusted to reflect any potential changes.

5.0 Financial planning

5.1 Financial Forecasts and Modelling

5.1.1 2016/17 Outturn

The 2016/17 plan reported a financial deficit of £1,129k, underpinned by a number of risks as this was understood to be a challenging target. It is recognised that the Trust is unlikely to be financially sustainable in its current form in the longer term, and the Board of Directors continue to review the strategic partnership options available to determine the future sustainability of the services it provides.

The 2016/17 forecast outturn is in line with plan, and will be reviewed at Q3 in line with recent NHSI guidance. There continue to be challenges in meeting the deficit of £1,129k due to the difficulty in identifying cost improvement savings. The total value of non-recurrent savings will also have an adverse impact on the performance target for 2017/18.

Adopting the new approach introduced in the Single Oversight Framework, the Trust is forecasting a Finance and Use of Resources metric of 3 for 2016/17, although the shadow rating from NHSI is 2. The risk rating has been adversely affected by the introduction of a metric to measure agency spending against the annual cap. The Trust is forecasting to exceed this cap.

5.1.2 Assumptions within Operational Annual Plan 2017/18 & 2018/19

As part of the overall NHS Improvement financial plan, the Trust has been allocated a control total of £241k deficit in 2017/18, followed by £669k surplus for 2018/19. These targets include an allocation from the Sustainability and Transformation Fund of £622k in each year, which is dependent upon achieving the control total in each year.

As a stand-alone organisation the Trust cannot achieve the control total as this would require CIPs of c.6.5% which the Board does not believe is credible. Instead a deficit for 2017/18 of £3.18m has been forecast which still depends on a stretching CIP delivery target of 4.1% - well above the national guideline of 2%. Similarly, 2018/19 plan has an indicative deficit of £3.07m based on an extrapolation of 2017/18 with an additional 2% CIP. There is, however, a reasonable expectation that if the partnership proceeds to current timelines, the three partner organisations could achieve the aggregate control total in both years. The partnership agreement is progressing with outline business cases being presented to all partner Boards imminently.

In preparing the annual plan the Trust has incorporated assumptions made within the five year Black Country STP submission in order to ensure consistency is applied, and that all planning forums are effectively tri-angulated. However, the organisational plan does not reflect the potential impact of the partnership, and therefore this plan provides a counterfactual to the strategic plan being developed. There are some assumptions around contract income whilst negotiations are on-going.

Based on the planned deficit, the Trust will have a requirement for additional cash which may be met via inter-organisational loans or Department of Health (DH) interim support / planned term support from Q4 2017/18.

	Q1	Q2	Q3	Q4	2017/18	2018/19
	£m	£m	£m	£m	£m	£m
Operating Income	24.822	24.822	24.822	24.816	99.282	98.961
Operating Expenses	(24.977)	(24.828)	(24.656)	(24.435)	(98.896)	(98.403)
Non-operating	(0.867)	(0.887)	(0.899)	(0.912)	(3.565)	(3.624)
Surplus/Deficit	**(1.022)**	**(0.893)**	**(0.733)**	**(0.531)**	**(3.179)**	**(3.067)**

Whilst the two year plan is based on current knowledge and status of existing negotiations, there are still significant risks to be mitigated within the planning assumptions:

- The planned income position is set at a realistic level however a reduction in the planned income could have a negative impact on the operating position, with many costs associated with the income fixed.
- The CIP challenge is exacerbated by historic Non-Recurrent delivery of plans.
- The ability for the Trust to operate as a going concern will deteriorate due to the planned deficit leading to liquidity issues.
- Given the cash constraints the capital plans for 2017/18 and 2018/19 have been scaled back from previous submissions, with clinical risk and patient safety spend given priority.

The information within the financial plan reported below highlights the assumptions and outputs from the Trust's financial model. The assumptions have been considered and assessed through the Board of Directors and its relevant sub-committees.

5.1.3 Income

The following table shows the income position included in the 2017/18 and 2018/19 financial plan, with 2016/17 figures for comparative purposes:

Element	2016/17 Out Turn £000's	2017/18 Value in Plan £000's	% Movement	2018/19 Value in Plan £000's	% Movement
Baseline	98,656	99,096	0%	98,774	0%
Service Development	0	187	100%	187	0%
Sustainability Funding	450	0	-100%	0	0%
	99,106	**99,282**	**0%**	**98,961**	**0%**

The contract values by Commissioner are shown in the table below (developments and income generation are not included within this table). The plan is based on agreed contract values where possible. To date 86% of the total planned income has been agreed. The remaining income is based on the most recent discussions with commissioners. All contracts are due to be signed by 23rd December 2016.

Key variances from 2016/17 forecast out-turn to 2017/18 plan relate to:

- An overall 0.1% net inflationary uplift in income of £0.09m;
    - Efficiency in tariff of £(1.9)m
    - Gross inflationary uplift of £2m
- Service Developments in 2017/18 of £0.2m;
- Reduction for Sustainability and Transformation funding of £(0.5)m;
- Impact of underlying demand and volume changes £0.8m;
- FYE of service developments 2016/17 Home Treatment Team £0.1m
- Decommissioning of one service £(0.1)m
- CQUIN Risk reserve of £(0.4)m conditional on delivery of prior year control total;
- 2018/19 Income assumes the Trust will successfully retain all services that are to be transferred into the Multi-specialty Community Provider plan within Dudley.

Contract (Contract values excluding developments and income generation)	2017/18 Value in Plan £000's	% of Trusts Income 17/18	2018/19 Value in Plan £000's	% of Trusts Income 18/19
Sandwell & West Birmingham CCG	35,519	36%	35,325	36%
Wolverhampton CCG	29,535	30%	29,344	30%
Dudley CCG	12,013	12%	11,761	12%
NHS England - West Midlands Commissioning Hub (Gerry Simon, NHS Liaison and Police diversion)	3,979	4%	3,983	4%
Walsall CCG & MBC	2,637	3%	2,640	3%
Spot Purchases & Non Contract Activity	2,446	2%	2,448	2%
Birmingham CCG	3,792	4%	3,796	4%
Dudley Public Health	4,786	5%	4,791	5%
Education & Training	1,940	2%	1,942	2%
Other Contracts (individually less than 1% of income each)	2,448	2%	2,743	3%
	99,096		**98,774**	

5.1.4 Expenditure

Given the timing of the submission of the annual plan, the unaudited month 11 forecast position for 2016/17 has been used as the indicative out-turn, adjusted for the effects of a change in valuation method of the Trust's Estates portfolio from 1st April 2016.

The following table reflects the expected costs in 2017-19 including the impact of inflation, known adjustments identified through budget setting, service developments and cost improvement programmes.

Element	2016/17 Out Turn £000's	2017/18 Value in Plan £000's	% Movement	2018/19 Value in Plan £000's	% Movement
Pay (inc Agency & Bank)	80,913	81,803	1%	81,393	-1%
Drugs	1,415	1,455	3%	1,448	0%
Clinical Supplies	688	825	20%	821	-1%
Non-Clinical Supplies	13,892	14,813	7%	14,741	0%
Non-Operating Costs	3,323	3,565	7%	3,624	2%
	100,231	**102,461**	**2%**	**102,027**	**0%**

The key variances between the 2017/18 plan and the 2016/17 draft outturn relate to:

- 2017/18 Pay Inflation of £1.2m (includes incremental drift)
- 2017/18 Cost Improvement Programmes (CIP) of (£4.2m);
- 2017/18 Annual Apprenticeship Levy £0.3m;
- 2017/18 New Service Developments £0.2m;
- 2017/18 Junior Doctor contract resolution £0.1m;
- 2016/17 Non-Recurrent CIP achievement £3.9m;
- 2016/17 CAMHS Non-Recurrent Transformation Spend (£0.5m) ;
- 2016/17 Non Recurrent Benefits £3.4m;
- 2016/17 full year effect of existing Service Developments £0.2m;
- Reduction in Bank & Agency Spend (£2.3m)

The 2018/19 movements are driven by inflation, with 2% CIP offsetting 1.5% pay inflation. Planned agency and bank pay costs are lower than 2016/17 forecast out-turn. This difference arises from the continued and improving control of agency staff usage. The bank budget has been set at £3,198k and the agency budget has been set at £3,534k, the agency budget being set in accordance with the agency cap. The Trust has seen a downward trend through the current year, and anticipates further reductions over coming months before stabilising at a sustainable level.

Expenditure is based upon operational expectations for 2017-19, with £100k set aside within the plan for sustainability costs. The established partnership between ourselves, BCHC NHSFT and DWMHP NHST is progressing well and there is an expectation that central funding may be required to support restructuring and investment in transformation. The underlying principle of the need for material support from an external source is clear. We request that this is noted by NHS Improvement and discussed with the partnership in the regular review meetings.

5.1.5 Inflation

National guidance includes an overall net inflator of 0.1%, composed of tariff inflation of 2.1% less an efficiency factor of 2.0%. This results in an increase in income of £0.09m.
Expenditure inflation has been applied as follows:

- Pay inflation – 1.0%; in line with the national guidance. (excludes incremental circa 0.5%)

- Non Pay inflation – 0%; RPI is currently at 2% (September 2016; CPI 1%).

5.1.6 Non-operating items - Depreciation and PDC Dividend

The full year depreciation charge for 2017/18 is planned at £1,794k and £1,909k for 2018/19. In 2016/17 the Trust is adopting the modern equivalent asset approach to valuing its land and buildings. This has resulted in a significant reduction in the asset base, associated annual depreciation charge and PDC charges going forward. The savings in depreciation are partially offset by the transfer of IT capital schemes from WIP to Assets in use.

	Q1	Q2	Q3	Q4	2017/18	2018/19
	£m	£m	£m	£m	£m	£m
Depreciation	(0.423)	(0.444)	(0.456)	(0.471)	(1.794)	(1.909)
PDC	(0.318)	(0.318)	(0.318)	(0.317)	(1.271)	(1.215)
Finance Costs	(0.126)	(0.125)	(0.125)	(0.124)	(0.500)	(0.500)
	(0.867)	(0.887)	(0.899)	(0.912)	(3.565)	(3.624)

The PDC dividend has been estimated on the basis of the average forecast net asset values at 31st March 2017 and 31st March 2018 with a deduction made for the average cash balance over the financial year. The plan reflects a charge of £1,271k in 2017/18. A similar approach is applied to 2018/19 leading to a charge of £1,215k.

5.1.7 Cash Balances

The £2,892k reduction in the pre drawdown cash balance over the twelve month period reflects the forecast deficit (£3,179k), anticipated favourable movements in working capital (£474k) and capital expenditure (capital expenditure of £1,981k is largely offset by the full year depreciation charge of £1,794k).

	2016/17 FOT	2017/18 Plan				2018/19 Plan
	Q4 £000's	Q1 £000's	Q2 £000's	Q3 £000's	Q4 £000's	Q4 £000's
Cash Balances pre drawdown	2,081	1,850	552	151	(811)	(3,235)
Drawdown facility	-	0	0	0	1,000	3,500
Cash Balances post drawdown	2,081	1,850	552	151	189	265

Drawdown funding will be required from March 2018 to finance the recurrent deficit and ensure that working capital commitments can be met. The post drawdown cash balance reflects use of working capital facility, with £1.0m funding required in 2017/18 and an incremental £2.5m in 2018/19 to bring the total to £3.5m. The financial template has been completed on the basis that drawdowns will be made as required, however, the Trust will aim to secure short term cash support within the local health economy to support liquidity if possible. Any local support will be dependent upon the strategic partnership being achieved to provide the mechanism for repayment.

The 2016/17 forecast out-turn cash position is £1.5m above plan. This is attributable to phasing of cash payments relating to transformational projects which were planned for early in 2016/17 but are yet to be fully incurred. In addition to this the Trust is managing cash closely with tight controls on creditor payments and effective debt management processes. The asset revaluation exercise has also resulted in a reduced PDC charge for the year, and therefore, a favourable forecast cash movement.

5.1.8 Finance and Use of Resources Metric

The Finance and use of Resources metric shadow rating from NHSI is 2 but this is expected to be at 3 by the end of 2017/18. The implications of this could be increased scrutiny by

Monitor of the Trust's financial performance, planning and sustainability initiatives. However, the Trust has been working closely with Monitor and NHSI over the last year and been able to provide assurance over the initiatives being taken.

	2016/17 FOT	2017/18 Plan				2018/19 Plan
	Q4	Q1	Q2	Q3	Q4	Q4
Capital Service Capacity	4	4	4	4	4	4
Liquidity	4	4	4	4	4	4
I&E Margin	4	4	4	4	4	4
Variance in I&E Margin	1	4	4	4	4	4
Agency spend - distance from cap	2	1	1	1	1	1
Use of Resource	**3**	**3**	**3**	**3**	**3**	**3**

5.2 Efficiency Savings for 2017/18 & 2018/19

5.2.1 Cost Improvement Programme

As previously noted the plan requires a challenging CIP target for 2017/18 at £4,200k or c. 4.1%. A further CIP target of 2% is incorporated in 2018/19 in line with national guidelines.

Efficiency savings plans are currently in early stages of development to ascertain whether these targets can be delivered. The plans are anticipated to focus on cost reduction plans where possible, but also identify potential opportunities for revenue generation. Benchmarking metrics will be considered to ensure that all opportunities for efficiency improvements are planned for, and additional opportunities for efficiency improvements from STP or other local partnership arrangements will be identified and incorporated into the savings plan as they arise.

5.2.2 Agency Rules

Agency reduction is a key priority of the professional boards across the Trust, and a key objective of Executive leads. Monitoring of agency spend takes place at various levels of the organisation, with daily and weekly reports at divisional level, and monthly reporting through to Finance and Investment Committee and other Board sub-committees. The process and resource for agency bookings is centralised and there are intentions to strengthen this to ensure increased compliance. Rosters for inpatient areas are developed eight weeks in advance, however to further reduce reliance on agency a number of actions are being taken by the Trust; including to reduce the length of time to fill vacancies, and to increase the numbers of staff available on the internal bank (e.g. through the introduction of weekly bank pay and an on-going recruitment campaign). The reduction of agency spend is also a key priority within the Trust's strategic partnerships of MERIT and TCT where joint solutions for recruitment and bank use are being explored and implemented.

5.3 Capital Planning

5.3.1 Requirement for Capital Investment in Infrastructure

There have been significant improvements in the IT infrastructure predominately financed during 2015-17, but additional investment is required to support electronic health records and the digital roadmap. Capital expenditure on Trust estate needs to be balanced between financial sustainability and the risk of adversely impacting service delivery. It is anticipated that the Trust's strategic partnership will have a positive effect on the estate and IT strategies, and as this is in the preliminary stages, potential opportunities arising from the partnership are not included within this submission.

5.3.2 Capital Programme

The table below shows the Capital Expenditure plan for 2017-19 analysed across the main schemes. The capital plan of £2m has been recommended to the Board of Directors. The focus of the estate expenditure will be based on clinical need and priorities as well as in

remedying 'significant' and 'high' defects associated with the physical condition, fire and statutory standards of the estate. IT investment will be used to replace aged stock and consideration is being given to extending the scope and use of the Trust's internally developed electronic health record. The capital programme is restricted to contractually committed spend for IT infrastructure and estates projects to prioritise patient safety.

Capital Programme	2017/18 Plan £000's	2018/19 Plan £000's
Better Services Better Care	500	500
Clinical Risk	250	150
Estates Strategy	250	350
IT - Operational	595	650
IT - Developmet	386	350
Total	**1,981**	**2,000**

Current plans do not assume the disposal of any assets over the upcoming financial years with additions being £2m each year, offset by depreciation. This results in a net asset increase of £187k before impairment or revaluation for 2017/18 and £91k for 2018/19, leading to the following fixed asset values being recorded on the Statement of Financial Position (SoFP):

	2016/17 FOT	2017/18 Plan				2018/19 Plan
	Q4 £000's	Q1 £000's	Q2 £000's	Q3 £000's	Q4 £000's	Q4 £000's
Fixed Asset Value	55,561	55,625	55,471	55,543	55,746	55,837

6.0 Alignment to Local Emerging Sustainability and Transformation Plan (STP)

The Trust is an integral part of the Black Country Sustainability and Transformation Plan (STP) as a partner on the sponsorship group, and as a key member of the Mental Health and Learning Disability workstream, as well as involvement where appropriate on the other key themes of the STP. The plan describes how the members can build on existing strengths, accelerating learning from innovation, to create a sustainable health system with improved health outcomes and a better patient experience of services.

The key themes of the plan are:

- To implement ***local place-based models of care*** for each community that deliver improved access to local services for the whole population, greater continuity of care for those with on-going conditions and more coordinated care for those with the most complex needs.
- To create, through ***extended collaboration between service providers***, a coordinated system of care across the Black Country and West Birmingham to improve quality and to deliver efficiencies on a scale not accessible to individual organisations.
- To take coordinated action to address the particular challenges faced by our population in terms of ***maternal and infant health***, and to create a single Black Country and West Birmingham maternity plan that inter-relates with Birmingham and Solihull where necessary;
- To work together on ***key enablers*** that will enable us to achieve significant workforce efficiency and transformation, to deliver the digital infrastructure required for modern patient-centred services, to rationalise public sector estate utilisation, and to streamline commissioning functions; and

- To act together, and in partnership with the West Midlands Combined Authority, to address the ***wider determinants of health*** such as employment, education and housing.

Key strategic partnerships enabling delivery of the STP include:

- The Trust is actively engaged in working with partners in developing the Dudley Multispecialty Community Provider vanguard, to ensure that changes are developed in the best interests of service users and carers, and highlighting any risks to be mitigated during the transformation.
- Health and care providers and commissioners in Wolverhampton have been working closely on implementing changes through the Better Care Fund, which is now being built on through the recent development of the Wolverhampton Transition Board (WTB). The WTB is committed to taking a collaborative approach to improve the healthcare experience and health outcomes of the local community by working with Wolverhampton people to design and deliver services which promote health and wellbeing, enabling people to live longer and healthier lives.
- During 2015/16 the Trust embarked on a sustainability strategy to ensure that the users, carers and communities the Trust represent continued to receive high quality, sustainable services long into the future. At the beginning of 2016 the Trust announced the chosen partners, namely Birmingham Community Healthcare NHS Foundation Trust (BCHC) and Dudley and Walsall Mental Health Partnership NHS Trust (DWMH), and began to develop the vision, principles and plans around the benefits this partnership could deliver across Birmingham and the Black Country. The partnership, now called 'Transforming Care Together' was already developing plans for sustainability and transformation of Mental Health and Learning Disability services across the Black Country prior to the setting up of the STP, and therefore influenced the development of the plans for the Mental Health and Learning Disability workstream.

Clinical Workstream projects from the TCT programme link directly to the work of the STP and include the following areas that will be further developed, consulted on, and implemented during this planning period. Some of this transformational work will also be critical in delivering the challenging cost improvement agenda for the Trust:

- ***Become One Commissioner*** - By agreeing common specifications and models we will develop standardised and potentially more cost effective solutions, and minimise service variation, including putting in place a recovery model that supports people to avoid crisis and manage their own care as much as possible, whilst supporting them at times of need. The clinical engagement sessions from TCT identified that this was the single most important factor required to support transformation across services.

- ***Building the right support for Learning Disabilities*** - Transforming Care Partnership (TCP) is a partnership of local authorities, CCGs and NHSE (Specialised Commissioning) working together to deliver the vision set out in Building the Right Support and the National Service Model. The work being developed as part of TCT across providers in Birmingham and Black Country will need to be aligned to this work during the planning period.

- ***Improve Bed Utilisation and stop Out of Area Treatments*** – the ambition is to ensure that patients receive hospital care only when their health needs require it by commissioning appropriate consistent crisis services across the Black Country and West Birmingham. When admission is required it is (where possible) local ensuring that links are maintained with local support networks. We will determine the optimum bed requirement for existing services provided by NHS providers, which should support development of new highly specialised services. This project builds on the

work already underway in the MERIT vanguard and through the TCT Adult Mental Health workstream ensuring that the Black Country has the optimum number of beds to meet demand.

- ***Deliver the West Midlands' Combined Authority Mental Health Challenges*** - In the Black Country and West Birmingham, the rate of employment for people with mental health issues is lower than the national average, and is particularly low in Wolverhampton. Assuming the Black Country and West Birmingham could achieve the employment rate for people with mental health issues achieved in England (adjusted for the overall lower employment rate in the Black Country and West Birmingham) then an additional 4,000 people with mental health issues would be in employment in the Black Country and West Birmingham. At average full-time employment wage rates in the Black Country and West Birmingham, this would equate to an additional £100m of income less reductions in benefits. Again this work builds on the MERIT vanguard recovery workstream that the Trust leads on, and influences the work being developed by TCT.

- ***Deliver Extended Efficiencies through Transforming Care Together Partnership*** A larger footprint will allow the partnership to benefit from economies of scale to aim to deliver the required level of efficiencies from back-office and improvement across all overhead functions, limiting the impact for direct patient care enabling re-investment in services to improve care, access and address current service gaps.

7.0 Membership and Elections

Membership development, including recruitment and engagement activities is overseen by a steering group of Governors, led by an Associate Non-Executive Director and supported by a newly created post of Membership Services Manager. Governor elections were held in the summer of 2016; further elections to fill the remaining two public (out of twenty two) and three (out of seven) staff governor seats are planned in the fourth quarter of 2016/17 and it is anticipated that all vacancies will be filled. The elections in the fourth quarter will also cover vacancies occurring in the first two months of 2017/18. The Trust uses an online training needs analysis tool, the output from which informs the training and development plan for governors. Governors have the opportunity to attend relevant training and network sessions as well as the opportunity to refresh their annual induction training.

The Trust has a broad base of membership, with pockets of under-representation, specifically children and young people under 16 years of age. Efforts to address this are built into engagement development plans. The key priority of the Membership Development Strategy, an update of which was approved by the Board of Directors in April 2015, remains the delivery of strong and robust engagement with Trust members. Plans to achieve this include:

- More targeted engagement through collecting information on members' interests to involve them more closely in Trust work;
- Establishing regular public member constituency meetings;
- Development of special interest, e.g. carer, drop-in sessions;
- Redesign of the membership package, with the aim of both maintaining and developing interest of current members and improving the offer to new members;
- Improving the frequency of communications and introducing new channels for contact; and
- Involving members in small interest groups and in consultations about service developments.
- Governors will be provided with appropriate support from the Trust in engagement activities, a new governor information pack will be developed and governors will also be supported in communications with their members. *(End)*