Agenda Item 10 ii a)

NORTHUMBERLAND TYNE AND WEAR NHS FOUNDATION TRUST

BOARD OF DIRECTORS MEETING

Meeting Date: 25 March 2015

Title and Author of Paper: 1 Year Operational Plan 2015/16 - Final Draft

James Duncan Executive Director of Finance/Deputy Chief Executive and Lisa Quinn, Executive Director of Performance and Assurance

Paper for Debate, Decision or Information: Decision

Key Points to Note:

- Monitor advised on the 26 February that in view of the on-going work required relating to a new tariff and the introduction of interim arrangements the existing planning deadlines have been extended. The deadline for the draft 1 Year Operational Plan 2015/16 summary submission has been extended from the 27 February to early-mid April with the submission of the full Operational Plan in May.

- Notwithstanding the extended deadlines work has continued on the development and drafting of the Trust's full 1 Year Operational Plan. The Plan appended is the final draft, subject to minor amendments to the narrative & financial details that might be necessary to reflect agreed contracts, 2014/15 out-turn position and any other changes between now and the date of submission.

- The Trust's Plans were presented in February to the Annual Plan Working Group, which included representatives from the Council of Governors. The Council of Governors subsequently agreed to recommend to the Board of Directors approval of the Trust's 1 Year Operational Plan 2015/16.

- Evidence to support the Board Statements will be presented to the Board at its meeting in April.

Outcome required:
Approval of the Trust's 1 Year Operational Plan 2015/16 subject to minor amendments to the financial details which will be required before submission.

Northumberland, Tyne and Wear NHS

NHS Foundation Trust

Operational Plan Document for 2015-16

Northumberland, Tyne and Wear NHS Foundation Trust

Master Draft V3 BOD

1. Introduction

Northumberland, Tyne and Wear NHS Foundation Trust (the Trust) was authorised as an NHS foundation trust on the 1st December, 2009. The Trust provides a wide range of mental health, learning disability and neuro–rehabilitation services to 1.4 million people in the North East of England across the six geographical areas of Northumberland, Newcastle, North Tyneside, South Tyneside, Gateshead and Sunderland. We are one of the largest mental health and disability organisations in the country with an income of circa £300 million and over 6,000 staff. We operate from over 60 sites and provide a range of mental health and disability services.

This Operational Plan (the Plan), for the period 2015/16, sets out how the Trust intends to continue to deliver high quality and cost effective services for its patients, on a sustainable basis. It is based on the Trust's five year Strategic Plan 2014-2019 which was approved by the Board of Directors in May 2014 and also reflects:

- The vision for a better NHS, delivered in an environment of reduced financial resources, as described in "NHS - Five Year Forward View" (2014);
- The changes in the NHS brought about by the Health and Social Care Act 2012;
- The increased focus on quality of care brought about by the Francis Report (2013) and Winterbourne View Report (2012);
- The focus on greater integration as set out in the "Better Care Fund" and in the aspirations and stated policy goals of the main political parties;
- Developing models of care provision, as set out in the Dalton Review (2014)

The Trust's vision for the future, developed following consultation with our partners, staff and users and carers, is as follows:

'We will improve the wellbeing of everyone we serve through delivering services that match the best in the world'

Our vision is underpinned by our mission statement:

"We will strive to provide the best care, delivered by the best people, to achieve the best outcomes".

2. The Strategic Context - changes in the external environment

2.1 National Policy Drivers

In view of the extensive range of services provided by the Trust a significant number of national strategies and policies relate to our services, the most notable national strategies and policies underpinning the Trust's strategic direction over the next five years include the following:

- **The NHS - Five Year Forward View (2014)**

The NHS - Five Year Forward View sets out a vision for the future of the NHS. It was developed by the partner organisations that deliver and oversee health and care services, patient groups, clinicians and independent experts have also provided their advice to create a collective view of how the health service needs to change over the next five years if it is to close the widening gaps in the health of the population, quality of care and the funding of services. The purpose of the Five Year Forward View is to articulate why change is needed, what that change might look like and how it can be

achieved. It acknowledges that “one size does not fit all” and describes various models of care which could be provided in the future, defining the actions at local and national level to support delivery. The Forward View covers areas such as disease prevention; new flexible models of service delivery tailored to local populations and needs; integration between services; and consistent leadership across the health and care system. It therefore starts the move towards a different NHS, recognising the challenges and outlining potential solutions to the big questions facing health and care services in England and defines the framework for further detailed planning about how the NHS needs to evolve over the next five years.

In terms of mental health, The Forward View highlights that mental illness is the single largest cause of disability in the UK and that the cost to the economy is estimated to be around £100 billion annually - roughly the cost of the entire NHS. It recognises that physical and mental health are closely linked - people with severe and prolonged mental illness die on average 15 to 20 years earlier than other people - one of the greatest health inequalities in England. However, only around a quarter of those with mental health conditions are in treatment, and only 13% of the NHS budget goes on such treatments when mental illness accounts for almost a quarter of the total burden of disease.

The strategy states that over the next five years the NHS must drive towards an equal response to mental and physical health and towards the two being treated together. Whilst acknowledging that investment has already been made through the IAPT Programme and that in 2015/16 for the first time there will be waiting standards for mental health, it is confirmed that this is only the start and that the much wider ambition is to achieve genuine parity of esteem between physical and mental health by 2020.

- **The Forward View into Action: Planning for 2015/16 (2014)**

This document describes the approach for national and local organisations to make a start in 2015/16 towards fulfilling the vision set out in The NHS-Five Year Forward View whilst at the same time delivering the high quality, timely care that people in England expect. Key points pertinent to the Trust include:

- For 2015/16 the total of new money for front line services will be £1.98bn. This includes making recurrent money for winter pressures that the NHS has received from time to time midway through recent years. From the Trust’s perspective local CCGs may therefore agree to fund recurrently enhanced liaison services, Street Triage services etc some of which are currently funded on a non recurrent basis. In deploying the additional money NHS England is also seeking to ensure mental health spend will rise in real terms in every CCG and grow at least in line with each CCGs overall allocation growth.
- The 2015/16 CQUIN Scheme will feature four national indicators with an even balance between physical and mental health. The current national indicators relating to improving dementia and delirium care and improving the physical heath care of patients with mental health conditions will remain in place.
- Local leaders must work together to dissolve the artificial barriers between prevention and treatment, physical health and mental health, and the historical silos of primary, community, social care and acute care - and the professionals who work across them.
- A particular priority for choice in 2015/16 will be mental health. The Trust will therefore be working with GPs and CCGs to ensure patients are aware of their rights, are offered choice and are able to make well informed, meaningful choices at appropriate points along the pathway.

- The approach to the development of new models of care will combine three distinct elements: first, focused support for vanguard sites; second a more permissive change right across the country and third, intervening to create the conditions for success in the most challenged systems. A local health economy will have the option, during the year, of coming together as one and inviting in the national bodies for a joined-up conversation about their emerging local system plan.
- In terms of achieving parity for mental health the Mandate to NHS England remains largely unchanged with the need to deliver against pre-existing Mandate objectives eg dementia diagnosis and the new access and waiting time standard in mental health relating to IAPT services and psychosis.
- A £30m targeted investment will be made available in 2015/16 for developing adequate and effective levels of liaison psychiatry for all ages in a greater number of acute hospitals, in recognition of the clear local invest to save case for developing such services.
- Commissioners and providers are also required to ensure that those experiencing a mental health crisis are properly supported. This includes the provision of mental health support as an integral part of NHS 111 services, 24/7 Crisis Care Home Treatment Teams and the need to ensure there is enough capacity to prevent children, young people or vulnerable adults undergoing mental health assessments in police cells. The need to invest in community child and adolescent mental health services minimising the use of out of area Tier 4 services and the admission of young people to inappropriate settings is also highlighted. NHS England will also co-ordinate a programme to establish community based specialist teams for children and young people with eating disorders.
- Improving the system of care and reducing reliance on inpatient care for people with learning disabilities remains a priority in view of the insufficient progress nationally on the Winterbourne View Concordat.
- 2015/16 will see a major national and local focus on improving patient safety this will include the continued drive towards embedding improvements in safe and compassionate care, taking an active part in the local Patient Safety Collaborative and joining the “Sign up to Safety” campaign.
- April 2015 sees the introduction of the first NHS workforce race equality standard in the NHS contract, a major step in ensuring that the boards and leadership of NHS organisations better reflect the diversity of the local communities they serve.
- NHS employers should take significant action in 2015/16 to improve the physical and mental health and wellbeing of their staff leading the way as progressive employers .It is highlighted that there are opportunities to improve efficiency and the quality of care through better retention of our existing staff, including by promoting their health and wellbeing, rather than relying on costly short term responses to vacancies such as agency staff and international recruitment.
- The new models of care will require the right staff with the right skills, values and behaviours to deliver them. Each health economy should engage with their LETB to work together to identify their current and future workforce needs. Commissioners and providers must also prepare for the introduction of nursing and midwifery revalidation from the end of December 2015.

- **Closing the Gap: Priorities for essential change in mental health (2014)**

The report highlights that people who use mental health services, and those that care for them, continue to report gaps in provision and long waits for services. It also highlights that there is still insufficient support within communities and that there is as yet little impact on the enormous gap in physical health outcomes for those with mental health problems.

The report identifies 25 aspects of mental health care and support where government, along with health and social care leaders, academics and a range of representative organisations, expect to see tangible changes in the next few years. These include:

- Increasing Access to Mental Health Services;
- Integrating physical and mental health care;
- Starting early to promote mental wellbeing and prevent mental health;
- Improving the quality of life of people with mental health problems.

- **Achieving Better Access to Mental Health Services by 2020 (2014)**

The report confirms that from 2015/16 access and waiting time standards will be introduced - the first of its kind in mental health services with an £80m investment to deliver:

- Treatment within 6 weeks for 75% of people referred to the Improving Access to Psychological Therapies (IAPT) programme and 95% of people being treated in 18 weeks;
- Treatment within 2 weeks for more than 50% of people experiencing a first episode of psychosis;
- A £30m targeted investment is available to help people in crisis to access effective models of liaison psychiatry in more acute hospitals.

The aim of the above is to bring parity of esteem for mental health services a step closer. Putting access and waiting standards in place across all mental health services and delivering better integration of physical and mental health care by 2020 is expected to bring the NHS much closer towards that aim.

As a provider of IAPT services and services to those people experiencing a first episode of psychosis these access and waiting time standards present a challenge. The targeted investment to help people in crisis to access effective models of liaison psychiatry in more acute hospitals is welcomed by the Trust and subject to the availability of funding should enable the Trust and Commissioners to further expand hospital liaison services across those localities where provision currently falls short of the principles of the recognised Rapid Assessment, Interface and Discharge (RAID) model, benefiting the health economy as a whole.

- **Transforming Care for People with Learning Disabilities - Next Steps (2015)**

The Government and leading organisations across health and social care are committed to transforming care for people with learning disabilities and/or autism who have a mental illness or whose behaviour challenges services. Some progress has been made but much more needs to be done. Recognising this, the report produced by Sir Stephen Bubb outlines how to accelerate the transformation of these services including some early actions to be taken in 2015. These include ensuring that those people with a learning disability and/or autism in hospital who could be supported in

the community are discharged into a community setting as soon as possible, in parallel putting in place robust admission gateway processes and developing a clearer model for health and care services, describing outcomes and associated performance indicators.
As the provider of a comprehensive range of services for people with learning disabilities and/or autism the Trust will work with stakeholders to review and, where appropriate, reshape services.

2.2 Local and National Commissioning Strategies and Plans

The local health economy consists of eleven NHS Foundation Trusts in the North East of England. This includes eight acute hospital trusts, one ambulance trust and two specialist trusts providing mental health and disability services, including this Trust. The main commissioners for the Trust in 2015/16 are as follows:

- Seven Clinical Commissioning Groups across Northumberland, Tyne and Wear;
- Cumbria, Northumberland, Tyne and Wear Area Team which is the local area Team of the National Commissioning Group;
- CCGs out of area plus Scottish, Welsh and Irish health bodies who commission on an individual named patient contract basis and;
- Local Authorities.

Currently 88% of the Trust's contractual income is covered under block contract arrangements and the remainder is commissioned through cost and volume and cost per case contracts for named patients. Approximately 19% of the Trust's contractual income is attributable to specialist services commissioned by NHS England.
The Trust agreed all of its main contracts for 2015/16 by the 31st March 2015.
The Trust analyses Commissioning Intentions and their relevance to the Trust's services and plans annually and the key themes have informed this Plan. Local Commissioners continue to tender services and the Trust's Strategy is to continue to assess each opportunity on its merits and respond appropriately.
Most notably from the Trust's perspective is NHS England's intention to re-commission Personality Disorder and Medium Secure Forensic Services and review the Eating Disorder Model. The national strategy for commissioning specialist services is also still emerging and given the level of the Trust's income attributable to these services the uncertainty this creates makes it difficult for the Trust to make any definitive plans going forward except to ensure that the Trust's existing services are of the highest quality and competitive.

3. The Board's review of the Trust's Strategy 2014-2019

In November 2014 the Board reviewed:

- The progress made in delivering the Trust's Strategy 2014-2019, including individual Service Developments and performance in terms of the Finance Strategy/Financial Delivery Plan;
- The Trust's performance, including quality performance;
- The factors influencing the future direction of the Trust, including the policy direction, national strategies and financial environment together with the likely impact on the Trust's Strategy and plans going forward.

As a consequence of this review the Board reaffirmed the Trust's existing Strategy 2014 - 2019 going forward, as agreed in May 2014, and the continued focus on three core areas:

- Completion of the Trust's existing programme of service transformation, including the implementation of new models of community care and the consolidation of in-patient and specialist services, focusing on quality of outcomes and value for money

- Development of the integration agenda and the development of "place based services". Including promoting the benefits and opportunities from the integration of pathways across physical and mental health and social care;

- Identifying and exploiting opportunities for growth, including geographical expansion.

As agreed in May 2014 the Board also acknowledged the need to continue to reduce its cost base and that this should include exploring opportunities to reduce the cost per head count.

3.1 Completion of the Trust's existing programme of transformation

In acknowledgement of the need to radically change and improve the way we provide services the Executive Directors asked a group of clinicians from across the organisation to form a Clinical Project Group to draw together all of the evidence and best practice relating to service provision, to seek feedback from a range of interested parties in mental health and disability services, to produce a vision for future services that truly does what is right for service users and carers. The result (the Service Model Review) is a high level model, which is underpinned by a single set of values and principles key to its quality and success.

Our service redesign is underpinned by information derived from the Care Pathways and Packages approach which is mandated by the Department of Health and endorsed by the Trust. It ensures that service users consistently receive the right service, at the right time and in the right place: depending on the nature of the problem, the level of complexity, the urgency and the risk. The fundamental aspects of the model include:

- Improved access to services;
- Stepping up and stepping down the intensity of care according to need;
- Scaffolding the clinical workforce

The success of this model depends on the Trust's ability to implement all aspects of it. The key recommendations from the Clinical Project Group form the basis of the Trust's Clinical and Quality Strategy which is as follows:

- **Reconfigure Services**
- **Develop and improve clinical systems and processes**
- **Increase the capacity and capability of the clinical workforce**

Our strategy for improving services delivered to our local population across Northumberland, Tyne and Wear is focussed on the re-design of our community based services to deliver the vision set out in the Service Model Review of delivering care which supports people on their journey to recovery, enabling them to gain the maximum independence and control over their own lives as possible. We are protecting resources invested in community care while changing our models of delivery to ensure that our

clinical teams are able to focus on the delivery of evidence based and timely care and support. By doing this, and by improving the effectiveness of our care within an in-patient setting, we are reducing our reliance on beds, enabling us to operate from reduced numbers of wards and sites. We have made significant progress on delivering these aims and expect substantial completion of this element of our strategy by 2017.

We have developed our vision closely with partners and in particular see a key alignment with social care delivery across each of the local authority areas we cover. As the integration agenda has developed over the last year, we have looked to further develop our focus on locality based delivery models and this will be a key part of the Trust's strategy going forward. We will look to be a key partner in the delivery of new models of integrated care across our geographical footprint, and will seek to ensure that the needs of those who live with complex mental health, learning disability and neuro-behavioural conditions are effectively met, as part of a whole needs approach to integrated care delivery.

Our strategy for our specialist services is to ensure their sustainability, increase our profile as a national centre for excellence and ensure that we recruit and retain national experts in care, both to ensure excellent models of delivery in specialist care and to ensure that that expertise supports the delivery and quality of care that we provide to our local population. The Board recognises the challenges that we face in terms of ensuring the financial sustainability of these services, and this is subject to a programme of transformation which is focussed on ensuring that the services that we offer are fully aligned with the funding structure. As part of this programme we will review opportunities for increasing sustainability and quality of delivery through new models of care delivery, as set out in the Dalton review, including exploring the development of strategic partnerships, opportunities for franchising, and where appropriate exploration of new organisational models of care delivery. Increasingly we see our strategy for in-patient services for our local population aligned to that of our specialist services. Our vision is to create centres of excellent care providing in-patient care for a wider population across our geographical footprint, with the emphasis on developing excellent, recovery focussed care. We will look for opportunities to export and expand this model, as well as opportunities to attract income from outside the local health and social care economies to further enhance the sustainability of our services.

The Trust's Transforming Services Programme is the vehicle for implementing our strategy, improving community pathways and reducing the reliance on inpatient beds and providing sustainable specialist services.

The Programme is configured as a set of delivery projects that will change over time, supported by a central clinical reference group and a communications and engagement group. The objectives of each component element of the Programme over the period of this Plan and our performance during 2014/15 against the Strategy are summarised below.

3.1.1 Community Transformation Programme

The Community Transformation Programme is responsible for implementing the changes required across all community services in order to deliver new community-based care pathways. This includes improving access to services.

In 2013/14, the Programme commenced the design, testing and implementation of effective, evidence based interventions focussed on recovery and effective support for

people to live and work in their own communities with the aim of reducing reliance on hospital beds in Sunderland and South Tyneside.

The Programme is focusing on the redesign of services to meet the following needs in adults: Psychosis; Non-psychosis; Cognitive Disorders and Learning Disability and during 2014/15 the Trust rolled out the new Principal Community Pathways in Sunderland and South Tyneside and also began work with Commissioners and stakeholders on the principles and design of improved community pathways in Northumberland, North Tyneside, Newcastle and Gateshead.

Increasingly we recognise that this programme is critically aligned to the developing integration agenda in each of our localities. While as a Trust we are seeking to complete our re-modelling of care across our community services, we are actively engaging with partners in developing an integrated approach to care delivery. This programme will ensure that as we look to improve the services that we offer our approach is fully aligned with the wider integration agenda in each locality. We will implement our planned changes to our models of care delivery through 2015/16.

3.1.2 Developing New Models for In-Patient Care Programme

This programme is focussed on the design and implementation of the future configuration of inpatient services based on patient need. This forms the cornerstone of augmenting services as articulated in the Service Model Review. The Trust continued to make significant progress in this programme of work achieving the following during 2014/15:

- Completion of the review of the dementia care pathway in Newcastle;
- The redesign of Stepped Care Services (Move on/ Relapse Prevention Services) North of Tyne bringing together, in the interim, inpatient provision for Newcastle and North Tyneside into one unit on the St. Nicholas Hospital site;
- Consolidation of the Trust's two existing Psychiatric Intensive Care Units into a purpose built unit at Hopewood Park;
- Closure of the Bede Unit in South Tyneside following a public consultation, which has seen the delivery of in-patient services for the population of South Tyneside consolidate into newly developed environments in Monkwearmouth and Hopewood Park
- Establishment of a specialist Augmentation Personality Disorder (PD) Hub Team;
- Development of a male High Dependency Unit for the North of Tyne and a female High Dependency Unit to serve both the North and South of Tyne;
- Further expansion of hospital liaison services across localities in line with the principles of the recognised Rapid Assessment, Interface and Discharge (RAID) model, most notably in Sunderland where commissioners supported the establishment of a comprehensive service. With the support of commissioners improvements were also made in the services provided in North Tyneside and South Tyneside.

Other developments have included introduction of Street Triage in Sunderland, South Tyneside and Gateshead which is reducing the number of section 136 admissions and the development of out of hours Consultant cover across Hopewood Park.

The implementation and roll out of new models of community based care in 2013/14 - 2015/16, with evidence based interventions focussed on recovery and more effective support for people to live and work in their own communities, will:

- Result in improved quality outcomes and experience for service users accessing community services and their carers leading to;
- A reduced need for inpatient services;
- A reduction in the number of beds (to around 400), wards and Hospital sites;
- Improved quality environments.

During 2013 the Board of Directors therefore asked a group of senior clinicians, managers and service users to help model the options available with regard to the future configuration of services and hospital sites in the light of the roll out of Principal Community Pathways and the anticipated reduced demand for inpatient services. It was agreed that the options must satisfy three principal objectives:

- Clinical Fit - is the solution clinically appropriate;
- Safety – is the solution safe;
- Financial viability - is the solution affordable.

A long list of options was evaluated to produce a shortlist of options relating to the potential configuration of services and hospital sites. This work supported the public consultation in South Tyneside which led to the agreed closure of the Bede Unit

Together with local partners, Newcastle City Council, Gateshead Council, the Trust and representatives of users, carers and the voluntary and community sector, the Newcastle and Gateshead CCG Alliance have subsequently worked together looking carefully at the services for people living in Newcastle and Gateshead with serious mental health conditions. As a result of this work the Newcastle and Gateshead CCG Alliance led a listening and engagement process from November 2014 to February 2015 called ”Deciding Together” with the aim of collecting views and experiences from all interested parties about specialist mental health services. The feedback from this process will inform the development of scenarios for change which will be the subject of formal consultation with those living in Newcastle and Gateshead, during 2015. We will commence the implementation of the model for in-patient care delivery for the population of Newcastle and Gateshead, which will be determined through this consultation exercise, towards the end of 2015.

3.1.3 Specialist Care Services Programme

The Specialist Care Services Programme is responsible for ensuring the Trust retains sustainable specialist services as part of the overall service model and high quality competitive services, in preparation for the tendering of any existing services by commissioners. The Trust continued to make significant progress in this programme of work achieving the following during 2014/15:

- The further review of Neurological Services to ensure long term sustainability. This included the review of the future of the services provided from Hepple House in Corbridge;

- The review of the Children's and Young People's Medium Secure and Tier 4 Services including the provision of an enhanced outreach service to the North East Secure Children's Estate;
- The review of the Trust's Forensic Services to ensure long term sustainability. This included the establishment of a new Specialist Forensic Learning Disability Community Transitions Team which facilitated the closure of the Hebron Unit;
- Capital to fund the development of a purpose built assessment and treatment unit for people with Autism was secured and the planning of the new unit progressed;
- A Business Case relating to the establishment of an Attention Deficit Hyperactivity Disorder (ADHD) service was developed and shared with commissioners;
- The Regional Affective Disorder Service (RADS) was relocated from the Centre for Ageing and Vitality to St.Nicholas Hospital enabling the expansion of the service from 8 to 10 beds;
- Following discussions with NHS England an Eating Disorder Intensive Day Service was opened at Walkergate.

Going forward we will complete our strategic review of our specialist services through 2015/16, and agree our strategy for delivering long term sustainability. We will also continue the development of our new autism assessment and treatment facility and explore the development of services for 18-25 year olds.

3.1.4 Social and Residential Services

The Trust's longstanding strategy, with the support of Commissioners, has been to divest itself of social and residential services. During 2014/15 the Trust achieved the following:

- Rationalised adult residential mental health care services in Northumberland closing the remaining void beds at the Willows in Morpeth and focusing the remaining services in Easterfield Court;
- Agreed with Commissioners a future model for Mental Health Day Service provision in Northumberland.

3.1.5 Learning Disability Services

The Trust provides a comprehensive range of services for people with learning disabilities and/or autism including those with a mental illness and whose behaviour challenges services. These services include community services, inpatient assessment and treatment services for people with a learning disability, forensic services and autism services.
Whilst the Trust has been actively working with Commissioners in the work associated with the recommendations from Winterbourne View Report, in the light of the report produced by Sir Stephan Bubb Trust will work with stakeholders to review and agree a programme of work going forward, where appropriate, to accelerate the reshaping of services.

3.1.6 Corporate Services Programme

The Trust's Corporate Services provide direct support to clinical services and also ensure that the Trust meets the requirements of external partners and complies with the law, regulatory/compliance frameworks and performance monitoring and reporting frameworks which are applicable to us as an NHS Foundation Trust.

The Trust is committed to improving the quality of services provided by our corporate services whilst at the same time reducing the costs incurred in providing these services.

As clinical services are re-designed and reshaped through our Transformation of Services Programme so too must Corporate Services, they must work in different ways and be provided as efficiently and effectively as possible.

The Corporate Services Programme was established in 2014 with the aim of redesigning corporate services to align with the transformation of clinical services both in terms of a proportionate level of overhead and meeting the changing needs of a broad range of corporate customers. During 2014/15 the Trust achieved the following:

- Over 160 workshops and meetings were held with individual teams in corporate services and their "customers" to gain an understanding of the "as is" position in terms of roles, tasks, duplication, areas for improvement. A questionnaire was also issued to all Trust staff to gather wider feedback;
- Areas of waste were identified;
- Research was undertaken to identify the corporate service models adopted in other organisations both within and outside the NHS;
- High level design principles for the future model of delivery of corporate services were agreed;

The Corporate Services Programme is scheduled to contribute £0.9m to the Trust's Financial Delivery Plan during 2015/16, and consultation on the new model of delivery will commence in 2015/16.

3.2 The development of the integration agenda and "place based services"

The Trust's Strategic Plan 2014-2019 highlighted that whilst there is a common view across all stakeholders that the status quo is not sustainable and the development of integrated services designed around the needs of the population must replace the existing institutional based models there are a number of barriers to the achievement of the aim. 2014/15 was therefore seen to be a critical year in terms of agreeing firm plans across the Trust's six localities. The Trust has been an active partner in the discussions and decisions over the year, including those relating to the Better Care Fund (BCF), and whilst overall progress across the Trust's six localities has been positive the differing approaches and priorities have resulted in a differential impact on the Trust across the localities, to date, but overall the agreed priorities and developments have fully supported the Trust's Strategy:

- Sunderland - A BCF has been established made up of the total of health and local authority spend on "out of hospital" care. Their priorities include improving access to psychological therapies, developing dementia friendly communities and community integrated locality teams;

- South Tyneside - The BCF includes the Integration Pioneer focusing on self-care and an Integration Development Programme supported by NHS Improving Quality focusing on integrated community teams including those provided by the Trust. There has been no direct financial impact on the Trust;
- Northumberland - The BCF includes mental health services, residential care homes and day services. The ambition includes improvements to community dementia services and building on existing well established integrated community health services.
- North Tyneside - The BCF includes the plan to invest in Liaison Psychiatry Services and implementing Principal Community Pathways reflecting the strategy of realigning investment from inpatient services to community services, as promoted by the Trust;
- Newcastle - The BCF focuses on systemic transformation across a coalition of organisations and references the Trust achieving 4% efficiencies linked to the Trust's Transformation of Services Programme together with the Rapid Assessment, Interface and Discharge (RAID) model (Liaison Psychiatry);
- Gateshead - The BCF is primarily focused on the elderly in particular those at risk of admission to hospital and/or care home and those whose progression along the risk ladder can be halted or delayed through proactive preventative support. The aim is to achieve an alignment of GP services, community and social care services which "wrap around" the individual and provide the platform for more care to be provided in out of hospital settings, closer to home.

As a Trust we are fully committed to developing integrated models of care which are designed around the whole needs of our local populations. We see significant benefits in aligning the approach to physical and mental health long term conditions, and in aligning delivery of support and care across health and social services. We recognise that different models will emerge across the different health and social care economies that we cover, and are aligning our models of care delivery and organisational structure to ensure that the Trust can be an active and flexible partner Within this integration agenda, we see that it is critical that equal focus is given to ensuring that the mental health needs of the population are met, and we will advocate strongly to ensure that this is a clear part of each of the developing local models.

We also aim to ensure that Children's and Young Peoples Services are given equal focus and see this as a critical part of the wider agenda to support early intervention and prevention, particularly in addressing the early stages of development of long term conditions, supporting recovery and hope and enabling young people and their families to understand and manage their health and care needs more effectively. We will continue our strategy for improving care delivery across our community based services and look to work with partners to ensure sustainability of the wider care pathway. Significant strains exist across each of our localities in terms of growth of demand for services and management of gaps in the care and support pathway. We will work with partners to continue to address these pressures and seek to ensure the sustainability of services for children and young people going forward.

3.3 Identification and exploitation of opportunities for growth

As a part of the development of the Trust's Strategic Plan 2014-2019, the Trust undertook a comprehensive market assessment through which it built a picture of its position in the market place, service and policy developments and potential opportunities for growth through market penetration, service development, market development (in new geographical areas) and diversification.

The identification and exploitation of opportunities for growth is seen as an important element of the Trust's Strategy going forward.
During 2014/15 the Trust successfully tendered for contracts worth in the order of £5.9m of which £4.6m was new income. This included:

- Funding to support the implementation of Children and Young Peoples IAPT services in Gateshead and Sunderland, in line with the national programme:
- The award of the contract relating to the Sunderland and Gateshead Acquired Brain Injury Service, a new service to support individuals in the community;
- The award of a contract relating to the Trust's element of the North East Offender Health Service maintaining delivery of our services into North East prisons (mental health & learning disability) and the Westgate Unit.

The Trust's Strategic Plan 2014-2019 also highlighted that innovation is at the heart of the NHS and that the Trust has a significant "knowledge base" and has developed "unique products", including new clinical service models which could be transferable and be of benefit to other organisations both within and outside the NHS. The potential to adopt a structured and commercial approach to the marketing and provision of the Trust's knowledge and products supporting innovation and generating income was therefore seen to be an area of work that should be progressed over the life of the Strategic Plan.

The Dalton Review has highlighted a number of potential areas for the Trust to explore new models as a vehicle for this element of our strategy. During 2015/16 we will explore how the Trust can develop and exploit these opportunities and will ensure that as a Trust we are credentialed to enable us to take advantage of wider opportunities for geographical expansion, where they support our underlying strategy to improve the quality and sustainability of the care that we provide

4. Service Development Plans 2015/16

The Trust's key Service Development Plans over the year 2015/16 including: key milestones, risks and mitigation strategies are summarised in the Service Development Schedule in Appendix 1.

5. Performance Management Arrangements

The Trust will continue to monitor performance against the Strategic Plan through the overall Trust Programme Board which is chaired by a Non Executive Director. The purpose of the Programme Board is to:

- Lead the implementation of the Trust programme approach, ensuring all programmes collectively meet the strategic needs of the organisation and realise expected benefits;
- Ensure alignment between individual programmes and with other strategy, policy and operational needs;
- Manage strategic risk and issues relating to Trust programmes and strategic external dependencies.

The Transforming Services Programme is the core programme and is supported by the following programmes, the Transforming Community Services Programme, Transforming Specialist Services Programme and the Transforming Corporate Services Programme.
The Trust Programme Board meets monthly and each Programme provides updates to the Programme Board on progress. The Programme Board also spotlights on one particular Programme each month, getting into more detail. The Trust Programme Board reports monthly to the Board through individual Programme Dashboards.

Work relating to developing the new models for inpatient care is managed through the Trust's Operational Management arrangements.

The Board and Executive Team review clinical and financial sustainability through the Trust's governance structures this includes the Corporate Decisions Team and sub committees of the Board. The Board review the Integrated Performance Report together with the quarterly reports to Monitor relating to performance and compliance, including CQC registration, and approves the submission of these reports to Monitor.

The Trust's governance arrangements take into account the Integrated Governance Handbook (DOH 2006). A high level review of governance arrangements was undertaken by the Board in November 2011. Interim iterative improvements were made and they were subject to final amendments and ratification in May 2012. The Trust's Clinical Governance arrangements were also reviewed and strengthened in January 2013 to ensure their robustness in the context of the Trust's overarching integrated governance arrangements. The Trust will be undertaking an external review of its governance arrangements during 2015/16, in line with Monitor's recommendations relating to foundation trusts gaining assurance that they are well led.

6. Productivity, Efficiency and CIP Programme

6.1 Transformational CIPs

The Trust's plans relating to the Transformation of Services are outlined in Section 3.1. The implications of these from a CIP perspective are as follows:

- Community Transformation Programme – implementation of re-designed community pathways. Whilst this involves protecting resources the aim is to double productivity, through the introduction of standardised pathways with a Single Point of Access, an assessment clinic model, delivery of treatment packages based on NICE and other national best practice, focussed on therapeutic interventions, supporting people to recover and supporting themselves in their own communities. Initial Implementation across all localities is proposed through to November, 2015 with full delivery and embedding of the model by November, 2016

- New models for inpatient care - this involves reducing adult beds for the local population from 650 at April 2014 to around 400. Delivery would take the Trust's overall position from the upper quartile nationally to the lower quartile. This programme of work will be delivered through, reducing demand (supported by the redesign of community pathways), continued introduction of standardised care across wards and reductions in length of

stay facilitated by more effective and integrated pathways. During 2014/15, the Trust closed 7 wards releasing £3.3m of savings. The Trust's efficiency plans include the closure of a further 8 wards over the next 2 years (2 in 2015/16 and 6 in 2016/17) and the reconfiguration of sites, to release £7.5m of savings, including accommodation savings all of which will contribute to the future sustainability of services. This however is subject to the outcome of consultation and agreement on the new models for inpatient care.

- Specialist Care Services Programme - Across our Specialist Services the aim is to maintain overall levels of contribution. This means that reductions in contract income imposed through the national tariff adjustment, net of any CQUIN gains, will be met through improved occupancy rates, entry into new markets, withdrawal from non-profitable service lines, where this is appropriate to the overall Trust Strategy, and productivity gains linked to overall pathway improvement, and absorption of additional demand. The plan is to deliver savings of circa £3.5m per annum.

- Transforming Corporate Services - A fundamental re-design of corporate services is being undertaken to align with the transformation of clinical services both in terms of a proportionate level of overhead and meeting the changing needs of a broad range of corporate customers. Consultation on the new model is planned for August with implementation by the end of 2015/16. This is planned to deliver £3.7m over two years.

6.2 Other Schemes

The Trust has a range of initiatives to reduce nursing and medical agency spend. We have introduced nursing pools across our core sites at St Nicholas Hospital, St. George's Park and Cherry Knowle Hospital, and are aiming to reduce agency nursing spend significantly in 2015/16. We aim to reduce medical agency spend by approximately £2m in 2015/16 through international recruitment, use of floating locums and the introduction of alternative measures of cover.

Skill mix changes are being introduced across in-patient wards including the introduction of Agenda for Change Band 2 Support Workers supplemented by a new Agenda for Change Band 4 role.

The Trust will also maximise efficiencies relating to the estate through estate valuation and utilisation.

A programme of maximising efficiency of prescribing is to continue with planned savings of £400k over the next two years.

6.3 Financial Delivery Plan Profile

The Financial Delivery Plan Profile is shown in Table 1. Including a carry forward of non-delivered elements of the plan in 2014/15, the target is £12.9m in 2015/16. To deliver this the Trust has developed plans to deliver £14.2m of recurring savings, recognising that usually there will be some slippage against these plans. Above target plans are also in place for 2016/17.

Although £14.2m of recurring savings have been identified, the in-year delivery from these schemes is £8.3m. For this reason a range of non-recurring measures are planned to deliver a further £1.9m of savings. This leaves an in-year delivery shortfall of £2.8m in 2015/16. A further in-year shortfall in delivery of £1.8m is identified in 2016/17 as a result of the timing of scheme delivery. This will impact on the bottom line in 2015/16 and 2016/17, with a direct impact on the level of surplus delivered.

Overall the Plan is set to deliver in full, although challenges remain in managing a substantial change agenda through 2015/16.

Table 1 – Financial Delivery Plan Profile 2015/16 – 2016/17

	IN YEAR			RECURRENT		
TARGETS	**2015/16 £m**	**2016/17 £m**	**TOTAL £m**	**2015/16 £m**	**2016/17 £m**	**TOTAL £m**
Carry forward from 2014/15	3.3		3.3	3.3		3.3
Annual FDP Requirement	9.6	9.6	19.2	9.6	9.6	19.2
RECURRENT FDP REQUIREMENT	**12.9**	**9.6**	**22.5**	**12.9**	**9.6**	**22.5**
FDP PROGRAMMES						
In-Patient Care Programme	3.6	2.7	6.3	5.0	4.5	9.5
Specialist Care Programme	2.0	2.4	4.3	3.4	3.5	6.9
Corporate	0.9	1.9	2.8	1.9	1.9	3.7
Drugs	0.2	0.2	0.4	0.2	0.2	0.4
Accommodation	0.2	0.6	0.8	0.4	1.7	2.1
Pharmacy	0.1	0.1	0.3	0.1	0.1	0.3
Trust Schemes	1.3	0.0	1.3	3.2	0.0	3.2
PLAN TOTAL	**8.3**	**7.8**	**16.1**	**14.2**	**11.9**	**26.0**
Contingency for under delivery/slippage	0.0	(1.2)	(1.2)	(1.2)	(2.3)	(3.5)
TARGET DELIVERY	**8.3**	**6.6**	**14.9**	**12.9**	**9.6**	**22.5**
(SHORTFALL) / OVER DELIVERY	**(4.7)**	**(3.0)**	**(7.7)**	**0.0**	**0.0**	**0.0**
Non Recurrent Delivery	1.9	1.2				
IN YEAR DELIVERY	**10.1**	**7.8**				
(SHORTFALL) / OVER DELIVERY	**(2.8)**	**(1.8)**				

7. Capital Programme and Asset Sales Programme

7.1 Capital Programme

The Trust's Capital Programme, which was approved in March 2015, totals £76.6m for the 5 years 2014/15 to 2018/19.

Since 2014/15, the overall Capital Programme has increased by £1.6m due to the receipt of Safer Hospitals, Safer Wards and Nurse Technology Funding to support Electronic Prescribing and Medicines Administration and Ward based medicines automation. The Capital Programme supports the Trust's Strategy through the planned level of investment in in-patient facilities that would enable the Trust to ensure that all in-patient facilities meet Trust wide standards and would enable, subject to the outcome of consultation, the implementation of a new model for inpatient services with provision on a reduced number of main sites. The Trust is also investing in community premises to support the Community Transformation Programme. To support this level of investment it is planned to take out new loans of £27.7m - £22.7m for investment in the reconfiguration of inpatient services and £5m for the development of community premises. A loan of £10m was approved in 2014/15 for the new Autism Assessment and Treatment Unit.

Table 2: Capital Programme (at out-turn prices)

Description of scheme	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	Total £m
New Developments						
South of Tyne Reprovision	4.1					4.1
Autism	0.6	9.0	0.3			9.9
In-Patient Developments	0.7	4.9	12.4	4.7		22.7
Community Premises	2.5	4.1	1.1			7.7
Other Schemes	3.2	2.2	0.2			5.6
Total – New Developments	**11.1**	**20.2**	**14.0**	**4.7**		**50.0**
Maintenance Schemes						
Refurbishment Programme	0.4	0.5	0.5	0.5	0.5	2.4
Backlog / Other schemes	1.0	0.7	0.7	1.2	1.2	4.8
Total - Maintenance	**1.4**	**1.2**	**1.2**	**1.7**	**1.7**	**7.2**
Other Schemes						
IM&T	1.7	1.5	1.5	1.5	1.5	7.7
Medicines Mgmt	0.8	0.8				1.6
Other Allocations	0.8	0.7	0.5	0.6	0.6	3.2
Contingency				3.5	3.4	6.9
Total - Other	**3.3**	**3.0**	**2.0**	**5.6**	**5.5**	**21.4**
Total Capital Expenditure	**15.8**	**24.4**	**17.2**	**12.0**	**7.2**	**76.6**

The Trust's new £50m inpatient facility, Hopewood Park was completed in 2014/15 and became fully operational in September 2014.

7.2 Asset Sales Programme

The Trust's planned asset sales are shown in Table 3 below. The sale of part of the Northgate Hospital site is our last major asset realisation and this sale was completed in December 2014 with sale receipts being received over 2 years. In addition to this there are a number of smaller sales of land and buildings planned linked in primarily with rationalisation of community sites.

Table 3: Asset Sales Programme

	2015/16 £m	2016/17 £m
Asset Sales	7.5	1.9

8. Allocation of resources to deliver Service Development Plans 2015/16

The Trust has adopted a programme approach to support the delivery of the Trust's Strategy. As shown in the Service Development Schedule in Appendix 1 each specific Service Development is managed as a project with a defined Programme. Each Programme reports to the Programme Board (see Section 5) and has an identified lead, objectives, key milestones, key benefits and measures and a risk register.
The Trust has invested in the establishment of the Transformation Support Office to support the programme approach and the Project Information Knowledge system logs all projects, establishes ownership for the project and monitors progress and risks. This is to ensure that every project within each sub programme has an approved scope and responsible lead.
In the case of large developments, for example, the development of the new purpose built autism unit, discrete Project Boards are established with appropriate clinical representation.

9. Plan for short- term resilience

9.1 Quality Goals and Priorities

The organisation's Quality Goals underpin the provision of all of the Trust's services and achievement of the Quality Goals throughout the period of service transformation is a priority.
Using feedback from complaints, compliments and serious untoward incidents the views of the Council of Governors, our patients, service users, staff and partners we identified three Trust wide Quality Goals based on safety, patient experience and clinical effectiveness.

- **Quality Goal One: Reduce incidents of harm to patients;**
- **Quality Goal Two: Improve the way we relate to patients and carers;**
- **Quality Goal Three: Ensuring the right services are in the right place at the right time for the right person;**

Table 4 below outlines the Trust's new Quality Priorities for 2015/16.

Table 4 Quality Priorities for 2015/16

Quality Goal One: Reduce incidents of harm to patients
To further enhance the quality of Risk Assessment and the management of risk using the principles of positive risk taking
Quality Goal Two: Improve the way we relate to patients and carers
To improve communication to, and involvement of, families
Greater choice, quality of food and timing of meals to inpatient areas
To improve the referral process and the waiting times for referrals to multidisciplinary teams
Quality Goal Three: Ensuring the right services are in the right place at the right time for the right person
Improving service user outcome measurement
To further develop physical health monitoring and intervention
To increase diagnosis recording in community teams
To further develop the work of our Recovery Colleges (including Peer Support)

9.2. Operational Requirements

The key inputs required to enable the progression of the Trust's Service Development Plans over the year 2015/16 and impact on resources are highlighted in the Service Development Schedule in Appendix 1.

The Trust faces a number of risks to delivery of its strategy. The full analysis of strategic, operational, quality, workforce and maintenance risks are included in our Board Assurance Framework. The principal risks are considered as those rated over 15 at a corporate level on the standard 5 by 5 risk assessment measure. A summary of these principal risks and mitigating controls are outlined in Appendix 2. The key financial risks for 2015/16 include the following:

- Slippage, delays and non-achievement of the Financial Delivery Programme;
- NHS England strategy to tender and consolidate services. Details of this are yet to be issued;
- Tendering of locally Commissioned services;
- Outcome of the Newcastle and Gateshead Alliance CCG consultation on services for Newcastle and Gateshead;
- Failure to meet CQUIN Targets;

- Failure to manage occupancy rates under cost and volume contracts;
- Failure to deliver service specifications within the negotiated prices;
- Managing risks arising from the agreement to manage Out of Area Placements on behalf of Northumberland and North Tyneside CCGs and potentially other CCGs;

9.3 Contingencies built into Plans

To enhance service line management arrangements within the Trust, the Trust has allocated all available funding and savings targets out to Group and directorate budgets, as part of this year's budget setting exercise. The expectation is that services will manage within allocated resources and deliver from a financial perspective. Therefore the Trust has no contingency built into its plans.

The Trust has created a £5m non-recurrent Transformation Fund, by reducing the planned surplus for the year, to support delivery of the Trust's Transformation of Services Programmes in 2015/16.

The Trust has in place well developed and fully resourced programme management to manage the process of change, and well developed governance and assurance processes to manage on-going delivery of targets and plans (Section 5).

Risks and opportunities arising from tendering and commissioning services are more likely to emerge in 2015/16 and will become clearer as the coming year develops.

9.4 Financial Forecasts

9.4.1 Overview

Our Financial Plans reflect the nature of our income, planning guidance and commissioning intentions. Key financial data for the 1 year required in this Plan, and an additional year (2016/17) are illustrated in Table 5 below.

Table 5 Key Financial Data 2015/16-2016/17

Key Financial Data	2015/16 £m	2016/17 £m
Income	299.9	292.9
Income and Expenditure Surplus	2.0	4.8
Efficiency Target	12.9	9.6
Cash Balance	21.6	24.4
Capital Programme	24.4	17.2
Asset Sales	7.5	1.9
Loan Drawdown	17.9	13.5
Risk Rating	3	3
Normalised Risk Rating	3	3

The Trust has included figures for 2 years as we are in the middle of a significant period of transformation. This requires significant short term investment - planned

non-recurring internal investment of £5m in 2015/16 and significant change management effort. As a result the Trust's surplus is reduced in 2015/16, which has a corresponding impact on the Capital Servicing Rating, which is planned to temporarily drop to a 1 in 2015/16 before returning to a 2 in 2016/17.

9.4.2 Financial Projections

The Trust's planned underlying recurring surplus is around £6.9m. However, in 2015/16, like 2014/15, this surplus is reduced due to non-recurring investment in transformation.

A summary of income and expenditure over the next 2 years is shown in Table 6 below.

Table 6: Summary of Income and Expenditure

	2015/16 £m	2016/17 £m
Operating income	299.9	292.9
Operating costs	(285.2)	(275.0)
EBITDA	14.7	17.5
Depreciation	(6.3)	(6.7)
Net Interest/Other	(5.9)	(5.9)
PDC dividend	(0.5)	(0.5)
Net surplus / (deficit)	2.0	4.8

9.4.3 Income

The Trust's forecast income for 2015/16 is £300m. The split between patient care and non-patient care income is approximately £281m patient care (94%) and £19m non-patient care (6%).

Patient care income reflects commissioner requested services as identified in agreed contracts. The work streams, objectives, actions and timescales of commissioner intentions for each CCG have been agreed as part of contract negotiations and form part of the contractual obligations of the Trust.

Patient Care Income

Of the £281m, £270m is income which is covered by contracts. The difference of £11m relates to £9m of non-contracted activity or over performance against contracts and £2m expected from revenue generation schemes. Of the £270m, 88% is covered by block contracts and 12% is covered by cost and volume (C&V) /cost per case contracts (CpC). At the 31 March 2015, £262m (98%) of the £270m of contracts had been signed/agreed.

Non-Patient Care Income

Non-patient care income totals £19m for 2015/16. Of the £19m, the Trust has Service Level Agreements for approximately £12m. At the 31 March 2015, £11.8m (99%) of this income was covered by signed agreements

9.4.4 Income and underlying assumptions

High level assumptions on income and cost changes are shown in Table 7 below.

Table 7: High level assumptions on income and cost changes

High Level Assumptions Uplifts/Pressures	2015/16
	%
Patient Care tariff adjustment	-1.25
Cost increases	
Pay	1.3
Non-pay	2.0

The NHS pay awards for 2015/16, which have recently been agreed, have a cost impact of approximately 1.0%. In addition to this there has been a 0.3% increase in employer pension contributions. Incremental drift is expected to result in a slight reduction in costs in 2015/16.

The interest rate on new loans is assumed to be 3.5%

9.4.5 Financial Delivery Plan

The efficiency requirement for 2015/16 is 3.5% and the same rate is assumed for 2016/17. The Trust will continue to ensure it delivers the following savings requirements.

Table 8: Efficiency Requirement

Efficiency Requirements	2015/16 £m	2016/17 £m	Total
Annual Requirement	9.6	9.6	19.2
Carry Forward from 2014/15	3.3		3.3
Efficiency Target	**12.9**	**9.6**	**22.5**

9.4.6 Risk Ratings

The Trust is planning a Continuity of Services rating of 3 in 2015/16. However, the capital servicing capacity rating is planned to be a 1 in 2015/16 due to the continued investment in Service Transformation (£5m in 2015/16). However, the underlying capital servicing capacity rating remains a 2. The liquidity rating is planned to remain a 4 with the Trust's cash balances planned to be £21.6m at March 2016.

Table 9 Risk Ratings:

	2015/16	2016/1
Liquidity rating	4	4
Capital Servicing Capacity	1	2
Overall Continuity of Services rating	**3**	**3**

9.4.7 Liquidity

The Trust's cash balance at the end of 2014/15 was £20.6m. This is planned to increase slightly during 2015/16 to £21.6m with a further increase planned in 2016/17 to £24.4m.

The Trust's forecast cash flow for the next 2 years is shown in Table 10 below:-

Table 10: Cash Flow Summary

	2015/16 £m	2016/17 £m
Opening Cash Balance	20.6	21.6
Trust Surplus	2.0	4.8
Loan Repayments	(6.2)	(6.1)
Capital Programme	(24.4)	(17.2)
Depreciation	6.2	6.7
Asset Sales	7.5	1.9
Loan Drawdowns	17.9	13.5
Change in Working Balances	(2.0)	(0.8)
Closing Cash Balance	21.6	24.4

9.5 Key drivers of financial performance and resulting impact

The key drivers of financial performance are delivery of the Financial Delivery Plan (CIP), delivery of CQUIN and management of contractual requirements. The full analysis of strategic, operational, quality, workforce and maintenance risks are included in our Board Assurance Framework. A summary of these principal risks and mitigating controls are outlined in Appendix 2.

9.6 Alignment with main Commissioners and any material variance

The Trust's Commissioners and Local Health Economy are supportive of the Trust's strategic direction and the Trust is already working with Commissioners and partners in the Local Health Economy on the design, development and implementation of the individual service development plans outlined in Appendix 1 going forward. With the

aim of service development and improvement plans meeting the individual needs of the localities served.

9.7 Potential down side risks and mitigations

The Trust faces a number of risks to delivery of its strategy. The full analysis of strategic, operational, quality, workforce and maintenance risks are included in our Board Assurance Framework. A summary of these principal risks and mitigating controls are outlined in Appendix 2.

The plans outlined in this Operational Plan represent the expected scenario for the Trust going forward. In this risk analysis we look at the potential impact of failing to deliver elements of the Financial Delivery Plan, the potential impacts of developments within the market, and the impact of failing to deliver some of the Trust's CQUIN requirements.

The Trust has modelled the downside risks and mitigations. The impact of the combined downside scenario on surplus and cash are shown graphically in the charts below.

Figure 1 - 2 year Surplus projections (£m)
Base Case against combined and mitigated downside

Insert Graph

Figure 2 - 2 year cash projections (£m)
Base Case against combined and mitigated downside

Insert Graph

10. Board Declarations

10.1. Declaration of sustainability

The Board declares that, on the basis of the plans as set out in this document (The Operational Plan 2015/1), the Trust will be financially, operationally and clinically sustainable according to current regulatory standards in one, three and five years time.

10.2 Declaration of Continuity of Services Condition 7 - Availability of Resources

After making enquiries the Board declares that they have a reasonable expectation that the Trust will have the Required Resources available to it after taking account distributions which might reasonably be expected to be declared or paid for the period of 12 months referred to in the certificate The Trust has no interim and/or planned term support requirements.

10.3 The Board Assurance Process

In making the above declarations, the Board of Directors considered a full and detailed review of assurances it had received, both internally and externally to support these statements. It also considered all of the reviews and decisions taken by the Board and sub-committees of the Board which enabled it to reach the conclusions. This review was considered at the Board in April 2015 before confirming the final declarations.

Appendix 1: Service Development Plans 2015/16

Ref	Development	Contri-butes to National Strategies?	Key Actions 2015/16	Key Risks and Mitigations	Resource impact							Measures to track progress
					Activity	Finance			CIP	Staff	Site	
						Income	Costs	Capital				
1. Community Transformation (Lead – Director of Community Services Care Group. Managed through Locality TCP Boards and Access Boards)												
1.1	Improved Community Pathways (TCP) (Non psychosis, psychosis, cognitive disorders, learning disability) and implementation of Access			Risks - Expected benefits of implementing new care pathways are not realised Capacity of TCP and operational resources whilst working across 6								Establishment of the teams Achievement of Benefits Realisation Plan and Safety and Quality Metrics

Ref	Development	Contri-butes to National Strategies?	Key Actions 2015/16	Key Risks and Mitigations	Resource impact							Measures to track progress
					Activity	Finance			CIP	Staff	Site	
						Income	Costs	Capital				
	Sunderland and South Tyneside	✓	Embed and evaluate Improved Community Pathways in Sunderland and South Tyneside Roll out of Access in South Tyneside CQC registration for new bases	localities simultaneously Mitigations - Use lessons learned from Sunderland and South Tyneside evaluation Evaluation of plan and reporting mechanism to ensure regular review and action TCP resource plan	✓	✓	✓	✓	No	✓	✓	CQUIN delivery as agreed with commissioners
	Northumberland	✓	Staff Consultation on new teams to support improved care pathways summer 2015 Implement improved care pathways by Nov 2015, embed model by Nov		✓	✓	✓	✓	No	✓	✓	

Ref	Development	Contri-butes to National Strategies?	Key Actions 2015/16	Key Risks and Mitigations	Resource impact							Measures to track progress
					Activity	Finance			CIP	Staff	Site	
						Income	Costs	Capital				
			2016 CQC registration for new bases									
	North Tyneside	✓	Staff Consultation on new teams to support improved care pathways summer 2015 Implement improved care pathways by Nov 2015 ,embed model by Nov 2016 CQC registration for new bases		✓	✓	✓	✓	No	✓	✓	

Ref	Development	Contri-butes to National Strategies?	Key Actions 2015/16	Key Risks and Mitigations	Resource impact							Measures to track progress
					Activity	Finance			CIP	Staff	Site	
						Income	Costs	Capital				
	Newcastle and Gateshead	✓	Staff Consultation on new teams to support improved care pathways summer 2015 Implement improved care pathways by Nov 2015, embed model by Nov 2016 CQC registration for new bases		✓	✓	✓	✓	No	✓	✓	
2. New Models for Inpatient Care (Lead – Director of Inpatient Care Group. Managed through Inpatient Care Management Group (except 2.4))												
2.1	Expansion of	✓	Work with	Risk - ability to	✓	✓	✓	No	No	✓	✓	Evidence of

Ref	Development	Contri-butes to National Strategies?	Key Actions 2015/16	Key Risks and Mitigations	Resource impact							Measures to track progress
					Activity	Finance			CIP	Staff	Site	
						Income	Costs	Capital				
	Hospital Based Liaison Services/RAID model		Commissioners and local NHS Foundation Trusts to develop proposals relating to expand the concept of RAID into local Acute Hospitals and secure recurrent funding. CQC registration	recruit the appropriate staffing from a skill mix and volume perspective Mitigation – securing recurring funding will enable recruitment								benefit to wider LHSE and Acute providers (e.g improved bed usage, reduce pressure in A&E)
2.2	Improve the provision of Older People's Functional Inpatient services South of Tyne Phase 2	✓	Secure approval to actively manage a phased bed reduction process to ensure effective and timely transfer.	Risk- any increase in demand for Older Peoples Functional beds will impact on the	✓	✓	✓	✓	✓	✓	✓	Management of activity within reduced bed

Ref	Development	Contri-butes to National Strategies?	Key Actions 2015/16	Key Risks and Mitigations	Resource impact							Measures to track progress
					Activity	Finance			CIP	Staff	Site	
						Income	Costs	Capital				
	(Rosewood/Mill Cottage)		Complete refurbishment of Mill Cottage to facilitate service transfer CQC registration	viability of the scheme. Mitigation – support from Universal Crisis Teams will support better care at home effective admission and discharge processes Utilisation of the trust wide urgent care pathway								capacity
2.3	New model for inpatient	✓	Review outcome of the “Deciding	Risks – Outcome of	✓	✓	✓	✓	✓	✓	✓	Provision of agreed site

Ref	Development	Contri-butes to National Strategies?	Key Actions 2015/16	Key Risks and Mitigations	Resource impact							Measures to track progress
					Activity	Finance			CIP	Staff	Site	
						Income	Costs	Capital				
	care/Reconfiguration of sites;		Together" consultation work with Newcastle and Gateshead Alliance Commissioners on development of scenarios for change and provide support for the Commissioner led formal consultation process on the future configuration of specialist mental health services for Newcastle and Gateshead Work with North Tyneside and	consultation and lack of support for reconfiguration of sites Commissioner approval Potential adverse impact on Financial Delivery Plan Provision of services in sub-optimal facilities Recruitment issues related to poor working								model within available resources Meeting the financial delivery target

Ref	Development	Contri-butes to National Strategies?	Key Actions 2015/16	Key Risks and Mitigations	Resource impact							Measures to track progress
					Activity	Finance			CIP	Staff	Site	
						Income	Costs	Capital				
			Northumberland Commissioners and reach agreement on the reconfiguration of sites in so far as they affect their local populations.	environments Mitigations – Work with commissioners to provide advice and support to their decision making process Develop alternative models and scenarios to meet any new service model requirements								

Ref	Development	Contri-butes to National Strategies?	Key Actions 2015/16	Key Risks and Mitigations	Resource impact							Measures to track progress
					Activity	Finance			CIP	Staff	Site	
						Income	Costs	Capital				
2.4 Lead Director of Community Services Care Group Managed through Community Services Care Group Management Group												
2.4	Develop a Memory Management Service in Northumberland	✓	Utilising the resources released as part of the rationalisation of the Northumberland Dementia pathway to develop the Memory Management Service in conjunction with the community organic service pathway to achieve required diagnosis rates.	Risk- new service lacks capacity to meet required activity level Mitigation – close working with primary care to plan workload	✓	✓	✓	✓	No	✓	✓	Required Dementia Diagnosis rates met
3. Specialist Care Services Programme (Lead – Director of Specialist Care Services. Managed through Transforming Specialist Programme Board												

Ref	Development	Contri-butes to National Strategies?	Key Actions 2015/16	Key Risks and Mitigations	Resource impact							Measures to track progress
					Activity	Finance			CIP	Staff	Site	
						Income	Costs	Capital				
3.1	Review of Neurological Services	✓	Acquired Brain Injury service mobilisation	Risks - Service does not start as planned on April 1st 2015 Mitigation – Robust mobilisation plan, risk registers, proactive recruitments	✓	✓	✓	✓	No	✓		Service commences within agreed timescales
			Review Heppell House service model	Risk Service users are inappropriately placed in NTW services Mitigation Work with	✓	✓	✓	✓	✓	✓		Service users appropriately placed

Ref	Development	Contri-butes to National Strategies?	Key Actions 2015/16	Key Risks and Mitigations	Resource impact							Measures to track progress
					Activity	Finance			CIP	Staff	Site	
						Income	Costs	Capital				
				CCG's and LA's to agree appropriate placements for service users								
			Review Neuro-Rehab Outpatients systems and processes to achieve service improvements	Risks - Did Not Attend (DNA) rates do not improve Mitigation – Improve communications with Service Users Review appointments schedules	✓	✓	✓	No	No	✓		DNA rates improve – service users access appointments
			Development of the Botox/Dystonia pathway and service delivery	Risks Service users do not take up new product	✓	✓	✓	No	✓	✓		Services users take up new product

Ref	Development	Contri-butes to National Strategies?	Key Actions 2015/16	Key Risks and Mitigations	Resource impact							Measures to track progress
					Activity	Finance			CIP	Staff	Site	
						Income	Costs	Capital				
				Recruitment of key clinical staff Mitigations Work with service users to resolve concerns about new product Succession planning for clinical staff								Succession planning achieved
			Inpatient Service Capacity	Risks- Occupancy targets are not achieved UK ROC staffing requirements not achieved	✓	✓	✓	No	No	✓		Occupancy targets achieved Staffing levels achieved

Ref	Development	Contri-butes to National Strategies?	Key Actions 2015/16	Key Risks and Mitigations	Resource impact							Measures to track progress
					Activity	Finance			CIP	Staff	Site	
						Income	Costs	Capital				
				Mitigations - Marketing of services Proactive recruitment campaign								
3.2	Review of Children and Young People's Medium Secure and Tier 4 services	✓	Review Children and Young People's Medium Secure and Tier 4 Services to ensure they are of the highest quality and sustainable and meet national benchmarking indicators in advance of potential national tender Review potential	Risk - Adverse outcome of consultations Mitigation - Close working with stakeholders	✓	✓	✓	Poss	✓	✓	✓	Service achieves financial viability and meets national benchmarking indicators

Ref	Development	Contri-butes to National Strategies?	Key Actions 2015/16	Key Risks and Mitigations	Resource impact							Measures to track progress
					Activity	Finance			CIP	Staff	Site	
						Income	Costs	Capital				
			tender opportunities and respond appropriately NHSE specifications									
3.3	Review of Forensic Services	✓	Review all Forensic services to ensure they are of the highest quality and sustainable and meet national benchmarking indicators in advance of potential national tender Review potential tender	Risks – Competition from other providers Potential adverse outcome of any consultations that may be required Mitigations - Planned approach to	✓	✓	✓	Poss	✓	✓	✓	Service meets national benchmarking indicators

Ref	Development	Contri-butes to National Strategies?	Key Actions 2015/16	Key Risks and Mitigations	Resource impact							Measures to track progress
					Activity	Finance			CIP	Staff	Site	
						Income	Costs	Capital				
			opportunities and respond appropriately Identify and respond to opportunities to develop liaison and diversion services NHSE specifications	the review. Internal tender approach to benchmark the service Close working with stakeholders								
3.4	New Assessment and Treatment Unit for people with Autism	✓	Develop new build for the Autism inpatient service on the Northgate Site to support the new model of care. Meet CQC requirements	Risk - slippage/Cost over run Mitigation – tight management through Autism Project team and Autism	✓	✓	✓	✓	✓	✓	✓	New Unit opens on time Required occupancy levels are achieved

Ref	Development	Contri-butes to National Strategies?	Key Actions 2015/16	Key Risks and Mitigations	Resource impact							Measures to track progress
					Activity	Finance			CIP	Staff	Site	
						Income	Costs	Capital				
			Commission the new development and market the service/new model of care to maximise income streams	Project Board								
3.5	Development of an Integrated Attention Deficit Hyperactivity Disorder (ADHD) Service	✓	Develop an integrated service model to provide a service across the ADHD pathway from Children's and Young Peoples Services into Adult services	Risk - Securing funding from Commissioners Mitigation – Review continued provision of service if funding issue	✓	✓	✓	Poss	No	✓		The future direction of the service is agreed with commissioners

Ref	Development	Contri-butes to National Strategies?	Key Actions 2015/16	Key Risks and Mitigations	Resource impact							Measures to track progress
					Activity	Finance			CIP	Staff	Site	
						Income	Costs	Capital				
				is not resolved								
4. Transforming Social and Residential Services (Lead – Director of Community Services Care Group. Managed through Community Services Care Group) Management Group)												
4.1	Redesign of Northumberland Mental Health Day Services	✓	Continue the review Northumberland Mental Health Day Services, in partnership with stakeholders. Agree strategy and	Risk - Stakeholder approval and outcome of consultation Links to the implementation of improved	✓	✓	✓	No	No	✓	✓	Successful redesign of Day Services in line with the Northumberland PCP

Ref	Development	Contri-butes to National Strategies?	Key Actions 2015/16	Key Risks and Mitigations	Resource impact							Measures to track progress
					Activity	Finance			CIP	Staff	Site	
						Income	Costs	Capital				
			implement the redesign of the services.	community pathways (PCP - 1.1 above) Mitigation - close working with all stakeholders Effective implementation of improved community pathways (PCP)								implementation model
5. Transforming Learning Disability Services (Lead Director of Community Services Care Group. Managed through Community Services Care Group)												
5.1	Review of Learning Disability Services	✓	Work with Stakeholders to review the implications of the	Risk – Alternative community service	✓	✓	✓	No	No	✓	✓	Programme of work going

Ref	Development	Contri-butes to National Strategies?	Key Actions 2015/16	Key Risks and Mitigations	Resource impact							Measures to track progress
					Activity	Finance			CIP	Staff	Site	
						Income	Costs	Capital				
			Bubb Report and agree a programme of work going forward, where appropriate to accelerate the reshaping of services.	models/provision required. Mitigation- Work with Stakeholders to identify solutions								forward agreed by all Stakeholders
6. Transforming Corporate Services (Leads – Director of Performance and Assurance and Director of Workforce and Organisational Development. Managed through Transforming Corporate Services Board)												
6.1	Review of Corporate Services	✓	Conclude development of Corporate Services model for approval by the Trust's Corporate Decisions Team	Risks - Capacity of Informatics Dept to deliver "quick wins" and support new ways of	No	No	✓	✓	✓	✓	✓	More efficient corporate services to support service delivery

Ref	Development	Contri-butes to National Strategies?	Key Actions 2015/16	Key Risks and Mitigations	Resource impact							Measures to track progress
					Activity	Finance			CIP	Staff	Site	
						Income	Costs	Capital				
			Subject to the outcome of consultation with staff implement the approved model in line with agreed HR frameworks Delivery of non pay savings to support the Financial Delivery Plan	working/efficiencies The expected level of savings are not achieved in 2015/16 – adding pressure to the Financial Delivery Plan for 2016/17 Mitigations – Work with Informatics Dept on a case by case basis to identify deliverable schemes								Financial delivery achieved

Ref	Development	Contri-butes to National Strategies?	Key Actions 2015/16	Key Risks and Mitigations	Resource impact							Measures to track progress
					Activity	Finance			CIP	Staff	Site	
						Income	Costs	Capital				
				Establish explicit achievable Financial Delivery Plans Effective performance management of the Programme and agreed plans								

Appendix 2 The Trust's Principal Risks and Mitigating Key Controls (Extract from Board Assurance Framework)

Reference	Principal Risks	Mitigating Key Controls
SO1.1	That we do not develop and correctly implement service model changes	Evidence base developed through Service Model Review Governance arrangements, including programme management structure under Trust Programmes Board. Clinical Reference Group Business Case Process
SO1.2	That we do not effectively engage commissioners and other key stakeholders leading to opposition or significant delay in implementing service model review changes and other major planned service changes	Stakeholder Management Membership of Health and Wellbeing Boards Partnership working arrangements Membership of Health and Wellbeing Boards Staff Side Engagement & Partnership Agreement Service User & Carer Network Reference Groups Communication Strategy Public consultation on major service change
SO2.2	That we do not manage our financial resources effectively to ensure long term financial stability (including differential between income and inflation, QIPP and the cost improvement programme.	Operational Plan/Financial Strategy Trust Treasury Management Policy Transforming Services Programme Financial Delivery Plan Governance arrangements Financial and Performance Management reporting systems
SO2.7	That we do not meet compliance and performance standards and/or misreport on these through data quality errors	Financial and Performance Management reporting systems; other business critical systems Trust Essential Standards Working Group Group Governance – Q&P Committees Data Quality Improvement Plan Data Quality Policy
SO3.1	That we do not effectively manage significant workforce and organisational changes, including increasing staff productivity.	Workforce Strategy Workforce KPIs monitored through Q&P Committee Group/Directorate Workforce Plans Transitional Employment & Development Approach (TED) Time & Attendance and e-rostering system Attendance and Sickness and Absence Policy and KPI

		monitoring Mobilising the Workforce IT Work stream Staff Survey and Friends and Family Test Health and Wellbeing Strategy HR Framework Monitoring of the Leadership and Management Programme Staff side Partnership Agreement Medical Job Planning
Reference	**Principal Risks**	**Mitigating Key Controls**
SO5.1	That there are risks to the safety of service users and others if the key components to support good patient safety governance are not embedded across the Trust	Monitoring of Quality Account Goal 1 (reducing harm to patients) Complaints, Litigation, Incidents, PALS and Point of You (CLIPP) reporting system in place across Clinical Services. Patient Safety Incidents reporting system, including Serious Untoward Incidents Incidents Policy Infection Prevention and Control Policy and Practice Guidance Notes Medicines Management Policy and Practice Guidance Notes Safety Alerts Policy National Reports on Quality and Safety (ie Francis, Berwick)
SO5.3	That there are risks to the safety of service users and others if the key components to support good care co-ordination are not embedded across the Trust	Care Co-ordination and Care Programme Approach Policy and Practice Guidance Notes Care Co-ordination training
SO5.4	That there are risks to the safety of service users and others if the key components to support good Safeguarding and MAPPA arrangements are not embedded across the Trust.	Safeguarding Children and Safeguarding Adults Policies, Trust Action Plan. Local Safeguarding Boards; Trust-wide structure for Safeguarding in place Trust Safeguarding – Public Protection Meeting
SO5.6	The risk that high quality, evidence-based and safe services will not be provided if there are difficulties in accessing services in a timely manner and that services are not sufficiently responsive to demands.	Reconfiguration of team and working practices across Sunderland and South Tyneside Crisis Teams have a prescriptive service framework

SO5.10	That we do not ensure that we have effective governance arrangements in place to maintain safe services whilst implementing the Transforming Services Programme	Governance Arrangements Decision Making Framework Board Assurance Framework
SO6.3	That we do not further develop integrated information systems across partner organisations	Local partnerships to support integrated information and information sharing Current information sharing with local authorities Information Sharing Policy