Berkshire Healthcare NHS
NHS Foundation Trust

Operational Plan 2016 – 17

Berkshire Healthcare NHS Foundation Trust

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Operational Plan for year ending 31 March 2017

This document completed by (and Monitor queries to be directed to):

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Date:	18 April 2016

In signing below the Board is confirming that the Operational Plan:

- Is consistent with the Trust's internal operational plans and provides an overview of all key factors relevant to the delivery of these plans
- Is consistent with the Trust's technical annexe submission.

Approved on behalf of the Board of Directors by:

John Hedger (Chair):

Julian Emms (Chief Executive):

Alex Gild (Finance Director):

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Berkshire Healthcare NHS
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Approach to activity planning

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Activity 1

Mental Health Access Standards

We have ensured that we have the capacity and resources to deliver the new Mental Health (MH) access standards in 2016/17:

- We secured £1m additional resources in 2015/16 to achieve the Early Intervention in Psychosis (EIP) standards during 2016/17. Staff have been recruited and a service model designed to achieve waiting times and NICE (National Institute for Health and Social Care Excellence) compliance. Performance is already within the required thresholds moving into the final quarter of 2015/16
- Sufficient resources for our Improving Access to Psychological Therapies (IAPT) service are in place to meet the access standards, and the service is currently delivering against the waiting times required.

Capacity review and risks

The following key capacity risks have been addressed during 2015/16 and remain under review:

Child and Adolescent Mental Health Service (CAMHS)

We secured £2.4m of service investment into CAMHS Tier 3 services in 2015/16 to improve waiting times. This was alongside Unitary Authority (UA) and Clinical Commissioning Group (CCG) intervention to support the effectiveness of Tiers 1, 2 and 4 services prior to referral to our CAMHS Tier 3 services. We are working towards a maximum waiting time of 12 weeks for people living in Berkshire East and 6 weeks for people living in Berkshire West by the end of quarter 2 in 2016/17. Staff recruitment has been challenging and demand for services has increased, so waiting list reductions were slower than planned resulting in a contract performance notice from our Berkshire West commissioners. Waiting lists are now reducing, commissioners reassured, and the performance notice has been resolved. The Autistic Spectrum Disorder pathway remains an area of concern however positive work is underway with our UA and CCG colleagues to review whole system support for this important pathway.

NHS England has also invested in our Berkshire Adolescent Unit (Tier 4 inpatient service), which is now fully operational with 9 beds, to reduce the number of young people receiving services outside of Berkshire.

Crisis Response and Home Treatment (CRHTT)

Commissioners invested £0.8m into our CRHTT service in 2015/16 to support improvements in our response to people in crisis and address rising demand. Alongside successful staff recruitment and service transformation the CRHTT service is stabilising, and we are receiving positive feedback from patients. Activity levels are being managed more effectively with our increased capacity.

Mobility

We have long waiting lists and quality risks in our Mobility Service, which provides wheelchair services in the East of the county. After significant efforts to improve the service over a number of years, we remain concerned about the quality of service and associated cost pressures, and we have therefore negotiated additional funding from commissioners to address pressures associated with the increased demand, reducing waiting times and improving patient experience.

Other capacity risks

Mental Health Inpatients and Out of Area Placements (OAPs)

In common with other providers we experience peaks (sometimes sustained) of MH inpatient activity leading to high bed occupancy levels. This can result in the need to place patients who require admission to a Psychiatric Intensive Care Unit (PICU) or an adult acute ward outside of Berkshire. A significant proportion of inpatient activity relates to people with personality disorders (PD) . We recognise that we can meet the needs of these people more effectively in community settings and we will be developing new pathways for mental health service in the community (Cluster pathways) with a priority on improving community support for people with personality disorders.

Common point of entry (CPE) Mental Health referral hub

Referral (demand) for our mental health services has been growing and placing significant pressure on our CPE hub. A significant proportion of referrals do not “convert” to activity in our MH services and are triaged / signposted elsewhere. This indicates a systemic issue that we will be addressing in 2016/17 through a system wide service review, engaging with primary care and commissioners. We are also seeking additional investment from commissioners to address immediate demand pressures.

Activity 2

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Community nursing

Capacity issues in our community nursing service are mainly caused by challenges recruiting suitable staff. Demand for the service is rising, so we are working with our commissioners to establish a Service Development Improvement Plan (SDIP) to review the specification of the service and address these issues. The SDIP will support development of transformational activities that will enable more effective deployment of nurses. We will also review our use of technology, such as Skype which is available for use by clinicians and patients.

Activity

The referral charts shown below for mental health and community health services show a growing activity trend in both areas, illustrating the increasing demand on our services.

There has been an increased focus on monitoring service activity against our plans in contract monitoring meetings during 2015/16. We continue to highlight and address material capacity and resource risks with commissioners as described above, and will continue to focus on data quality improvement including tariff development for mental health services during 2016/17.

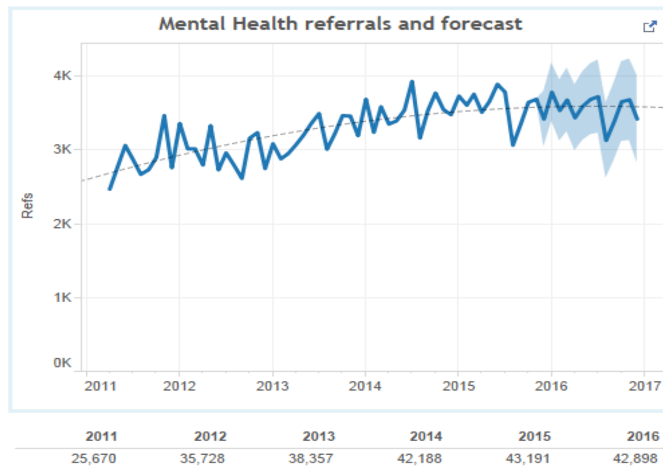
National performance standards

A positive indication of our capacity to deliver the necessary service and support is evidenced by our benchmarked performance against the 7-day follow up and CRHTT gatekeeping indicators. We remain committed to working with our commissioners to maintain sufficient capacity to deliver these important quality standards.

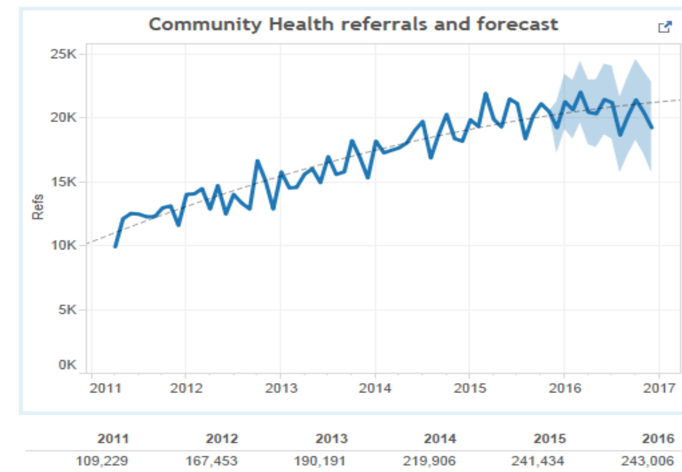
Our System Contribution

We recognise, and share our commissioners ambition to increase "out of hospital" capacity, underlining the importance of implementing plans to address existing internal capacity challenges. We work closely with partners in our System Resilience Groups on development of winter resilience plans, which have been successfully implemented this year.

System wide pathway development work is in progress in East and West of Berkshire to help us respond to increasing demand, and achieve sustainability of service provision within available resources. This will provide the foundation for our Sustainability and Transformation Planning described on pages 20-21.



2011	2012	2013	2014	2015	2016
25,670	35,728	38,357	42,188	43,191	42,898



2011	2012	2013	2014	2015	2016
109,229	167,453	190,191	219,906	241,434	243,006

Healthcare from the heart of your community

Approach to quality planning

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Quality 1

Our Quality Priorities

There is good alignment between the priorities set out in NHS England's planning guidance, the priorities of our local commissioners and our own objectives and values. Our priorities for 2016/17 include the delivery of national targets for mental health and learning disability services, our contribution to key system-wide initiatives, as well as action to achieve quality improvements in the areas highlighted below.

Our first corporate strategic aim is to provide accessible, safe and clinically effective services that improve patient experience and outcomes of care.

Our Quality Strategy 2014-16 has 6 elements:

- Clinical Effectiveness
- Safety
- Efficiency
- Organisational Culture
- Patient experience and involvement, and
- Equity.

Our quality goals for the next five years, are designed to address our quality concerns as well as improve patient experience and improve outcomes:

- To develop a "zero suicide" approach
- To reduce the number of pressure ulcers developed in our services
- To reduce the number of falls on our older people's inpatient wards
- To improve transition to adult mental health services for young people in our Child and Adolescent Mental Health services
- To focus on improving our Friends and Family Response rate and learning from incidents and complaints
- To recruit and train patient leaders within our organisation to enhance patient engagement in service and strategy development
- To demonstrate compliance with NICE guidance
- Health improvement – we will ask each mental health patient whether they are a smoker and would like to be referred to smoking cessation services for support.

Quality Concerns

Care Quality Commission (CQC)

The Quality Committee of our Trust Board identify and review the top quality concerns of the organisation at each meeting to ensure that appropriate actions are in place to mitigate them. They are identified through some of the information sources provided within the Quality Account together with intelligence received from performance reports, our staff and stakeholders.

Our quality record is good and the Trust has recently undergone a CQC comprehensive inspection and received a rating of 'Good' overall. Prior to the comprehensive inspection, our CQC registration was without conditions. However, in January 2016 we received a CQC warning notice regarding our High Dependency Unit (two beds) on Sorrel Ward at Prospect Park Hospital. This related to our not meeting the standards required in Trust policy regarding segregation of patients for prolonged periods, and the Mental Health Act Code of Practice 1983, for patient care plans and gender separation. This action was lifted in February 2016 and the unit is compliant.

Acute Adult Mental Health Inpatient Bed Occupancy

Bed occupancy has been consistently above 90% since August 2015. Patients have high acuity of need, there is disruption for patients who are on leave with concerns about where they will go on their return and patients are being placed out of area (this increases suicide risk on their discharge). There are clear weekly processes in place to mitigate risks.

Shortage of adult nursing and therapy staff

We recognise the potential impact on the quality of patient care and experience of shortages of staff – and this is a particular issue in terms of our mental and physical health inpatient and community services - which has resulted in increased agency staff use. A variety of mitigations are in place including 'over recruitment' and workforce redesign, alongside the action we are taking to reduce agency use which are described on page 10. Our Quality Governance processes enable early alerts regarding service areas experiencing particular pressure, which will be supported by our use of e-rostering to help us with effective distribution of resources.

Quality 2

Berkshire Healthcare NHS
NHS Foundation Trust

Quality Concerns (continued)

Inpatient Services for people with higher levels of need

Our inpatient assessment and treatment unit for people with learning disabilities and our psychiatric intensive care unit both require specific arrangements to meet the additional needs of their patients - who are highly vulnerable and present an increased level of challenge in terms of their behaviour. These are our areas with the highest number of assaults on staff, and have historically been difficult to recruit to. We recognise the impact that higher turnover of staff and higher agency use can have on patient experience, and therefore these units are subject to robust oversight by Executive Directors. Regular supervision of staff is in place , with professional leads working closely with staff to ensure standards of practice are maintained. We are also implementing plans to maximise recruitment and retention of substantive staff.

Berkshire Adolescent Unit (BAU)

The BAU is an established provider of inpatient and daytime services for children and young people, and began providing tier 4 services in July 2015. This has required the development of new ways of working, building adaptations and recruitment of new staff. The number of beds available has been reduced while this work is completed. However, a comprehensive action plan has been developed and implemented and new nursing and medical ward leadership has recently been appointed. Although the period of transition does present a challenge, the end result will be a significant benefit in terms of availability of tier 4 services within Berkshire.

Interface between CRHTT, Common Point of Entry and Community Mental Health Teams

Ensuring a smooth transition between components of our mental health services is a high priority, as we recognise the level of risk that this presents, particularly when services are busy. Short term initiatives to address this issue are being led by Executive Directors, alongside medium to longer term work to improve our understanding of and response to demand and capacity risks. This will be facilitated by the implementation of our Mental Health Cluster Pathways and Mental Health Strategy from 2016/17 onwards.

Mental Health Act (MHA) Code of Practice Compliance

The CQC comprehensive inspection and previous CQC MHA inspections has shown that our staff do not always adhere to the Code of Practice, which may result in patients not knowing their rights and therefore potentially receive harm as a consequence. A training and audit programme is underway and plans for a MHA inspector role within the Trust are being implemented.

CQC Regulatory Action

The CQC comprehensive inspection placed regulatory requirements on the following services:

- Berkshire Adolescent Unit
- Older People's Mental Health Inpatients
- Learning Disability Inpatient Units

Actions plans are in place and in the process of implementation. These plans are being monitored by the Quality Executive Group

Our Approach to Quality Improvement

The Trust's quality governance structure includes monitoring quality through locality patient safety and quality groups reporting to the Quality Executive Group (QEG), which is chaired by the Chief Executive. The QEG reports to the Board. Additionally, all Board members undertake quality visits to services.

The following methods are used for quality improvement:

- Service improvement plans
- Action plans in response to specific concerns, for example CQC
- Quality improvement science methodology
- Where concerns are raised the Director of Nursing and Governance and the Chief Executive visit services in and out of hours. The Director of Nursing and Governance is the Executive lead for quality improvement.

Quality 3

Berkshire Healthcare NHS
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Our Approach to Quality Improvement (continued)

Our quality improvement science projects include:

- Reducing the number of patients on our acute adult mental health wards who do not return from leave as planned
- Reduction of pressure ulcers
- Embedding the National Early Warning System for the deteriorating patient in our community physical health wards
- Medicines reconciliation
- Improving the quality of risk assessment and care plans within acute adult mental health wards.

The first two of the above projects are also Sign Up for Safety priorities.

Seven Day Services

Commissioner investment in mental health liaison and crisis response/home treatment services in 2015/16 has strengthened our mental health 7 day service offer. The street triage service operating in Berkshire West is showing good results and we are seeking funding for similar investment in Berkshire East to support the establishment of an equivalent service.

We recognise the contribution made by community health services to enable prompt discharge from acute hospitals and reduce avoidable admission on 7 days of the week, and many of our services provide an extended hours offer to support this. We have completed an analysis of service provision outside of the Monday to Friday 9-5 standard hours, and we are working with commissioners to identify any gaps in 7 day service provision.

Service areas that we will highlight for further development of 7 day services include:

- Those with higher levels of missed appointments – indicating we may not be providing services at times that meet the needs of service users
- Those with significant demand and capacity pressures - indicating increased capacity is needed, potentially at different times of the week/day.

Mortality Review

We will participate in the annual publication of avoidable deaths and we are establishing systems and processes to support this requirement.

We are developing systems and processes to meet the Antimicrobial Stewardship recommendations appropriate for combined mental health and community trusts within NICE guideline 15.

Quality impact assessment process

Quality impact assessments (QIA) are completed for all clinical cost improvement plans. The completed QIA is reviewed and approved by the appropriate Clinical Director. The Clinical Director recommends approval (or not) to the Director of Nursing and Governance and Medical Director, who report on the process to the Trust Board. To further strengthen this process, a post implementation review component will be developed in 2016/17.

Triangulation of indicators

We have established an Intelligent Monitoring Group, chaired by the Director of Nursing and Governance, which enables the review of a range of relevant indicators, including:

- Incidents
- Complaints
- Workforce.

This review informs the development of the Quality Concerns list which is refreshed every quarter and included in reports to the Trust Board.

Berkshire Healthcare NHS
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Approach to workforce planning

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Workforce 1

Background, key risks and strategic approach

Low unemployment, high housing costs and commutable distances to a range of alternative employers in the Thames Valley all represent challenges in terms of attracting and retaining staff. In line with many NHS foundation trusts, we have identified workforce shortages as a key strategic risk. Identification of specific professional groups and service areas experiencing shortages, their controls, assurance and mitigation form part of our Board Assurance Framework so that the Trust Board, Executive and Senior Leadership Team have close oversight of key issues.

We have established a Workforce Development Programme, led by our Director of Nursing and Governance, to oversee current initiatives related to the mitigation of workforce risks. Our Quality Executive Group receives reports from our patient safety and quality groups, chaired by our clinical directors in each locality, which highlight any emerging quality impacts related to staffing. Our Finance and Performance Executive includes the review of a wide range of quality and "people" metrics to enable triangulation of data and identifications of emerging areas of concern. Each locality has an allocated HR manager to support local initiatives to address recruitment and retention issues, while ensuring trust-wide action is coordinated effectively.

The main shortages of supply in key staff groups are: nursing, allied health professions and general practitioners. Lack of GPs available to recruit is compounded by the high cost of locum cover, which has increased significantly, and these issues present a significant risk to service sustainability.

A key focus of workforce planning has been community nursing, and work is in progress to provide a more in depth analysis of capacity and demand this year, to inform specific actions as well as improve our monitoring and reporting processes.

We have strong links the Local Education and Training Board (LETB) facilitated by the role of our Chief Executive as a Board Member.

There are 3 key areas of work that we are currently undertaking in partnership with the LETB:

- Contribution of organisational information to inform numbers of training places commissioned
- Supporting local system work on New Models of Care – with particular focus on workforce implications
- Planning for the implementation of chances in funding arrangements for non-medical training courses.

Workplace Race Equality

In response to our analysis of our staff survey and our Workplace Race Equality data, we have begun a focussed programme of work to address recruitment, training and engagement-related issues. This included using focus groups and surveys to better understand the experience of our Black Minority and Ethnic (BME) staff and inform our action plan.

System-wide Initiatives

A Berkshire Healthcare Executive is responsible for leading the two Workforce work streams of our system-wide integration programmes in Berkshire West and Berkshire East, working closely with Health Education Thames Valley. As well as supporting our internal Workforce Development Programme and Workforce Planning capability, these initiatives will include joint approaches to recruitment, development of support worker roles and integrated training and career development.

Next Steps

Implementation of our Organisational Development Plan has included significant work on staff engagement, development of values based appraisal and recruitment, talent management and our Excellent Manager Programme. We have been able to demonstrate continuing improvement in our staff survey results over recent years. It is our intention to continue with this work, consolidating the improvements made, while prioritising race equality actions, development of workforce planning and service improvement methodology across the organisation. These are high priorities in terms of supporting both internal and system-wide transformation activity required to support resilience and sustainability.

Workforce 2

Berkshire Healthcare NHS
NHS Foundation Trust

Use of Agency and Bank Staff

The Trust has developed a comprehensive programme to address temporary staffing arrangements across the whole of the organisation. In February 2016 the agency spend for the following staffing groups was:

Staff group	Proportion of spend
Registered nursing and health visiting	11%
Medical and dental	20%
Allied Health Professionals	10%
Clinical support workers	18%
Estates/Facilities/Corporate	8%

The aim is to reduce the agency spend on all clinical and non-clinical staff to 8% by the end of 2016/17; as can be seen from the figures above achieving this target will be a significant challenge.

The Executive lead for the Agency Programme is the Director of Nursing and Governance - which will ensure quality is maintained alongside achievement of financial efficiencies. A senior member of staff has been appointed as programme lead. The development of an centralised bank is a priority for 2016/17 so that temporary bank staff can more easily be rostered across the organisation.

Safe staffing metrics are in place supported by escalation tools to manage staffing shortages. The Agency Programme Board is exploring how to effectively review and challenge non-compliant agency decisions taken by locality directors, and to receive more detailed reports on the use of medical agency staff. A centralised bank will be in place for all staff except doctors by July 2016, and including medical staff by October 2016. We will ensure that learning from our mental health nursing bank is incorporated.

We continue to see improvements in our weekly agency reporting, with compliance in March at 80%. This is scrutinised at our weekly Programme Board meetings, and monthly Business and Strategy Executive.

The 2016/17 outcomes from the implementation of the Agency Rules requirements can be summarised as follows :

- Significantly enhanced utilisation of substantive staff using E-rostering, by moving long term personal working patterns to the needs of the service, and maximising the use of substantive staff who are short on hours worked before using bank or agency staff
- Reduction in temporary staffing requirement through recruitment to substantive posts and decreased turnover
- Increased use of bank staff to cover temporary staffing requirements as a result of growth in active Bank staff pool from 508 to nearer 1,400
- Use of Framework and Price cap compliant agency staff only
- 2016/17 CIP plans forecast a £1m efficiency saving as a result of this programme.

E- rostering

Electronic rostering will continue to be implemented across clinical services throughout 2016-2017 and will be a key tool for checking the efficiency of substantive staffing rotas through regular KPI reports.

The Licencing Agreement with Allocate for HealthRoster was agreed at 800 WTE (whole time equivalent) clinical staff using electronic rostering May 2015-16, with 1800 WTE May 2016-2017. Therefore, the pace of implementation will increase from May 2016. There are approximately 83 clinical units who will use HealthRoster by the target date of 31 March 2017. Along with the training in HealthRoster use, clinical units go through a process of roster analysis in order to assist managers with better use of staff resource. This includes the use of substantive contracted hours and better planned annual leave to reduce the spend on agency staff.

All HealthRoster users will be supported through planned Locality User Groups, Drop In sessions and ad-hoc information and problem solving sessions.

It is anticipated that automated payroll will 'go live' in April 2016, decreasing the risk of incorrect payments with a better financial audit trail.

Approach to financial planning

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Finance: 2016/17 Baseline and Assumptions

Berkshire Healthcare NHS
NHS Foundation Trust

This financial year (2015/16) has been challenging with a year end position of -£2.4m deficit (2014/15 -£1m). This includes -£0.5m of impairment, and the operating position is -£1.9m (versus -£4m originally budgeted). The yearend FSRR (Financial Sustainability and Risk Rating) will be '3', principally due to cash and managing I&E (income & expenditure) to be above the -1% threshold. The position shown over 2015/16 and 2016/17 is in line with the sustainability risk highlighted in plan submissions over the last 4 years.

The ongoing efficiency challenge is reflected in lower cost improvement plans (CIPs) in 2015/16 and this situation will continue into 2016/17 (as referenced on page 13).

2016/17 Projection

The **latest plan for 2016/17 forecasts a deficit of -£2.3m** (including demand growth support c. £3.5m from Berkshire West CCGs and c.£0.6m from Berkshire East CCGs); a significant improvement from the 2015/16 baseline position. This would result in a yearend FSRR rating of '3' with capex of £7m and a cash balance of c.£13m.

Bridge from 2015/16 -£1.9m (excl. -£0.5m impairment) to 2016/17 -£2.3m

1. Removal of non-recurrent revenue benefit **-£2.5m**
2. Removal of non-recurrent CIPs **-£1.9m**
3. One off reserve/balance sheet release **-£1.1m**

The above total establishes **the underlying deficit of -£7.4m for 2015/16.**

4. Identified cost pressures for 2016/17 **-£1.2m**
5. Efficiency challenge within tariff **-£4.4m**
6. Improvement of underlying budgets through budget review **+£0.5m**

The above total establishes **the underlying deficit of -£12.5m for 2016/17.**

6. CIPs and income generation identified **+£4.7m**
7. Demand growth & overhead on new investments – East CCGs **+£1.2m**
8. Demand growth & overhead on new investments – West CCGs **+£4m**
9. Other including small depreciation improvement **+£0.3m**

Summary Income Statement		
£m	**15/16**	**16/17**
NHS Clinical income	198.9	197.1
Non-NHS Clinical income	17.5	21.8
Non-Clinical income	18.8	17.8
Operating Revenue	**235.3**	**236.7**
Employee expense	(168.2)	(170.5)
Non-Pay expense	(51.4)	(51.7)
PFI expense	(5.9)	(5.9)
Depreciation & Amortisation	(7.0)	(6.3)
Impairment (Losses) / Reversals	(0.5)	0.0
Operating Expense	**(232.9)**	**(234.3)**
PFI Charges	(3.5)	(3.5)
PDC	(1.2)	(1.2)
Non-Operating Expense	**(4.7)**	**(4.7)**
Trust Deficit	**(2.4)**	**(2.3)**
Embedded CIPs (recurrent)	**1.2**	**4.3**
Embedded CIPs (non-recurrent)	**2.3**	**0.0**
Embedded Rev Gen	**1.4**	**0.4**
Capital expenditure	**6.5**	**7.0**
Cash at year end	**16.7**	**13.0**
FSRR rating	**3**	**3**

Core Assumptions

- The Trust no longer assumes £400k support from the centre.
- Pay costs include 1% uplift and the changes to NI Pension rebate.

Finance: Efficiency Challenge

Sustainable Reduction of Cost Base

The ongoing efficiency challenge impacted in 2015/16 with declining CIP delivery resulting in a high level of non-recurrent savings, mainly due to the following:

- A number of large re-design schemes have now been implemented with savings achieved contributing to previous years' CIP plans
- Extensive service lines reviews have been completed where feasible
- Commissioning support has focused on additional service requirements (rather than provider support)
- The Trust's efficiencies (over and above CIPs) are absorbed in demand growth within the block contract.

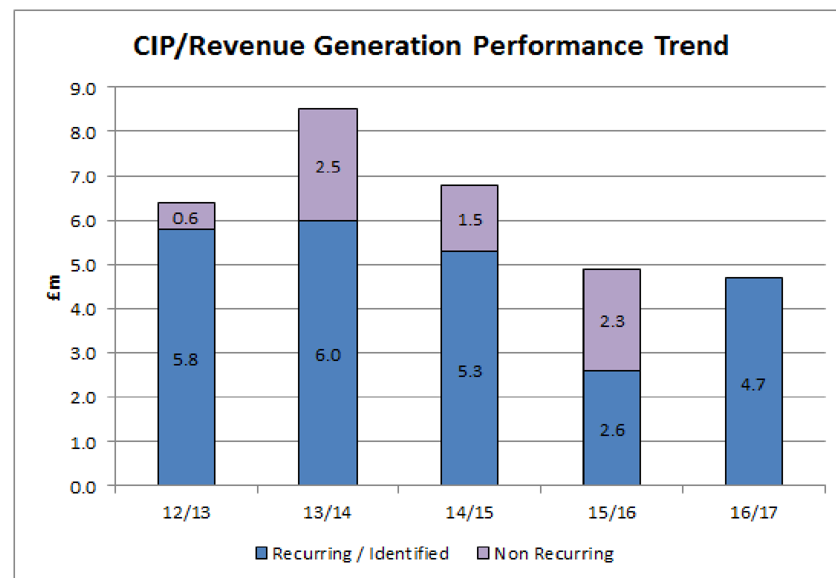
Further sustainable cost savings will be challenging and the potential impact on patient and quality risk has to be continuously re-assessed. A recent national benchmarking exercise in mental health has highlighted Berkshire Healthcare's strong performance in, for example, maintaining a low bed base and low bed day costs, demonstrating little scope for further savings.

The Trust is proactively engaging in opportunities to explore savings through alignment and engagement across local healthcare systems, as described on pages 20-21.

2016/17 CIPs

Despite the above, the Trust is committed to driving efficiencies with a focus on agency. The following CIPs (£4.3m) and 'RevGen' (£0.4m) are planned for 2016/17:

1. Reduce agency spend **£1.7m**
2. Associated with the above, make 'vacancy factor' recurrent **£1.2m**
3. Non-pay and procurement savings **£0.4m**
4. Reduce trust reserves **£0.5m**
5. East Management review **£0.1m**
6. Contribution per contract, specific service level reviews **£0.8m**



Ongoing CIP Opportunities

The CIPs included in the 2016/17 plan have been reviewed and challenged through the budget process and so have a strong level of certainty. We have established a monthly CIP Ideation group, chaired by the Finance Director, to ensure appropriate traction of these CIPs and also to provide consistent, continued review of a number of area which could provide additional in-year benefit. Examples include:

- 'Stretching' the agency target. The agency programme is an area of focus for the whole organisation and could potentially deliver more; currently a barrier to faster change is NHS Commercials Solutions' capacity
- Review of Lord Carter recommendations relevant to the Trust, particularly:
  - IT and Estates strategies
  - Management/overhead costs
- Continued negotiation with commissioners across our contract base, and ongoing development of our Contribution per Contract analysis to support these discussions.

Finance: Agency Rules

Berkshire Healthcare NHS
NHS Foundation Trust

Agency Challenge: work to date

The Agency Programme Board is responsible for the ongoing oversight and actions required to comply with agency rules. NHS Commercial Solutions has been engaged to support the transition towards full compliance with the intention that the Trust will:

- Ensure that agencies who are on Frameworks are providing staff under Framework terms and conditions
- Address the top five non-Framework suppliers (a combined annual spend of c.£2.3m) and put in place a strategy to transfer this spend to compliant Framework providers
- Address the longer "tail" of non-Framework providers who currently support the organisation.

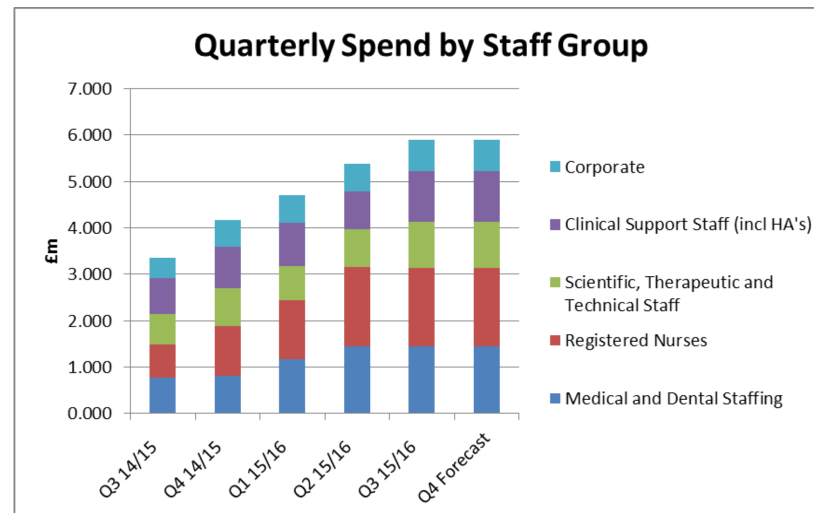
Berkshire Healthcare will be implementing a temporary staff booking system (for bank and agency) using NHS Professionals. This will bring the following benefits:

1. Control for the procurement of agency staff will be centralised
2. The system would provide real-time visibility of demand, use and rates and inform decision making
3. Increased transparency due to the above will improve patient care and quality of service delivery.

We will also be putting in place our own internal 'Bank' in order to increase the pool of staff available across community physical and mental health services. There is a cultural shift required with existing staff, and additional marketing and recruitment needed in the medium to longer term. Short term actions to facilitate this change include, for example, re-basing the staff bank rates currently offered to be more attractive to staff.

We are already developing key performance indicatory (KPI) reports within the new E-Rostering system (being implemented through this year) to provide analysis on the utilisation of existing staff. This will enable more effective use of substantive staff, both in terms of cost and quality delivery to patients.

The graph opposite highlights the scale of our agency challenge.



Agency Rules Implementation: Berkshire Healthcare impact

The 2016/17 forecast outcomes for Berkshire Healthcare in implementing Agency Rules aligned with supporting systems can be summarised:

- Significantly enhanced utilisation of substantive staff using E-rostering
- Reduction in temporary staffing requirement through recruitment to substantive posts and decreased turnover
- Increased use of Bank staff to cover temporary staffing requirements as a result of growth in Bank staff pool
- Controlled use of Framework and Price cap compliant agency staff as a last resort
- 2016/17 CIP plans forecast an agency efficiency saving which we will to stretch through the year. Delivery is, in part, reliant on the capacity of NHS Commercial Solutions which is providing expertise to a number of trusts; their capacity has already been identified as a timing risk to the Trust's savings potential (and wider system objectives).

Finance: Cash and Capital

Berkshire Healthcare NHS
NHS Foundation Trust

Cash Outlook 2016/17

Last year we highlighted the deteriorating liquidity position moving into 2016/17 resulting from the growing operational deficit. The 2015/16 cash outturn is £16.7m, higher than original projected, primarily due to capital expenditure re-profiling and challenge. **The Trust's cash position reduces to £13m by March 2017** (this position excludes any risk to cash with regard to CQUINs – Commissioning for Quality and Innovation).

Liquidity beyond 2016/17

We will continue to keep a high level of scrutiny and cash control; it is important to note that, whilst commissioner negotiations have resulted in a stronger position than originally projected, ongoing deficits would erode cash over time.

To provide assurance in the event of a unforeseen requirement, a £7m overdraft facility has been agreed with the Board.

It is important to note that the cash position includes the disposal of Winterbourne (c.£650k) achieved in 2015/16 and excludes Craven (c.£2m) properties, providing one-off benefits. The sale of Craven properties is likely to go ahead during 2017/18.

Cash Management

The Trust has strong cash management and there will be continued scrutiny on capital expenditure and working capital throughout 2016/17.

It is worth highlighting that NHS Property Services has had a significant impact on cash in/outflows over 2015/16 and the Trust is seeking process assurance to mitigate liquidity risk.

Capital Expenditure

Capital expenditure for 2015/16 is £6.5m following significant challenge throughout the year. The **2016/17 projection is £7m**; this may reduce in-year (c.£1m) due to timing sensitivity on the Learning Disabilities In-patient re-configuration (please note the £0.5m movement from 2015/16 to 2016/17 compared to the previous submission).

Estates

Investment in estates is focused on site/service consolidation and necessary compliance works. The Trust's Private Finance Initiatives (PFI) continue to place capital pressure on resources and the constraining impact of NHS Property Services in enabling the Trust to release estate cannot be ignored. The latter issue is heightened with the announcement of a 'market value' approach to rental costs which will have a direct impact on frontline service provision across all healthcare systems.

Information Management and Technology (IM&T)

Moving into 2016/17 and beyond, our IT investment starts to reduce with the successful implementation of a new electronic patient system, OpenRio. Resources will be focused on developing business intelligence systems and processes to support decision making in delivering improved patient care and stronger clinical systems. This work will also facilitate benchmarking to drive further potential efficiencies and support evidence based commissioning discussions.

Draft Capital Plan	FY 2016/17 £'000
Estates Maintenance & Replacement Expenditure	
- Trust Owned Properties	106
- Leased Non Commercial (NHS PS)	83
- Leased Commercial	70
- Statutory Compliance	330
- Locality Consolidations	1,167
- PFI	1,465
Sub total Estates Maintenance & Replacement	**3,221**
Development Expenditure	
- IM&T Strategy	3,770
- Locality Schemes	0
Sub Total Development Expenditure	**3,770**
Grand Total Capital Expenditure	**6,991**

Healthcare from the heart of your community

Finance: Procurement

Procurement Function

The Procurement team has driven significant savings in recent years:

- 2012/13 c.£393k
- 2013/14 c.£209k
- 2014/15 c.£470k

Projected savings for both 2015/16 and 2016/17 are c.£400k.

The 2016/17 procurement work-plan has identified c.£157k (cautious estimate) of savings so far with 33 contracts requiring competitive action during the year and a further 11 areas which will be extended under options (and negotiated) or taken out to tender. The gap will be met through further analysis and exploring new areas of opportunity.

Procurement Practice

Procurement, in terms of general practice across the Trust, is tightly controlled through Procure to Pay (P2P) systems. All requisitions going through workflow require approval by budget managers and Procurement, and the latter enforces the Trust's competition rules. The level of system control can be flexed so that when a higher level of control is required for a particular area, approvals can be directed to more senior managers to gain traction and visibility.

When going to competition we prefer to use national or regional frameworks for mini competitions, believing these to be the most efficient and effective way to assure appropriate competition. Full OJEU (Official Journal of the European Union) tenders are used as options of last resort.

We act strongly against price increases and the majority of contracts have firm pricing for the duration of the contract. Before extending contracts (under options to extend) we explore opportunities for price decreases in return for the extension (as referenced above for work-plan).

Collaboration

We actively collaborate with other organisations within our local system and more widely. The Trust hosts the Thames Valley and Wessex Pharmacy Procurement Service with the Procurement team running tenders for this service, thereby supporting a number of trusts across the region.

Regionally the Trust is a member of the Southern Region NHS Supply Chain Customer Board. More locally Berkshire Healthcare has recently collaborated on a Non-Emergency Patient Transport contract and is engaged in an enteral feed contract. Collaboration is not always successful as it is reliant on cooperation of all parties; we had the experience of being forced to abandon a tender (and therefore being unable to secure associated savings) due to the actions of other NHS organisations.

Berkshire Healthcare is a member of the NHS Commercial Alliance and participates in their Mental Health and Community Forum, this group being more relevant than most other Procurement forums. We participate in benchmarking that this forum undertakes, finding this more useful than other national benchmarking exercises with their focus on acute equipment which Berkshire Healthcare either does not buy or purchases to a limited extent.

Social Agenda

The Trust recognises that it has a social responsibility, part of which will be delivered through appropriate procurement. Specifically this will include:

- **Sustainable Purchasing:** we will continue to procure in line with our Sustainable Purchasing Policy. This will include the use of our annual Sustainable Procurement Survey to suppliers , which will be entering its 6th year.
- **Equality:** we believe all people should be treated equally regardless of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex, and sexual orientation. The Trust will seek to promote equality through, for example, including relevant questions within the invitation to tender process; clauses within contract terms and conditions; and discussion during contract management meetings.

Agency Programme

In addition to the above the Procurement team is supporting our Agency Programme and has commissioned NHS Commercial Solutions to provide expert advice and support to bring agency use in line with Monitor's rules. This will also meet one our objectives to broaden our procurement contract base; the agency supply base is currently the major gap.

Finance: Commissioning Environment

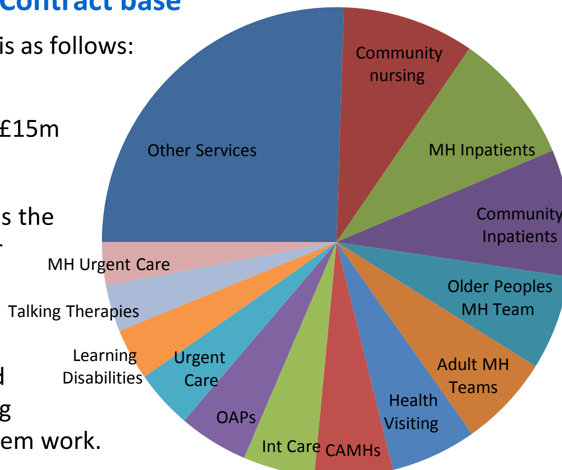
Berkshire Healthcare NHS
NHS Foundation Trust

Berkshire Healthcare Contract base

Broadly our contract base is as follows:

- CCG income: £166m
- NHS England income £15m
- Local Authority £12m

The pie chart demonstrates the nature of spend across our services. There are significant interdependencies between both services and commissioners, underlining the importance of our system work.



Contracting 2015/16 and 2016/17

Significant investment was secured in 2015/16 despite a challenging contract round. The net increase in income was £9m+ but this mostly represented an increase in services rather than providing support to the financial sustainability of the Trust. It is also worth noting the increased contestability through 2015/16 with a number of Service Development Improvement Plans and associated contract penalties and a heightened focus on contractual governance and information requirements.

Berkshire Healthcare, despite its financial position, has been committed to supporting the provision of services across the whole system including its work in assuring the safety of two Berkshire West GP practices from 2014/15 to June 2016/17 in primary care; and ongoing exposure (now resolved) in the delivery of mobility services in the east of Berkshire.

Contract areas for discussion in 2016/17 round

Moving into the 2016/17 contract round we are seeking to secure our contract position and obtain clear deficit support.

Work on mental health tariff development to date has overcome challenges posed by data quality issues and IT system capability to move towards Patient Level Information and Costing systems (PLICs). However, work on development of mental health Cluster pathways has been strong, and a programme of communication and engagement is now underway to support implementation. Resource investment is required to progress appropriately, and system partners need to work together to utilise available resources as efficiently as possible.

Local authorities have signalled their intention to de-commission some services due to financial constraints, and others may be tendered during 2016/17. This is particularly relevant to school nursing and health visiting. These services have been secured within Berkshire Healthcare for 2016/17 but are at risk moving into 2017/18.

We recognise the responsibility of ensuring that our contracts have sufficient income to cover the costs of capital expenditure programmes, such as delivery telemedicine and web technologies, and back office functions such as informatics. This is a key factor in future service sustainability, so that we can evidence and enable transformational change, as well as manage the demands of monitoring and regulation effectively.

Finance: Financial Plan Risks

Berkshire Healthcare NHS
NHS Foundation Trust

Through the budget setting process to date Berkshire Healthcare has identified a number of risks to the projected 2016/17 position. These are summarised below:

Cost pressures (included in 2016/17 plan)

- **Community Inpatient Staffing/Workforce:** recruitment into community nursing wards is increasingly difficult and has remained a cost pressure throughout 2015/16. We are reviewing various options but there is a recognised skill shortage in this field **£0.2m**
- **Mental Health Inpatients Staffing / Patient Acuity Levels:** safe staffing reviews and the increasing need for 1-to-1 observations of patients are leading to cost increases **£0.3m**
- **Medical Staffing:** linked to provision of safe services across the Trust, the medical provision is being increased to avoid gaps in service **£0.2m**
- **NHSPS:** negotiations with NHS Property Services on the facilities management contract Berkshire Healthcare provides has resulted in a reduced contribution to the Trust **£0.2m**
- **Informatics:** increased reporting requirements; contractual performance KPIs; and a greater understanding/evidence base of activity demands have resulted in the need to expand the Informatics function. This is compounded to a degree by poor service from the local Commissioning Support Unit (CSU) **£0.2m**
- **Invest to income generate:** investment in Talking Therapies (IAPT) to enable development and implementation of income generation opportunities **£0.1m**

Further risks (not included in 2016/17 plan)

- There is a definite upward trend in **Out of Area Placements** over the past three years and, due to the expensive nature of each placement, this could be a further financial pressure
- Further cost pressures within **Mental Health Inpatients and Community Inpatients** due to staff shortages and observation levels
- Threat of **decommissioning** on key services which will increase the relative overhead level, most of which is not easily removed. This is particularly a concern with **local authority** commissioners
- Demand for services is increasing without a clear mechanism in our main contracts to **increase income in line with growing demand**. This is needed to enable the Trust to properly provide for patients and avoid associated quality risks
- Berkshire Healthcare has achieved significant CIP benefits over the last four years. Finding additional CIPs is becoming much harder, to enable further savings across the system there is a need for a pan-Berkshire strategic plan involving all healthcare stakeholders. For the Trust this is a particularly pertinent need when demand increases are not funded through our principle contracts
- We are expecting confirmation from NHS Property Services of their **move to 'market value' rentals** as part of cost recovery**.** Whilst it is indicated that this may be funded the position is not yet confirmed and current understanding is that funding may be provided to commissioners rather than to tenants – again adding pressure to the 2016/17 contract round.

Link to the emerging Sustainability and Transformation Plans

making a difference community
understanding together specialist local

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Sustainability and Transformation Planning: 1

Background

Our Operational and Strategic Plan submissions for 2012/13 onwards clearly acknowledged the sustainability risk arising from growth in demand and financial constraints that was facing our organisation. We also highlighted the need for system-wide action to address this, and therefore welcome the requirement for Sustainability and Transformation Plans (STPs) set out in national planning guidance.

As a community and mental health service provider, we have strong links and interdependencies with other local health and social care providers, and are active participants in system-wide initiatives in Berkshire East and West. A key enabler of these is the "Connected Care" initiative, which has a Berkshire-wide scope for the implementation of interoperability across primary care, community physical and mental health, acute and social care record systems.

Berkshire West

The Berkshire West 10 (BW10) Integration Programme has provided a good foundation for the work which will be required for our STP. This programme includes 10 health and social care commissioner and provider organisations operating across the Berkshire West area.

Work has been focussed on development of the Frail Elderly Pathway, (FEP) supported by the Kings Fund and engaging clinicians, expert practitioners and informed by service user feedback to identify key components of the pathway and "enablers" to support its implementation. Economic modelling is currently in progress to assess the financial impact of pathway changes.

During the progress of this work, local Better Care Fund schemes have taken forward integrated responses to local need, informed by the wider FEP work.

In parallel, the BW10 organisations have worked through a programme of System Leadership development, facilitating robust governance and our local response to the Five Year Forward View.

This is focussed on the establishment of an Accountable Care System (ACS) – which will also facilitate the national requirement for health and social care integration by 2020. A draft Memorandum of Understanding, Case for Change and Leadership arrangements for this work have been confirmed and will provide a strong foundation for the development of the STP.

The FEP will be the primary vehicle through which the ACS will seek to achieve operational, clinical and financial sustainability. However, work is also planned for subsequent phases in terms of mental health and children's service provision.

In addition to the Connected Care initiative, our integrated technology plans will be supported by other system-wide enablers including our joint approach to financial planning and use of estate and workforce development work stream.

We will contribute to the Berkshire West, Oxfordshire and Buckinghamshire STP through both our ACS work and the key priorities identified at the STP footprint level.

Berkshire East

The complexity of the health and social care system in the East of Berkshire presents a challenge to system-wide planning: a significant number of patients from South Buckinghamshire use services based in Berkshire, and patients also may use Frimley South, Frimley North or Royal Berkshire acute hospital services. In addition the three Clinical Commissioning Groups and three Unitary Authorities have a strong focus on their own local populations.

During the last year, the New Vision of Care programme has been established, initially focussing on the needs of frail elderly people, but broadening its scope to include younger people with complex needs in response to analysis of local population need.

Sustainability and Transformational Planning: 2

Berkshire Healthcare NHS
NHS Foundation Trust

Berkshire East continued

As in Berkshire West, this programme has been supported by the Kings Fund model of integrated working and has identified key principles, features and components.

The work has included engagement of staff, services users and the public, and the supporting work streams are now being refined to enable implementation. The pace of work now needs to be accelerated to enable the development of a robust action plan with clearly identified benefits. As in Berkshire West, we anticipate this work informing our contribution to the STP in the Frimley footprint, alongside specific priorities identified for the wider geography.

Mental Health

Although mental health services will be in scope as part of the STPs, we recognise the key focus of partners and regulators is likely to be on physical health care pathways and acute care demand and capacity challenges. In order to ensure a strong focus on the needs of people with mental health problems, we are currently developing a mental health strategy, in collaboration with CCGs and unitary authority partners, for implementation from 2016/17. This will be informed by the work of the National Mental Health Taskforce, our analysis of national evidence and policy guidance as well as local benchmarking data.

Children, Young People and Families (CYPF)

Our strategy includes integration of our own services, to achieve:

- Services tailored to meet individual needs
- Accessed through a single contact number, with prompt access to a CYPF health hub, available 24/7
- Provision of guidance and support through the use of technology
- A single, unified assessment process to create a care plan agreed in partnership with each young person and their families
- Smooth and timely transition processes into adult services.

Learning Disability Services

We have contributed to our local Transforming Care Partnerships to develop a robust plan for the development of services across east and west of Berkshire. This is a key element of the overall plans which need to be developed and implemented to achieve sustainability of service provision.

Primary Care

The importance of good quality, responsive primary care services for the effective functioning of the whole health and social care system is recognised nationally and locally. As a community and mental health service provider, we believe we have a strong contribution to make towards the strengthening of the resilience and sustainability of primary care services. Our experience as the provider of out of hours GP services in Berkshire West, the Slough Walk-In Centre and associated GP Practice has been developed further since we took on two interim APMS contracts for GP Practices in Reading, which will cease in June 2016. Both Practices had been experiencing significant challenges, and our progress in addressing these has been acknowledged by the CQC. However, there have been significant challenges in providing safe, good quality services within the limits of the national contract and income frameworks. A significant driver in this is the high cost of locum GP cover driven by limited supply and increased demand for GPs required to support 7 day working and maintain effective out of hours GP services.

We are currently working with GP Partner providers and CCGs to develop locally appropriate models to take forward our future role in supporting primary care service provision - which we recognise is a critical component of system working, requiring the support of commissioners and providers.

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Membership and elections

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Membership and elections

Berkshire Healthcare NHS
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Council of Governors and Elections

Berkshire Healthcare's Council of Governors comprises 32 representatives and has enjoyed a stable and engaged membership since our foundation trust authorisation in 2007. All governor positions are currently filled ensuring a broad range of input from staff, the public, local authorities and the voluntary sector.

Whilst election turn-out is sometimes disappointing, we have been successful in achieving contested elections in almost all public and staff constituency elections in recent years. We successfully held open member/public events to raise awareness of the role of a governor and to encourage members to stand.

2016 will see further election activity, particularly in public constituencies as long serving governors come to the end of the maximum permitted nine consecutive years. Member events are being arranged to help ensure we secure sufficient interest in the vacancies to deliver contested elections.

The induction, training and ongoing development of governors aims to enable those elected to fulfil the statutory requirements of the role as well as provide individual governors with the opportunity to contribute to their wider role. Local induction by the Chair, Lead Governor and Company Secretary is supplemented with attendance on the core module of the Governwell development programme delivered by NHS Providers. Governors with specific responsibilities, such as recruitment of non-executive directors, have access to the relevant specialist Governwell module. Locally delivered training is also arranged either to deal with a specific issue, such as the role of governors in transactions, or to address development needs identified by governors through the annual self-assessment evaluation process. Development also features regularly within the quarterly joint meetings held between the Council and the Board.

Governors use a variety of opportunities to engage with members and the public, drawing on their own community links, attending member evening events and joining local engagement opportunities, such as locality events on World Mental Health Day, and attending Reading Pride.

The Council of Governors has a Membership and Engagement Committee that oversees the Membership Strategy. Governors have also been instrumental in promoting and supporting an annual conference for the sharing of best practice in support of the patient recovery model, seeking to ensure that people can achieve the maximum potential from their lives.

The Trust was pleased that the independent well led governance review conducted in 2015 concluded that "A particular strength is the relationship between Governors and the Board, an area where many of the FTs we have recently worked with have reported challenges".

Membership Strategy and Engagement

Our current membership is 11,314, with 60% public members. Our main strategic goals for membership are:

- Ensuring that the membership is representative of our local communities
- Maintaining or exceeding our target membership of 10,000
- To use the unique experiences, skills and knowledge of our members to improve services and drive up standards
- To secure interest in governorship and an increasing level of interest in elections to the Council of Governors

We use a range of events and publications to recruit a diverse membership, including:

- Providing health checks at events such as the Reading Pride and Newbury's Culture Fest, which are well attended by our Lesbian, Bisexual, Gay and Transexual, and our Black Minority Ethnic communities respectively. Our Chlamydia 'lucky dip', lung age test and blood pressure checks attract new members as well supporting the health and wellbeing of our local communities
- Publishing membership magazines to update members with the latest news and highlight opportunities to be involved.

We are procuring a new membership database supplier to enable more targeted and flexible communication with members.

Glossary of terms

Berkshire Healthcare NHS
NHS Foundation Trust

ACS	Accountable Care System
APMS	Alternative Provider Medical Services
BAU	Berkshire Adolescent Unit (Tier 4 CAMHs)
BCF	Better Care Fund
BME	Black Minority Ethnic
BW10	Berkshire West 10
CAMHs	Child and Adolescent Mental Health Services
CCG	Clinical Commissioning Group
CIP	Cost Improvement Plan
CQC	Care Quality Commission
CPE	Common Point of Entry (to our mental health services)
CQuIN	Commissioning for Quality and Innovation
CRHTT	Crisis Resolution and Home Treatment Team
CSU	Commissioning Support Unit
CYPF	Children, Young People and Families (programme)
EIP	Early Intervention in Psychosis
FEP	Frail Elderly Pathway (Berkshire West)
FYFV	Five Year Forward View
FSRR	Financial Sustainability Risk Rating
IAPT	Improving Access to Psychological Therapies
IM&T	Information Management and Technology
KPI	Key Performance Indicator
LETB	Local Education and Training Board
MH	Mental Health
MHA	Mental Health Act
NHSi	NHS Improvement
NHS PS	NHS Property Services
NICE	National Institute for Health and Social Care Excellence
OAP	Out of Area Placement
OJEU	Official Journal of the European Union
PD	Personality Disorder
PFI	Private Finance Initiative
PICU	Psychiatric Intensive Care Unit
PLICS	Patient Level Information and Costing System
P2P	Procure to Pay (software)
QEG	Quality Executive Group
QIA	Quality Impact Assessment
Rev Gen	Revenue Generation
SDIP	Service Development Improvement Plan
STF	Sustainability and Transformation Fund
STP	Sustainability and Transformation Plan
UA	Unitary Authority
WTE	Whole Time Equivalent (staff)