

Trust Plan

2017/18 - 2018/19

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Version for publication

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1. Foreword from the Interim Chief Executive

Thank you for taking the time to read this summary of Southern Health's two-year operating plan, covering the period to March 2019.

Our Plan has been designed to build on the considerable progress that Southern Health has made during 2016/17 and to ensure that the Trust is positioned to make a full and active contribution to the Sustainability & Transformation Plans for this area.

The challenges for our organisation over the last 12 months have been significant, but we are now well progressed in making the changes needed to ensure we consistently deliver services that meet the standards people who use or rely on them quite rightly expect and deserve.

In 2016/17, I am pleased to report that all key access and financial targets have been met and that we have solid plans to maintain and improve this performance in the year ahead. With regard to the governance of the organisation, recent months have seen interim appointments to the key roles of Chief Executive and Chair, the development of our new Clinical Services Strategy, and the lifting of the warning notice placed on the Trust by the Care Quality Commission.

In particular, the Clinical Services Strategy has been designed to give confidence and clarity about the future of Southern Health's services, and how these can be delivered to achieve the best possible outcomes for people who use them. This review has gratefully relied on extensive input from partner organisations, staff and, above all, our patients, service users, and their families and carers.

Our planning through to 2019 builds on these recent successes and sets the standards by which Southern Health will ensure it continues to make the necessary improvements.

Understanding that one of our previous failings has been that we have not always adequately listened and responded to concerns expressed by staff, service users and families, a significant amount of our focus in the next two years will remain firmly rooted in this area. We are determined to be recognised as an organisation with an open and transparent culture, that staff are proud to work for, and from which people who use services always receive high quality, safe and effective care.

I hope you enjoy reading this plan, and look forward to working with you as we take the next important steps on this journey.



Julie Dawes, Interim Chief Executive

2. Context

- 2.01 This operating plan is being published at a time of great challenge and change for health and care services. Many of these issues are faced by organisations like ours across England, but others relate to the particular conditions within our local systems, and others indeed are specific to Southern Health itself.
- 2.02 The Trust has worked hard to ensure that the plan we agree for the next two years is properly aligned to the context in which we are operating, and that it can therefore rely on the maximum possible support from our stakeholders. There have been two principal areas of focus in this respect.
- 2.03 The first is the Clinical Services Strategy, the outputs of which are outlined in greater detail in Section 3 of this document.

The Hampshire and Isle of Wight Sustainability & Transformation Plan (STP)

- 2.04 In respect of the second area, the Trust has been closely engaged with work across Hampshire and the Isle of Wight to develop the STP. In particular, we recognise the importance of building new delivery approaches through strong sets of local relationships, and have configured ourselves to face into each of the Local Delivery Systems that have now been established.
- 2.05 The STP is focussed on creating benefits in all of the Local Delivery Systems via the support of six overarching 'core programmes':



For a provider like Southern - delivering mental health, learning disability and physical health services in both community and inpatient settings, and with a presence in each of the geographical Local Delivery Systems in Hampshire, our interface with the STP is significant and we have a material interest and role to play in delivering each of the programmes.

- 2.06 In respect of the **Mental Health Alliance**, the work undertaken through our Clinical Services Strategy review has allowed Southern Health to make a significant contribution – not least as a result of the external clinical perspective provided by Northumbria, Tyne & Wear NHS Foundation Trust (a CQC 'outstanding' rated provider), and the critical challenge around the care model delivered through our external Expert Reference Group.

2.07 The other significant area of focus is the **New Models of Integrated Care** programme. This work has been built on the back of extensive engagement with the Local Delivery Systems, and the articulation of five common clinical change priorities.

Place based systems of integrated care the bedrock of our plan

Our local place based services in Southampton, Isle of Wight, Portsmouth and in natural communities in Hampshire are the bedrock of our plan, each one brings together primary, community, social, mental health, and voluntary sector services into a multi-disciplinary team providing extended access and simplified care for the local population.

We are delivering this new model through three vanguard programmes and through transformation programmes in Portsmouth & Southampton City, as illustrated below:

These programmes will deliver place based integrated care through consolidated single points of access and sustainable primary care in each locality in HIOW, with 5 'big ticket' interventions consistently implemented:

Hampshire: Better Local Care
Better Local Care.
Integrated health and social care teams working together at scale around extended primary care teams. 2016/17 developing MCP offer in 3 fast implementer sites

North East Hampshire and Farnham: Happy, Healthy at Home.
PACS Accountable Care System based around five natural communities with practices working together to deliver integrated care with Frimley Health, community, mental health and social care services.

Portsmouth & SE Hampshire
Health and social care providers and commissioners working together to create an Accountable Care System that leads to transformed health and care outcomes and a sustainable health and care system for Portsmouth and South East Hampshire

Better Care Southampton
A joined up approach to local person centred care and support based around 6 clusters across the city, aligned to GP practice populations. Within each cluster, health, social care, housing, voluntary and community sector providers are working together to identify needs early and intervene in a coordinated person centred way to improve outcomes for local people

IOW: My life a full life
My Life a Full Life is a new model of care for the Islands residents which will:- ensure everyone works together to give people the right support and information to enable them to stay well and live their lives to the full, ensure care is wrapped around the person and provided closer to their home, with residents only having to travel further for their specialist help or emergency treatment.

Foundation for independence & self care

We will deploy an eConsult platform for primary care supporting self-care and channelling people to the optimal care settings. We are also introducing care navigators & social prescribing: shifting current primary care activity to a non-clinical workforce

Fully Integrated Primary Care

Primary care working at scale to deliver urgent care across 7 days. Joined up, enhanced multi-professional primary care teams with extended skills and extended access care hubs in localities

Integrated Intermediate Care

Integrated health and social care including: domiciliary recovery and rehab teams, non-acute beds, urgent community response, Emergency Department liaison.

Complex & End of Life Care

Dedicated support from the multi professional team for those patients at greatest risk, including the 0.5% of patients with the most complex needs and those at end of life.

LTCs: Diabetes & Respiratory

More specialist cases managed in primary care setting, specialist roles as a core part of the local primary care team, and consultants working to support shared management of cases with GPs without the need for formal referral.

2.08 These priorities map closely to the transformation projects the Trust has been pursuing through its involvement in the Better Local Care 'Multispecialty Community Provider' vanguard, and therefore represent a continuation of the priorities for our community health services identified in the 2016/17 Plan.

3. Southern Health Vision & Strategy

3.01 In 2014, Southern Health refreshed its vision, mission and strategy. Our vision for a **sustainable, person-centred health and care system** continues to be the key driver for our clinical strategies across all our services.

3.02 Within this overall vision, Southern Health’s mission is to **achieve excellent health and care outcomes for the population we serve**, and we retain our commitment to the strategic goals for healthcare organisations laid out in the Institute of Healthcare Improvement’s ‘Triple Aim’.



3.03 These promote the pursuit of improved patient and user experience, improved outcomes for people who use services, and improved value for money - within an environment that places quality and safety of care at its very centre.

3.04 In pursuit of these goals over the course of the next two years, the Trust will focus on four principal strategic projects:

Southern Health Strategic Projects	
1	Quality Deliver high quality, safe services that command the confidence of people who use or rely on them
2	Transformation Implement our Clinical Services Strategy, transforming our care models to deliver great outcomes for the people who use or rely on our services
3	Money Focus on eliminating waste, and increasing productivity and effectiveness, to create the financial flexibility and resilience needed to invest in the future of our services
4	People Develop a strong and sustainable workforce, with the culture and stability to deliver the Trust’s objectives

Clinical Services Strategy

3.05 In October 2016, in recognition of the themes underlying the public and regulatory scrutiny on the organisation in recent years, the Trust initiated a project to develop its Clinical Services Strategy. This was undertaken in open partnership with stakeholders. Our case for change was coproduced with our staff, and crucially with people who use our services, their families and carers. We have been able to rely on the generous input of local partner organisations; and on the commissioners of our services, who have played a full and active role in the Board overseeing the progress of the review.

3.06 Deloitte LLP were appointed to help us structure and undertake the review, and this was delivered in partnership with Northumbria, Tyne and Wear NHS Foundation Trust – a mental health and learning disabilities organisation rated ‘outstanding’ by CQC.

3.07 The Clinical Services Strategy work was structured to deliver three principal outputs:

- Developing a clinical strategy for our mental health and learning disability services
- Reviewing the progress of our Multi-speciality Community Provider (MCP) work and making sure it is aligned with the mental health and learning disability clinical strategy
- Considering the implications of this work on the Trust and look at what is the best organisational structure(s) that will deliver the strategy for MH/LD and for new models of care to deliver the best care for patients.

3.08 The Trust is committed to become Service User, Family and Carer-led. To achieve this, it will actively engage and involve Service Users, their Families and Carers in not only the planning and development of this strategy, but its implementation too. More than this, the Trust will involve them in the running of the services, putting them into the revised and updated governance structure and involving them in the quality improvement approach to be established to help ensure continuous improvement and keep lines of communication and engagement open at all times.

3.09 Building on the feedback we received, and on best practice, the following service principles were co-developed as a starting point to base the service redesign on:

	To provide high quality, safe, person-centred and holistic services which improve the health, wellbeing and independence of the people we serve
	To deliver needs-led services , which are timely, proactive and easy to access by all, 24/7
	Having the right people doing the right job , taking ownership and pride in good communication
	A recovery-focused approach, with a positive attitude to strengths, resilience and risk-taking, and which is adaptable to change
	Strong partnership working to provide continuity across interfaces and transitions, supporting prevention and early intervention

4. Overview of Priority Projects for 2017-19

Project	Results	Users	Benefits
Quality	<ul style="list-style-type: none"> - Full regulatory compliance (minimum 'Good' overall CQC) - Quality account priorities delivered in full - Within top 20% of comparator Trusts nationwide for engagement of people who use or rely on our services (focus on coproduction and delivery of care outcomes) - Meeting all proscribed access targets, and evidenced improvement against locally identified access priorities - Patient, family and public engagement plans lead to more engagement and involvement in clinical and care decisions and better understanding of our work 	<p>People who use and rely on our services will consistently experience safe, timely and effective care, focussed on achieving the outcomes that matter to them.</p>	<ul style="list-style-type: none"> - Increased patient engagement with care - Fewer health crises and improved clinical outcomes - Lower rate and severity of avoidable harm to people using our services - Improved relationships and assurance gained by regulators and commissioners - Improved interfaces with other service providers leading to more effective coordination of care
Transformation	<ul style="list-style-type: none"> - Improvements implemented within the Trust's mental health services in line with the Clinical Services Strategy and the STP Mental Health Alliance plans - Secure and specialised mental health services developed in partnership with commissioners - Extended primary care teams embedded in each of the Local Delivery Systems 	<p>People who use or rely on our services will have confidence our services are continuously evolving to meet their needs and expectations, and delivering improved outcomes on the basis of evidence about what works.</p>	<ul style="list-style-type: none"> - Services that meet the needs and expectations of people who use or rely on them (FFT/NPS) - Reduced variation in service performance - Commissioner confidence in SHFT as a provider of choice, evidenced by appropriate business growth

Project	Results	Users	Benefits
	<ul style="list-style-type: none"> - Integrated health and social intermediate care service developed with Hampshire County Council, serving all Local Delivery Systems - Processes commenced to implement organisational form and service change priorities that result from the Clinical Services Strategy 		
Money	<ul style="list-style-type: none"> - Services delivered within 2017/18 NHSI financial control total - Detailed and balanced medium term financial plan 	People who use or rely on our services will experience services that are stable, appropriately resourced, and that invest in the facilities required to deliver excellent care.	<ul style="list-style-type: none"> - Improved cash position - Ability to strategically invest in service development priorities - Ability to construct fuller and more ambitious capital plans
People	<ul style="list-style-type: none"> - Increased workforce stability, evidenced by improved capacity and reduced turnover - Overall rating of 'Good' in the CQC well-led domain - Evidenced progress towards establishing Trust in top 20% of comparators for National Staff Survey engagement score - Detailed, balanced strategic workforce plan 	People who use or rely on our services will experience greater continuity of care, working with skilled staff who are caring, compassionate, and focussed on delivering outcomes that matter to the people they care for.	<ul style="list-style-type: none"> - Safer care - Reduced cost premiums associated with absence and vacancy - Improved continuity of care - Decision making is safely devolved in more areas of the Trust - Lower employee relations activity - Ability to manage strategic workforce change in support of new care models

5. Quality

- 5.01 Under the Board leadership of the Chief Nurse, the Trust’s Quality Programme priorities are aligned with NHS England guidance, with our leadership and governance structure overseeing improvement activities in the three core areas of patient safety, clinical outcomes and patient experience.
- 5.02 Structures and processes have been strengthened during 2016 and a Quality Improvement Strategy was approved by the Board. Quality Business Partners oversee the delivery of governance processes within the clinical divisions, provide challenge, monitor progress and provide expert advice. Performance is monitored against delivery of quality priorities and completion of action plans through a weekly delivery group, chaired by the Chief Nurse.
- 5.03 To support the Trust-wide objective of achieving a “Good” CQC rating, all teams now have individual quality improvement plans in place. These detail what is required to improve current CQC rating to achieve at least “Good”.
- 5.04 A quality assessment tool is being developed which will be completed monthly and feed into the Tableau business intelligence platform. This will provide an evidence based indication of a likely rating for each team which will help highlight areas where additional focus is required.
- 5.05 Weekly quality improvement meetings have commenced where teams present their self-assessments and these are followed by discussion and challenge. The Trust is exploring development of a quality accreditation system to help drive quality improvements, based on the experiences and learning from Salford Royal NHS Foundation Trust.

Quality Account Priorities

- 5.06 The draft Quality Account priorities for 2017/18 have been selected by the Trust’s clinical leaders, in consultation with stakeholders, and are as follows:

Patient Safety	Patient Experience	Clinical Outcomes
Risk Assessment & Crisis Planning	Self-Management Agenda	Community Team Working with GPs
Serious Incident & Mortality Improvement Plan		

- 5.07 **Risk Assessment & Crisis Planning** is about ensuring every patient has their individual level of risk assessed at each stage of their journey and/or at the point of changes to their clinical condition. The improvement activity of 'no decision in isolation' must become a key safety feature of every multi-disciplinary meeting. Improvements are also required to ensure that patients are discharged from service with a crisis contingency plan which is individualised to their needs and shared, where applicable with their carer or family member.

- 5.08 The **Self-Management Agenda** is about all patients and services users being encouraged and supported to participate in their own care, playing an active part in creating and agreeing the contents of their management plans for both mental and physical health. This priority responds to information received in patient experience questionnaires.
- 5.09 In terms of **Serious Incidents and Mortality** processes, substantial work has been prioritised during 2016/17 to create and embed processes to meet the recommendations of the Mazars report. In 2017/18 it is important to gain assurance that the outcomes of our activities are delivering positive outcomes both internally and externally.
- 5.10 Within the development of the 'Better Local Care' model there is a requirement that all clinical staff, regardless of their employer, work together to form cohesive locality driven teams to provide a quality service to all patients and service users. This year we will focus on how we support our **Community Teams working with GPs** to deliver high quality, integrated care.

Operational Delivery

- 5.11 During 2016/17, Southern Health has performed well against its regulatory and contractual targets for operational delivery (access to care). There are a small number of areas where focussed improvement activity is required, and specific improvement plans are in place to deliver these.
- 5.12 Activity within mental health services is funded through block contracts. Discussions have been progressed with commissioners around investments to meet population need and the requirements of the 5 Year Forward View. Considering both mental and physical health needs of our patients will influence the design and integration of services. The Clinical Services Strategy and the work which follows will be fundamental to establishing the more detailed operating models for the future.
- 5.13 Delivery of new care models will require a system wide (rather than organisation-focussed) approach to activity planning, and more importantly understanding the impact that activity has on delivering improved health outcomes. This approach will continue to be developed in collaboration with primary care colleagues over the life of our plans.
- 5.14 The Trust's business intelligence tool (Tableau) will be used increasingly to demonstrate links between disciplines and to inform activity planning. The system, the use of which is now firmly embedded in clinical planning, can be used to monitor changes in demand (down to referrer level) and the impact this has on the ability to deliver activity (down to team level).

6. Transformation

- 6.01 The detail of the implications of the new Clinical Services Strategy for our Mental Health and Learning Disability services is being actively developed following the conclusion of the process in March 2017. Improvement priorities have been based on the design principles set out at 3.09.
- 6.02 In respect of our Integrated Community Services, there is widespread recognition that the innovative work Southern Health has pioneered with colleagues in general practice through the Better Local Care vanguard has set the standard for how these vital services will be developed

into the future. It is also evident, however, that the Trust is not able to set the conditions for such ambitious change via these partnerships alone.

- 6.03 There is now, therefore, an imperative to make sure that the pace of change is accelerated. The Trust intends to manage this by focussing on the projects to which it can make the most significant contribution, and to contribute to the wider care model development by partnering with the strong commissioner and provider platform the STP Local Delivery Systems will provide.

Developing Mental Health Services

- 6.04 The Trust, working with its partners, will **improve Access to Services** through the use of a single point of access (SPoA). This will be a 24/7 service that will triage all referrals into the Trust (urgent or routine) and will be accessible to everyone, providing a warm transfer to services within and outside of the Trust to ensure nobody is “fobbed off” or told that they do not meet “access criteria”.
- 6.05 A robust and timely **Urgent Care Pathway** will be developed where, what is deemed “urgent” will be determined by the Service User and not the Trust - as per Crisis Concordat guidance. In order to build robust, 24/7 urgent and crisis response, the Trust will plan to extend its Hospital @ home service in particular, but also investigate other enablers such as street triage and crisis houses and cafés. This element of the service will work closely with the SPoA to allow urgent and crisis referrals to be dealt with outside of the Community Mental Health Teams (CMHT) so that they can focus on planned or routine work to help prevent escalation.
- 6.06 The Trust will **redesign Community Service Provision** to ensure that CMHTs have the correct level of resource with the right clinical skills, in the right place, at the right time, working to evidence-based pathways, focusing on proactive and preventative strategies wherever possible. This will be characterised by standardised assessment, clarity of roles, integration with physical health and a recovery focus from the start. This approach will be adopted across functional illness within adult mental health, OPMH and Learning Disabilities.
- 6.07 Strengthening community services will assist people to stay out of hospital. **Inpatient Admissions will have a clear purpose** with clear admission and discharge criteria. Care will be required to be purposeful, optimised and consistent, based on interventions agreed by working in close collaboration with Service Users, their Families and Carers, and with community services.
- 6.08 **Primary Care IAPT Services** will work in collaboration with Secondary Care services, to ensure Service Users have the most appropriate level of treatment for their individual needs and growing demand is met.

Developing Secure and Specialised Mental Health Services

- 6.09 The Trust will provide highly skilled services across a **Complete Pathway for those with Specialist Needs**. Specialised services staff will focus on the work for which they are commissioned but will also work in support of mainstream services to deliver the full pathway, thereby strengthening the community forensic services team too.
- 6.10 The Trust will continue its work within the **Tertiary New Care Models** project (with Oxford Health) and expand its role in developing a CAMHS secure pathway as requested by NHS England. In addition it will play a full role in the development of a strategy for CAMHS services across Hampshire.

New Models of Integrated Care

- 6.11 One of the most significant priorities the Trust faces in its integrated community services is to conclude the journey with partners in general practice to create strong and resilient **Extended Primary Care Teams**. This will tackle fragmentation in out of hospital services, making better use of the mix of skills and professionals, and allow care to be planned with patients in accordance with the outcomes that are most important to them. This is a significant change, that will require intensive focus on clinical information, governance, and some flexibilities within the commissioning of services. The Trust will rely on the strengthened arrangements within the Better Local Care Vanguard and the New Care Models programme of the STP (see section 2) to achieve this.
- 6.12 At the same time as focussing on arrangements for proactive primary care, the Trust will be working to address the high profile issues around delayed transfers of care, and will be prioritising efforts around the creation of stronger **Integrated Health and Social Intermediate Care**. In recent years, the establishment of Enhanced Recovery and Support services - providing flexible, recovery-focussed care in people's homes - has proved the importance and contribution such services can make to reducing the long-term impact of health crises and thereby promoting long-term independence. In 2017/18, our priority will be to work with colleagues in Hampshire County Council to ensure the health and social care offer is properly integrated; and with commissioners to ensure that, across all communities of Hampshire, a strong service offer is in place.
- 6.13 During the year, we will also focus on our model for **Older Persons' Mental Health**. The Trust has achieved tangible benefits in recent years by bringing teams working around the physical and mental health needs of older people closer together in their practice and management. However, the Clinical Services Strategy provides an opportunity to consider how we strengthen these services even more – safeguarding the gains made through integration of clinical practice, but focussing hard on strengthening governance and service development in this highly specialised area.
- 6.14 The Trust is very proud of its Children's services, and this was reflected during a successful Joint Targeted Area Inspection in 2016/17. However, there is recognition that the national commissioning direction of travel is towards a single **Children's 0-19 Model**, and the Trust will be focussing its attention during 2017/18 on developing its approach in line with this. As part of this, we are keen to establish rapid learning from our innovative delivery pilot with Barnardo's around our Health Visiting contract.

Service Change

- 6.15 Throughout 2016/17, Southern Health has been working to strategically divest a number of services which has reduced both scope and geographical coverage. This has included:
- All Social Care Services will have transferred out of the Trust by April 2017.
 - The Learning Disability Services in Buckinghamshire were divested during 2016/17 and Oxfordshire Services are planned to transfer out of the Trust by April 2017.
 - Notice was served on the medium secure service in Oxfordshire (Evenlode), and this is anticipated to take effect at the beginning of 2017/18.
 - Work is ongoing to enable the transfer of elective surgical services at Lymington Hospital to a larger scale surgical provider.
 - In Northeast Hampshire & Farnham PACS, the Trust piloted transfer of community services into an integrated arrangement, led by Frimley Health, from January 2017.

6.16 In all of these scenarios, the driver is to position the services to optimise clinical, financial and operational sustainability. Working with partners and successor providers to plan and effect smooth transfers and service continuity remains a top priority for Southern Health.

7. Money

Financial Performance 2016/17

7.01 The financial plan for 2016/17 was a deficit of £0.4m (after receipt of £2.7m of Sustainability & Transformation Funding (STF)). This was £1.3m better than the required control total. During the year it was agreed with NHS Improvement that additional expenditure relating to the Trust's improvement plans could be incurred, so long as the revised forecast did not exceed the control total deficit of £1.7m. The latest forecast is that this will be achieved despite significant pressures around out of area beds and delivering the recurrent CIP target.

Financial Plan

7.02 The following table shows the financial headlines for 2016/17, and draft plans for 2017-19:

	2016/17 plan £m	2016/17 forecast £m	2017/18 plan £m	2018/19 plan £m
Income	321.1	320.9	298.8	301.9
<i>Of which, STF</i>	2.7	2.7	2.9	2.9
Operating Expenses	(304.4)	(306.5)	(280.6)	(283.0)
EBITDA	16.7	14.4	18.2	18.9
Non-operating Expenses	(18.4)	(17.4)	(16.5)	(17.2)
Surplus/(Deficit)	(1.7)	(3.0)	1.7	1.7
Adjustments	1.3	1.3	1.2	1.2
Adjusted Surplus/(Deficit)	(0.4)	(1.7)	2.9	2.9

7.03 The assumptions built into this plan include those in the NHS planning guidance for 2017/18 and 2018/19, a number of specific known cost pressures and delivery of cost improvements. The impact of each of these assumptions is shown in the following table.

Assumption	2017/18	2018/19	Baseline	2017/18	2018/19
	% change	Baseline		£m impact	£m impact
Income inflator	0.1%	0.1%	all relevant income	0.3	0.3
Pay inflation	2.1%	2.1%	all pay expenditure	4.3	4.1
Drugs	5.3%	4.6%	all drugs expenditure	0.2	0.2
Non pay inflation (excl drugs and CNST)	1.8%	2.1%	all relevant non pay	1.2	1.4
CIP delivery / income generation	5.0%	3.7%	on pay and nonpay expenditure	12.8	9.5

7.04 The income inflator has been assumed as 0.1% (£0.3m) in addition to full recovery of CQUIN on all relevant contracts, with the 0.5% risk reserve being held as deferred income. The impact of increased pay costs due the national pay award, annual increments, the new apprenticeship levy and the immigration skills charge amounts to £4.3m.

- 7.05 The plans will meet the agreed control total surplus of £2.9m (after receipt of STF) in each of the next two years. This takes into account the improvement needed to move from the 2016/17 forecast deficit of £4.4m (excluding STF) to the planned breakeven in 2017/18 (excluding STF), cost pressures over and above tariff uplift, and the significant challenge in delivering CIPs higher than national efficiency target of 2%

A table setting out the bridging elements is shown below:

Bridge from 2016/17 Forecast to 2017/18 Control Total Surplus	
	£m
16/17 Forecast Deficit	(1.7)
STF income	(2.7)
Forecast Deficit excluding STF	(4.4)
Non recurrent items (net)	1.4
Non recurrent CIPs	(2.3)
FYE Service Transfers	0.1
Recurrent Surplus/(Deficit)	(5.2)
Tariff inflator	0.3
Inflation - Pay and Non Pay	(5.2)
Cost of Capital	(0.5)
Cost Pressures	(2.2)
Cost improvement programme	12.8
17/18 Surplus / (Deficit) pre STF	0.0
STF	2.9
Control Total Surplus	2.9

- 7.06 The divestment of services during the latter part of 2016/17 results in an element of fixed and semi-fixed overhead that will need to be addressed over the plan period. The Trust also faces a number of cost pressures including service pressures and an increase of 20% (£0.3m) for CNST premiums.
- 7.07 Capital investment of £12m has been included in the plan, which is higher than recent years' plans that have averaged around £9m. None of the current schemes for 2017/18 require business cases to be submitted to NHS Improvement, DH or HM Treasury. Priority has been given to ensuring that our services are delivered from safe and compliant premises and, for this reason, enabling works to address environmental concerns will continue to be prioritised.
- 7.08 The Cost Improvement and Income Generation targets required to deliver control total surpluses of £2.9m in 2017/18 and 2018/19 will total £12.8m (2017/18) and £9.5m (2018/19). These equate to 5.0% and 3.7% of spend respectively.
- 7.09 The forecast closing cash balance for 2016/17 of £22.2m is an increase in year of £2.0m. £3.3m of the additional cash generated through asset disposals in 2016/17 will support

increased capital programme expenditure. The Trust's planned closing cash balances are £21.1m (2017/18) and £23.9m (2018/19).

Contracts & Income

- 7.10 Southern Health has contractual agreements in place with each of its commissioners for 2017/18. Our commissioners have clarified their commitment to invest in the development of services to deliver the objectives set out in the Five Year Forward View for Mental Health, and intensive work is ongoing to finalise the business cases that will support this.
- 7.11 Overall contract income in 2017/18 will be lower than 2016/17 due to the divestment of the TQtwentyone services, the transfer of the Oxford learning disability services, and the transfer of North East Hampshire services. The financial impact of retaining the Quit 4 Life (Smoking Cessation), Health Visiting and Psychological Therapies (IAPT) services has been reflected in the plan.

Use of Resources

- 7.12 This new measure was introduced in Oct 2016, with a score ranging between 1 (best) and 5 (worst). The Trust initially achieved a score of 2. Since December, this has deteriorated to a 3 due to spend on agency workers exceeding the ceiling target by more than 50%. Improved performance against three of the five targets in 2017/18 will improve the use of resources metric rating to a score of 2 for most of the year before achieving a score of 1 by March 2018.

8 People

Workforce Stability & Temporary Resourcing

- 8.01 To successfully deliver the changes set out in our clinical services strategy, and to support the work of the many brilliant people who work for the organisation, it is essential that Southern Health develops a stronger and more resilient workforce. The Trust has recognised that in some areas our staffing levels are below what we have targeted, and that we also need to urgently address the proportion of people who leave the Trust following a relatively short period of service. Recruitment and, possibly more importantly, retention of staff will be a major focus for the Trust in 2017/18 and beyond.
- 8.02 There is a significant impact, both financially and in terms of care delivery, from using temporary staffing. While data shows us that a high proportion of the locally available workforce is engaged by Southern Health, this is frequently in a bank or agency capacity. In addition to focussed work to increase our permanent headcount and introduce greater continuity (via longer term assignments) for people who work through our bank, the Trust will also be taking concerted action in 2017/18 (with the executive sponsorship of the Medical Director and the Chief Nurse) to control temporary staffing costs. This will include prioritised work to improve the way in which our electronic rostering system is used, and tighter management controls around the use of high cost agencies.

Values, Culture & Staff Engagement

- 8.03 The engagement of our staff in what the Trust is striving to achieve is another critical element in Southern Health meeting the ambition we have set out in the Clinical Services Strategy. Given the intense media attention and public scrutiny, we acknowledge there is significant work to rebuild the confidence of the people who work for us. Demonstrating our commitment to an open and just culture is a fundamental part of this priority.
- 8.04 In 2017/18 we will launch revised Trust values that have been developed with our staff. This will also inform the framework against which team and individual objectives are agreed. Staff are encouraged to communicate directly with the Executive Team, both through regular service visits and through the Trust-wide 'Your Voice' initiative. Suggestions and feedback are discussed weekly and responses published in a specific section of the Trust intranet.
- 8.05 Furthermore, we will prioritise work in 2017/18 to develop a transformation methodology and support function that will enable staff to take ownership in bringing about positive changes where they identify a need for improvement.

Workforce Planning

- 8.06 Further transformation of the workforce is required to meet the ongoing challenges faced by the NHS, to deliver our Clinical Services Strategy, and to deliver services within an affordable financial envelope. Our workforce plans set out how this will be achieved, and are monitored on a month-to-month basis using the information that our Tableau system puts at our disposal.
- 8.07 Key issues that the Trust will be seeking to address during 2017/18 include:
- Developing ways to flex our staffing more responsively in accordance with measures of patient acuity and dependency
 - Working with local education providers to increase the number of placements available, and focussing on the development of the Trust's apprenticeship programme
 - Exploring new service models that address the current heavy reliance on medical staff that the labour market may not be able to provide
 - Redesigning clinical leadership, and working with the local negotiating committee (LNC) to institute job plan changes that make clinical leadership more attractive
 - Creating structured rotational opportunities with other organisations that allow the Trust to support more newly qualified staff working in community settings
 - Reducing our corporate 'overhead' costs by working more efficiently, enabling a greater proportion of our spend to be targeted at frontline services
- 8.08 Workforce is such a central issue for the NHS, however, that we will be working in close partnership with partner organisations via the STP Workforce work stream to achieve our priorities.