Berkshire Healthcare NHS
NHS Foundation Trust

Strategic Plan Document 2014 - 19

Berkshire Healthcare NHS Foundation Trust

Strategic Plan for y/e 31 March 2015 to 2019

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

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Date:

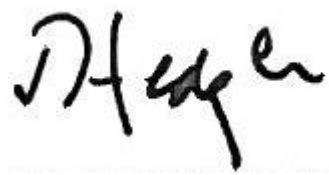
The attached Strategic Plan is intended to reflect the Trust's business plan over the next five years. Information included herein should accurately reflect the strategic and operational plans agreed by the Trust Board.

In signing below, the Trust is confirming that:

- The Strategic Plan is an accurate reflection of the current shared vision and strategy of the Trust Board having had regard to the views of the Council of Governors;
- The Strategic Plan has been subject to at least the same level of Trust Board scrutiny as any of the Trust's other internal business and strategy plans;
- The Strategic Plan is consistent with the Trust's internal operational plans and provides a comprehensive overview of all key factors relevant to the delivery of these plans;
- All plans discussed and any numbers quoted in the Strategic Plan directly relate to the Trust's financial template submission; and
- The 'declaration of sustainability' is true to the best of its knowledge.

Approved on behalf of the Board of Directors by:

John Hedger (Chair):



Julian Emms (Chief Executive):

Alex Gild (Finance Director):

Executive Summary and Context

Berkshire Healthcare NHS
NHS Foundation Trust

Context

- This strategic plan represents our view of the environment in which we operate, how that environment has changed and how we see it changing over the next 5 years
- The population we serve is ageing and people are living for longer with significant health problems like dementia and diabetes, which is increasing the demand for the services we provide
- Against this background of increasing demand, the NHS as a whole is facing a period of unprecedented financial challenge. This is producing a widening gap between income and cost that cannot be bridged solely through traditional Cost Improvement Plans. Recognising that doing nothing was not an option, we undertook a refresh of our Five Year Strategy
- The refresh of our Five Year Strategy was aimed at improving the way we operate as effectively as possible, including both internal and system wide initiatives
- During the summer and autumn of 2013, we developed and evaluated a wide range of options which were refined to produce strategic options and ultimately key work streams. These are currently being implemented with a view to realisations of benefits from 2015/16 onwards
- The process that we developed for the refresh of our strategy was also externally validated. We engaged external support to assist us through the process – which included facilitation of innovation and efficiency, stakeholder engagement, robust analysis and governance
- These processes and their associated outputs form the basis for this Strategic Plan 2014/15 – 2018/19.

Executive Summary

- Prior to April 2013 we had one main commissioner, NHS Berkshire, however we now have 14 commissioners. Even though our relationships with individual organisations are good, the system in which we operate is exceedingly complex
- The 7 Clinical Commissioning Groups (CCGs) in Berkshire provide the vast majority of our income for the provision of community and mental health services . Berkshire West CCGs understand the challenges presented by demand growth to a block contract and have prioritised investment in out of hospital care and initiated work on system sustainability. The strategic plans of Berkshire East CCGs strategic plans have been strongly focussed on locality initiatives , with further work required to address sustainability across the complex health system of the area
- Our strategy refresh process, produced three preferred options will ensure that we can continue to deliver high quality patient care:
  - *Growth* – builds on our core strengths to win appropriate contracts, within Berkshire and on the borders, that will develop and enhance our service portfolio
  - *Optimise* – considers the ways in which we operate and where we are currently inefficient, but could improve
  - *Integration* – will build on preceding programmes such as Next Generation Care and Tomorrow's Community Health, to continue to develop and maximise the benefits of being a provider of both mental health and community physical health services
- We also plan to use our beds and estate more flexibly to enable us to be responsive to the needs of the population we serve, and to use our resources as efficiently as possible
- These plans have not been developed in isolation and have been informed by the views of our commissioners and health and social care provider partners. Our plans have also received internal approval from the Trust Board and been supported by external validation from KPMG
- We believe that these plans will make a positive impact on our organisation, the local health economy and most critically those patients we serve.

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Local Health and Social Care Economy

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The Commissioning Environment

- Berkshire Healthcare operates within a complex commissioning environment, with seven CCGs, six Unitary Authorities, and the Thames Valley Area Team and Specialist Commissioners from NHS England. This provides the opportunity for both locally focussed and system wide planning, but also presents a challenge to achievement of change at the required pace and of sufficient scale
- Prior to April 2013 we had one main commissioner, NHS Berkshire, however following reforms introduced by the Health and Social Care Act 2012, we now have 14 commissioners. This has resulted in a more complex operating environment, presenting a real challenge to co-ordination of system wide working, even where our relationships with individual organisations are good
- We recognise the importance of the contribution made by social care to the effective performance of community and mental health services, to the experience of patients and the interdependencies between us. Our strategic planning is therefore characterised by consideration of the health *and social care* economy.

Berkshire West

- Berkshire West includes 4 CCGs, 3 Unitary Authorities, 2 Acute Foundation Trusts and South Central Ambulance Services NHS Foundation Trust. These organisations together form the Berkshire West 10, which submitted an application to the Department of Health to become an Integration Pioneer and was shortlisted to the final 30
- Berkshire West health and social care economy is relatively coherent with 85% of hospital admissions going to the Royal Berkshire Hospital in Reading with the remainder, primarily patients close to the borders of Berkshire, accessing services in Swindon and Basingstoke
- Funding for health commissioners has historically been at the lowest levels nationally, reflecting relatively low deprivation in the area, although allocations were slightly increased this year.
- Locally based CCGs have strong practice engagement and are supported by shared Executive Officers . They have agreed to work together, as a federation, to undertake cross boundary /strategic, system planning
- There is an increasing focus on the role of primary care in the West LHE, and a Primary Care Strategy is currently under development. Supporting Primary Care is a high priority for us and we believe that we can make a significant contribution to the challenges faced by GPs due to our cross sector working, expertise in service provision for people with long term conditions and strong governance systems
- Berkshire West CCGs understand our analysis of our sustainability risk and resulting need for non-recurrent support. They understand the challenges presented by demand growth to a block contract and are actively considering potential options to address this in partnership with us and other providers. CCGs have prioritised investment in out of hospital care – which has been of benefit to Berkshire Healthcare
- Berkshire West CCGs have also played a significant leadership work in terms of system understanding and joined up planning through a number of initiatives. External support has been appropriately used to provide capacity and expertise. This work is strongly supported by Berkshire Healthcare, building confidence in the likelihood of a clear longer term plan, given commitment of all partners.

Local Health and Social Care Economy

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Berkshire East

- Berkshire East is characterised by complex patient flows involving 3 acute hospitals – this impacts Bracknell in particular which has more than 50% of non-elective activity going to Frimley Hospital in Surrey and 25% of all activity to the Royal Berkshire Hospital in Reading .The complexity of the Frimley system presents a further challenge to effective system planning
- Health Commissioner funding has been low in terms of national comparison, and there are long standing financial challenges associated with Heatherwood and Wexham Park NHS Foundation Trust.
- The proposed acquisition of Heatherwood and Wexham Park Hospitals NHS Foundation Trust (HWP) by Frimley Park Hospital NHS Foundation Trust (FPH) presents a real opportunity for system change – but also present a significant challenge in terms of the scale of work required to achieve financial balance and required service quality
- The CCGs share a strong local focus with their respective Council partners, but have also established a shared executive function and committee structure to coordinate planning and contract management.
- While the CCGs are aware of the need for system wide planning, establishment of consistent partnership or leadership forums at system level are yet to be achieved: strategic plans have been strongly focussed on locality initiatives, but do not as yet address sustainability challenges of foundation trusts
- Existing plans focus on improvement of patient experience/population health and improved use of resources, but do not yet include clear objectives for achievement of savings required at appropriate scale and pace
- Investment in the out of hospital sector has benefited Berkshire Healthcare and we have been able to demonstrate a positive response to provision of services for system benefit.

Unitary Authorities

- As a provider of community and mental health services, partnership working with the 6 Unitary Authorities (UAs) in Berkshire is very important to us: we provide a number of services jointly with social care; we are dependent on effective working relationships for smooth operational management of services and positive patient experience; UAs also commission some of our services , with a value of c. £4.8m.
- Our partner Councils are facing significant financial pressures over the planning period and Reading and Slough are particularly affected as they receive a higher proportion of their income from central government as opposed to Council Tax than the other Berkshire UAs
- The Better Care Fund provides an important opportunity to promote integration of services and improve patient experience benefit. However, further work is needed to identify and implement changes with the impact required to achieve service sustainability across the area we serve.

Acute Hospitals

- We have an instrumental role, alongside our primary care colleagues, in reducing non-elective admissions to the Royal Berkshire NHS Foundation Trust (RBH) and HWP. Our analysis of our provider landscape also includes FPH due to their proposed acquisition of HWP
- Both of the Acute Hospitals in Berkshire are experiencing financial sustainability and service quality challenges:: for RBH this has been more recent than the long standing difficulties faced by HWP
- Both RBH and HWP have been working hard to address quality challenges alongside high levels of demand which can result in limited capacity for joint strategic planning – this is particularly the case for HWP which understandably is heavily focussed on the major organisational changes planned
- There is an inevitable tension between competition and collaboration with acute hospital partners , as well as an inherent difficulty for system and pathway management arising from our different payment mechanisms.

Healthcare Needs Assessment Berkshire

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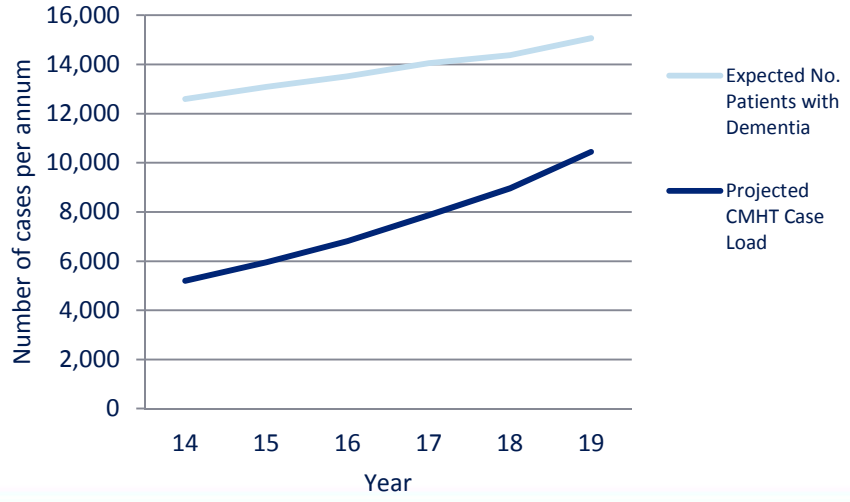
Demographics

- The population of Berkshire is approximately 900,000, and by 2019 this is expected to have grown to 950,000 which represents above average rate of increase (Berkshire population growth 5.5% average population growth 5.09%)
- Our population growth is predominantly driven by inward migration, resulting from relatively low unemployment, proximity to London and planned investments in housing capacity. The population is also ageing rapidly. All of these factors will drive up demand for our services
- The increase in population is also driven by a higher than average birth rate. Over the course of the planning period, we are expecting increased demand across all children's services. Expected reductions in unitary authority funded services, is expected to place increased pressures on our own community and mental health services
- Although Berkshire is one of the most affluent counties in England there are some striking local variations with hot spots of deprivation across the county. This means that the need for our services varies between and within our six Council areas.
- Anticipated demographic change is expected to lead to a growth in the number of people living longer with chronic conditions such as dementia, diabetes, heart disease and/or chronic obstructive pulmonary disease (COPD). These people will also live longer than a decade ago i.e. their years of 'ill health' will potentially rise
- People with dementia make up a substantial element of the caseload for both community and mental health services. The overall increase in the age profile of the population we serve means that the prevalence and rates of diagnosis of dementia will increase
- Diabetes affects all age groups, although prevalence is higher amongst the over 65s. Some forms of diabetes are also more prevalent amongst those from Asian backgrounds and Slough, with its substantial Asian community, has the third highest diabetes rate in England.

Impact of Demographic Changes

- The profile of service demand is expected to change, as a result of system wide and national initiatives that will reduce activity in acute settings, thereby increasing pressure on our services
- The majority of our income (over 85%) is through a block contract arrangement with local CCGs. This means that we are required to manage additional activity pressures within constrained funding. Our own efficient management of these demand increases, through flexing our capacity and efficient working amongst teams, reduces our ability to generate cash releasing savings
- Our capacity has been assessed against national and local trends for both community physical and mental health services, through demand and capacity modelling, undertaken in both Berkshire West and Berkshire East
- We recognise that the financial pressures our Council partners are experiencing, will manifest in reduction in social care and housing service provision. This is expected to increase demand pressures on the services we offer.

Growth of Dementia in Berkshire



Capacity Analysis

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Beds

- Over the course of the planning period, we intend to use our bed stock, of 452 beds (252 mental health and 200 community physical health), flexibly to ensure that we are responsive to both Berkshire's changing demographics and national initiatives
- We do not expect to increase bed numbers, but rather plan to increase the proportion of beds available for older people's mental health, specifically dementia, to reflect demand and offer greater integration of community and mental health inpatient services, reflecting our expectation of increased co-morbidity for mental and physical healthcare
- We are working with commissioners to minimise patient admissions and length of stay in acute hospitals through admission avoidance or early supported discharge initiatives, thus shifting activity from acute settings into community service provision. This means that we expect to be required to work more closely with our acute and primary care partners in order to effectively manage anticipated demand pressures
- In Berkshire West, a "Hospital at Home" scheme is being pioneered which will provide care to patients in their own home, when they previously would have received care in an acute setting. Piloting of this initiative will take place over the summer and will inform future investment and implementation planning.

Estate

- We aim, through initiatives such as mobile working, hospital at home and co-location with other partner organisations to improve the efficiency with which we utilise our estate. This will result in a reduction in the footprint that we occupy
- Our health hub has been developed to manage the referrals from health professionals requiring access to our community physical health services. During the planning period we expect to extend the number of services supported and co-locate the mental health common point of entry service and other out-of-hours services with the Health Access Hub.

Staff

- Our workforce profile is biased towards older groups of the working population.
- We will therefore consider succession planning for key clinical and managerial roles as over this planning period as expect to see retirements/turnover of key staff.
- We expect that by 2018/19 we will be required to operate the majority of our services on a 7 day a week basis. This will require a large programme of work to recruit new staff to increase the capacity of teams, to develop new patterns of working and a changed workforce profile to enable us to respond to changed demand. In conjunction with recruitment plans, to address specific shortfalls such as adult nursing staff, we are also looking to increase the productivity and capacity of our existing workforce through:
  - The *Hour a Day programme*, which asks teams to identify how they can work in different ways to increase productivity. All services, clinical and corporate, will follow a process to release productive time which is then shared in both cash releasing benefit to the Trust and time back to individual teams.
  - *Mobile Working* will continue to deliver significant productivity gains by deploying laptop and 3G/4G internet connectivity to mobile workers, allowing working away from base in the community and at home. Clinical record keeping volume and quality has also improved with further opportunities identified to reduce estate use.
  - Our *2015 Programme* will see the replacement of our patient record system, facilitating the provision of an effective, safe clinical record, interoperability with health and social care partners and provision of information to inform service planning and measurement of outcomes for patients.

Rationale for Strategy Refresh

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The healthcare world is changing and we need to change as well...

- We face increasing demand pressures driven by:
  - A population that is ageing faster than the UK average
  - Increases in long term conditions, particularly dementia, diabetes, COPD and heart disease
  - Increased expectations from providers from the public
- An uncertain supply side compounds the demand pressure, particularly as:
  - Costs of providing care are increasing and traditional efficiencies are proving more difficult to identify
  - Public resources are constrained
  - The whole health and social care system is facing challenges . This has a greater impact on us as we interface with primary, secondary, tertiary and social care
- The Health and Social Care Act 2012 transformed our commissioning landscape adding greater complexity, as described on page 1.

... whilst maintaining a focus on patient access, safety and quality

- Step changes are required to deliver the transformation necessary. We will do this through:
  - Improving focus on quality of life and patient experience
  - Supported self management
  - Innovation/use of technology
- We recognise the need to continue programmes such as Next Generation Care and Tomorrow's Community Health in order to further optimise our delivery, while maintaining focus on:
  - Quality and safety
  - Emergency care agenda
  - Integrated care improving outcomes and experience.

...therefore we need to respond by building robust plans for sustainability

- In response to the demand, supply and system wide pressures, we recognised our need to:
  - Generate plans that will maintain and improve our clinical sustainability, ensuring that patients continue to receive high quality healthcare
  - Ensure that the risks posed to our organisational sustainability can be mitigated
  - Develop plans that address our own financial sustainability issues, whilst ensuring alignment with system wide initiatives
- This culminated in our decision to refresh our Five Year Strategy, the processes we followed are described on the following pages.

Strategy Refresh Objectives:

- Define the options available to Berkshire Healthcare which proactively address the sustainability challenges (financial, operational and clinical) and to close the CIP gap
- Focus on ideas and options which offer 'new ways of working' at a Trust and system wide level
- Provide comfort to all stakeholders (including our regulators) that Berkshire Healthcare has sufficient plans to ensure longer term sustainability
- Refresh the 'Five Year Strategy' to reflect the changing external environment and pressures in the local health and social care system.

Forming Ideas and Generating Options

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Long list

104 Ideas Generated

- **Big ideas**
- **Tactical / enablers**
- **Organisational form**
- **Rejected**

The Process

Following our decision to refresh our Five Year Strategy, we ran a series of workshops during Summer 2013. These involved more than 100 clinical and non staff and encouraged all contributors to provide input and ideas that would address, or assist in addressing our sustainability challenge.

The long list of 104 ideas, was initially assessed and grouped into 12 Strategic options.

A final assessment distilled these into:

- 3 preferred options
- 2 strategic enablers

Strategic Options

12 Themes

- **3 Ideas:** Diversifying geographically
- **12 Ideas:** Mental Health income growth
- **9 Ideas:** Coordinated support of long term conditions
- **9 Ideas:** Growing supported living for older people
- **5 Ideas:** Extend into Primary Care
- **7 Ideas:** Streamlining to focus on core
- **3 Ideas:** Reducing our estate
- **6 Ideas:** Using our estate more efficiently
- **14 Ideas:** Growing non-core
- **13 Ideas:** Whole system pathways design
- **9 Ideas:** Contracting differently
- **14 Ideas:** Do the same more efficiently

Preferred Options

3 workstreams supported by 2 enablers

- **Workstream 1:** Growth
- **Workstream 2:** Optimise
- **Workstream 3:** Internal Integration and Pathway Extension
- **Enabler 1:** Estates
- **Enabler 2:**Managing Information and Contracts

Healthcare from the heart of your community

Summary of Preferred Options

Workstream 1: Grow selected core services	• To profitably grow through leveraging BHFT core strengths and understanding external market opportunities. • Through an objective process to identify core services , expansion opportunities (more of the same and/or new national priority opportunities) and delivery models (current form, merger, partnership, acquisition, or system change such as prime contractor) • To include expanding into primary care
Workstream 2: Optimise non-core activities	• Through an objective process to identify activities which do not utilise BHFT's core strengths, which may be delivered more efficiently and with better outcomes by alternative providers/operating models (stopped, outsourced, through new BHFT or existing external entities, shared service centre, or creation of social enterprise) • This will also release resources to focus on core services.
Workstream 3: Internal and external care pathways	• Following identification of core services to determine opportunities to extend care pathways either internally (reorganisation/collaborative working across services/divisions) or externally (partnerships, acquisitions or mergers) where demonstrable inefficiencies exist. Processes to identify and manage risks involved will be in place • BHFT is in a good position to integrate certain pathways and be an early adopter of prime contractor models
Enabler 1: Optimise use of estates	• To encourage new ways of working to improve access with more local presence. Focusing on higher cost facilities at location specific, clinical activities. To release costs which can be redirected to patient facing activity • Planned changes include mobile workforce, sharing resources (people and buildings), breaking down silos within BHFT, maximising utilisation of PFI and NHS assets for clinical use and reducing the overall footprint and cost
Enabler 2: Information management and contracting differently	• There is a need to improve data quality, validation and analysis to robustly demonstrate increases in service level activity and hence support informed contracting debates with commissioners • Support local discussions and shape national conversations on new ways of being paid, ensuring BHFT is in a good position to respond to identify benefits from a more effective use of system resources than traditional Payment by Results and block models

Agreeing the Strategy

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Strategic Options

- At the January 2014 meeting of our Trust Board, each of the preferred options (as described on page 7) were assessed to decide the strategic approach for implementation.

Growth

- The proposed growth workstream was adjusted to focus on opportunities available within Berkshire and on Berkshire borders, for those services that were assessed as "market ready"
- At this meeting the Board also considered an analysis of major transactions and took the decision not to pursue major tenders outside our borders.

Optimise

- The optimise workstream was approved and will be taken forward as proposed, with governance embedded within our cost improvement programme.

Internal Integration and Pathway Extension

- The Internal Integration and Pathway Extension workstream was approved to be taken forward as proposed.

Estates

- The Estates workstream was approved to be taken forward as proposed.

Information Management and Contracting Differently

- The information management and contracting differently enabler was approved by the Board, however they believed that greater emphasis should be placed on our information capabilities, and therefore required additional prominence to be placed on establishing a new data warehouse and expanding our analytics functions.

Implementation Processes

- Following the discussions at our January 2014 Board meeting, we moved from the research and options appraisal phases of the programme into implementation planning
- For some elements of the workstreams this required moving into 'business as usual', and for others the development of business cases or implementation proposals for approval by the Trust Executive
- This process ensured that each initiative has clear objectives and timescales, and does not lose its focus on delivering planned benefits. Each initiative has been subject to our Quality Impact Assessment process to ensure any risks to service quality are identified at the planning stage and managed effectively
- All of the identified strategic options have executive and operational leaders, and will report through an identified governance structure through to the executive
- We have recruited project leads for each of the work streams and identified Senior Responsible Officers for each project to facilitate effective implementation plans for 2015/16
- The delivery of the strategic options is included in our Strategy Implementation Plan, which provides an overview of all of our strategic initiatives in the framework of our strategic goals
- This work, alongside our cost improvement plans ensures that we are taking all action possible to improve internal efficiency while working collaboratively with system partners to address our sustainability risk
- The slides on the following pages provide details of the strategic options that we will be pursuing.

Growth

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Purpose of workstream:

- To identify core strengths/core services to inform potential areas for growth, and assess potential market opportunities for growth of business and associated margins.
- To outline requirements to position Berkshire Healthcare to bid for and win additional income within the next three to four years

Context:

- Currently we deliver more than 75 services, in response to commissioner needs, potentially leading to a historical lack of focus on core strengths. .
- Nationally, commissioners have been tendering more and larger services as they seek to improve patient outcomes at lower costs. This is reflected in evidence of commissioning for outcomes and population level commissioning, requiring providers to work together to manage whole pathways and develop "commissioner" style competency in information management, resource utilisation and contracting
- Local commissioners have tendered small scale services to date although uncertainty in positions of our acute partners/Buckinghamshire presents potential opportunities and risks.
- Competitors are expanding into neighbouring geographies and there is a risk of losing market share
- We have been successful with "defend and protect" tenders to preserve existing services

Approved Opportunities

1. External non-border growth through acquisition of smaller scale services which we perform well

- Improving Access to Psychological Therapies (IAPT) is market ready with a strong reputation, but a relatively low earning potential with an average size tender of c.£1.3m .

2. Growth in Berkshire through pathway expansion or "case by case" opportunities

- This would include growth into acute and/or primary care and/or social care. Opportunity size and likelihood difficult to estimate at present, however our track record indicates likelihood of achieving some growth albeit lacking scale of external growth
- Potential to grow 'out of area' either by bidding for major service contracts, e.g. a portfolio of community health services or by taking over a failing trust was assessed as low probability and relatively high risk.

Approach and progress:

1. Identified core strengths and assessed all services to identify core services for growth
2. Identified priority market opportunities and the internal readiness to grow:
    - Talking Therapies
    - Community Health
    - Mental Health Services
3. Major transaction study completed to understand potential benefits, opportunities and pitfalls. Culminated in the Board deciding to focus on activity in Berkshire and on our borders
4. Analysis of priority opportunities through research and workshops undertaken
5. Proposals to exploit prioritised opportunities including delivery model developed.

Optimising

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Purpose of workstream:

- To identify services for consolidation rather than growth and develop a strategy for optimising value from those services.
- To identify the potential for recurrent financial savings and/or increased contribution, with an acceptable return on any investment required.

Context:

- Over 30 clinical services were determined as "stand alone" and therefore identified for consolidation. Two larger services will be individually reviewed.
- It is strategically important for us to continue to provide some standalone clinical services – for example where there are limited alternative models or providers for commissioners to consider, and which may also mean significant travel for patients and families.
- Savings in back office services are likely to be relatively small , given previous work to reduce costs and improve efficiency. In addition, the risks of further change was assessed as relatively high. Optimising pay costs for estates and facilities, finance, HR and IM&T would give an assumed maximum saving of £1.2m. Occupational Health, payroll, and elements of IM&T are already outsourced. Berkshire Healthcare already provides estates & facilities services to NHS Property Services
- Berkshire Healthcare hosted Berkshire Shared Services, which was disbanded in April 2013, due to NHS changes and services were brought in-house and restructured.
- Benchmarking clinical and back office services is challenging due to lack of data and variance in models.

Potential risks:

- Outsourcing back office services do not realise savings, (cost more due to lack of contract flexibility, need to retain "expert customer" capacity and capability, potential duplication)
- TUPE/redundancy costs
- Loss of key skills and loss of flexibility and responsiveness of workforce
- Loss of control of critical services leading to clinical quality risk
- Resistance to outsourcing (internal and external reputation risk)

Approach and progress:

- Identified services for consolidation following analysis of core strengths /services for work stream 1.
- Ranked clinical and back office services by cost base
- Classified selected services being of strategic (high) importance; operational (medium) importance; or no / questionable (low) importance.
- Prioritised high and medium important activities and undertook initial performance and market analysis to consider opportunities for optimising value.
- External support commissioned to benchmark estates function.
- Work is being managed through our internal cost improvement programme

Internal Integration and Pathway Extension

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Purpose of workstream:

- To identify financial and clinical benefits from internal integration of mental and physical health services (years 1-2).
- To investigate the potential for extension of involvement across care pathways where value can be added and improvements achieved to the patient experience and outcomes (years 1-3).
- To outline associated operating model changes based on 1 & 2 above (years 3-5).

Context:

- Berkshire Healthcare integrated back office and corporate services following transfer of community physical health services from PCTs, but consideration of integration at service level has so far focussed on physical health and external integration with primary and social care. Greater integration of mental health and community health services has potential yet to be realised.
- We operate a large number of separate teams across our community and mental health services , demonstrating potential for greater efficiency. Demand forecasting presents risk of a significant cost pressure within our block contract without delivery model change.
- We are a key partner in the Berkshire West integration project across 10 statutory organisations – the frail elderly pathway and associated economic modelling provide a significant opportunity for improved use of resources across the health and social care system. New contract models will be explored as part of this work to support integration across health economies.

Potential risks: Impact on clinical quality, reputation and relationships

- New payment mechanisms/contract forms will be required in the medium to long term to manage demand
- Successful delivery of transformational change required to deliver savings
- Avoidance of redundancy costs
- Staff resistance to new ways of working/change, potential drop in morale
- Loss of key/specialist skills
- Patient and commissioner engagement and involvement required to deliver service change positively.

Approach and progress:

- High level analysis of our own data to establish where patients are seen by both mental health and physical health services has been completed
- Evaluation of progress made with internal and external integration, e.g. clustered care groups, care co-ordination and multi-disciplinary meetings, Berkshire West 10 (integration programme)
- Identification of integration exemplars to analyse opportunities to apply lessons learned
- Clinical workshops held to identify integration and pathway extension opportunities and priorities and outline recommendations for pilots developed.

Internal Integration and Pathway Extension

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Opportunities Identified

Internal integration

- Development of a compelling fully integrated delivery model based on promoting patient driven, outcome based services delivered by integrated teams of staff with skills matched to patient need has the potential to strengthen our service offer and improve use of resources. Key enablers are workforce modelling and data analysis to facilitate performance improvement and maximise productivity
- Proposed implementation will be through locality and service based pilots, building on foundations of existing work and including services for people who are frail and elderly, our out of hours and other community services.

Pathway extension

- The requirement to decrease acute admissions and reduce pressure on primary care both present opportunities to develop affordable, quality community service models, which together with internal integration actions will support clinical, operational and financial sustainability
- Exploration of new organisational arrangements and new contracting models/local tariffs will be needed for proposed initiatives:
  - Establish potential for roll out of IAPT Pathfinder training staff who are supporting people with long term conditions in cognitive behavioural therapy techniques to improve patient outcomes
  - Provision of primary care services- both “back office” and clinical
  - Development of integrated intermediate care to provide in-reach into acute hospitals (early discharge and hospital-at-home), quick response teams working with 111 service and developing services in care homes to avoid admissions.

Estates

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Purpose of work stream:

- Outlining potential for maximising value in estates by reducing costs and ensuring operational footprint is fit for purpose for current and future service strategies; enabled by the mobile working and Hour a Day initiatives
- To progress the existing estate strategy to ensure it supports strategy refresh appropriately (reflective of recent NHS PS developments).

Context:

- The Trust operates out of 38 primary sites with two long lease Private Finance Initiatives
- Much of the community health estates are old, longstanding NHS properties subject to historic under-investment and now form part of NHS Property Services portfolio. Cost of maintaining/developing some are prohibitive
- Financial benefits limited to lease cost savings as any disposal benefits would go to NHSPS/the Treasury (with potential to reinvest in estates)
- NHSPS policy may have an impact locally as Berkshire Healthcare is the largest NHS PS tenant in Berkshire. The potential impact is as yet uncertain and work will continue to ensure a good understanding of any proposed changes and required mitigation of risks.

Risk	Impact	Planned mitigation
Inability to enact changes to estate use	Reputational and relationship damage with regulator /commissioner. Adverse impact on staff morale/patient confidence	Seek commissioner support at outset, demonstrating case for change and positive impact on clinical quality
Lose funding / incur high costs of vacated spaces	Void costs eliminating potential savings and increasing risk of higher operating costs	Formal discussions and negotiations leveraging regulator and Treasury relationships, where appropriate
Inability to deliver new ways of working	New sites are added without offsetting closures resulting in higher operating costs	Change programmes (e.g. 'hour a day' and mobile working agenda) to deliver cultural changes Utilisation study and pilot underway
Clinical services compromised	Cost efficiency and/or service quality compromised	Continue to assess as part of business case development

Approach and progress:

- Estates strategy is moving towards 'hub and spoke' model with central Community Health supported by more smaller community sites
- Due to low likelihood/high costs of exiting , seeking to maximise use of clinical space in PFI/NHS assets and improve efficiencies through use of estate for back office functions
- Exit costs, break clauses, and new potential sites have been identified. External support commissioned to carry out benchmarking and utilisation survey.

Managing Information and Contracts

Berkshire Healthcare NHS
NHS Foundation Trust

Purpose of workstream

- To identify requirements to improve our data capture and management of data, in addition to business as usual, to demonstrate activity and performance within our block contract; to improve efficiency and productivity in the delivery of savings plans; to facilitate evidence based business planning and management, and to demonstrate service quality , effectiveness and impact to retain current contracts and grow our business.
- To outline improvements needed to our contract management capabilities in response to emerging opportunities in contracting models and legal forms, and to improve the efficiency of our secondary commissioning and subcontracting arrangements.

Context

- The majority of our income (c. 85%) is through our local block contracts with CCGs. Unitary Authority and Any Qualified Provider (AQP) contracts contribute less than 5% of our total income on a cost and volume basis. Increasing service demand alongside savings requirements within a block contract environment is becoming increasingly unsustainable, particularly in comparison with the Payment by Results (PbR) regime within acute hospital contracts which arguably incentivises increased activity
- Commissioners now require increased transparency of costs and activity, however data recording still requires improvement
- We need a reliable assessment of baseline performance to measure the impact of quality, efficiency and productivity initiatives, enable benchmarking and demonstrate our quality and efficiency to current and new commissioners
- Payment by Results for mental health provides a key opportunity to improve understanding of our performance
- Effective internal information management and ability to understand and make use of external data sources will be critical success factors for work streams 1 – 3.

Potential risks:

- Need for investment in context of limited cash resources
- Compromised ability to retain existing and compete for new business if capability/capacity not enhanced
- Uncertainty about the adoption of PbR for community based services
- Limited capacity and capability of current workforce. Clinicians are not universally committed to recording data; data quality concerns
- Increased commissioner expectations for information about service performance, value for money and transparency.

Approach and progress

- Developed high level data warehousing plan for dimensional database (type of database optimised for data retrieval and analysis)
- Clinical Coding recommendations completed
- Decision made to shadow PbR in mental health services
- Data reporting plan in place for the 2014/15 contract
- High level analysis of types of contract available completed
- Participation in Berks hire West economic modelling for Frail Elderly Pathway.

Managing Information and Contracts

Berkshire Healthcare NHS
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Opportunities and recommendations

Managing information:

- Establishing a foundation of effective data collection and warehouse systems enabling analysis and use of information is a critical requirement for effective performance, retention of existing, and competing for new business. Our IAPT service is an example of a service with excellent data collection and use of information to improve and demonstrate effective performance and compete for new business: our ambition is to achieve a similar standard across all service areas
- Optimisation of services as outlined in Work stream 2 (Optimise) will rely on high quality information and robust understanding of activity and impact enabling benchmarking for delivery of efficiencies. Work stream 3 (Internal Integration and Pathway Extension) will require an analysis of spend, activity and impact in our won services, and the ability to make use of data used in acute and primary care to understand opportunities and risks presented by pathway expansion.

Contracts:

- High level analysis of the following contract forms to be undertaken for their potential benefits and actions we can take to improve our ability to maximise their potential:
    - Prime contractor
    - Capitated and outcome based Incentivised contracts
    - Alliance contracting
    - Payment by Results
    - Local tariffs

Work Stream Implementation

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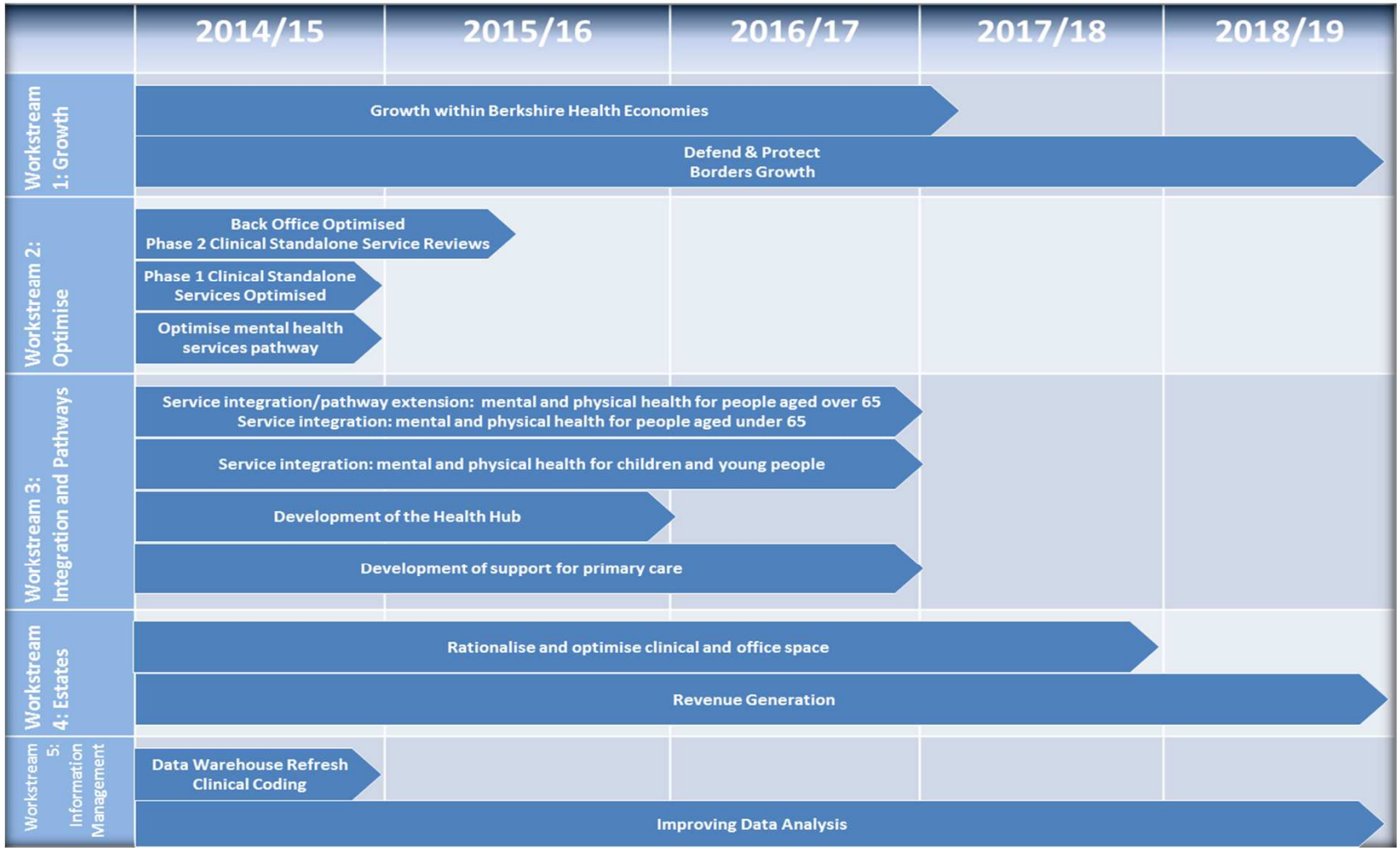

Healthcare from the heart of your community

Next Steps and Conclusions

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Current Status of Strategic Initiatives and Next Actions Planned

- Key workstreams are approved and project leadership and governance arrangements established
- Piloting of key initiatives will take place during the remainder of 2014/15 to identify required modifications and inform implementation plans
- Implementation planning will include Quality Impact Assessment to enable understanding and mitigation of potential adverse impacts
- Communication and engagement plans will be an integral part of the implementation planning process, ensuring that the views of patients and carers inform service changes and staff are fully engaged in the leadership and implementation of the workstreams.

System Wide Developments

Berkshire West

- Further work will be undertaken to build on the recent analysis of key pathways across acute, community and primary care services – including estimation of total potential cost savings .
- Detailed implementation plans for the Frail Elderly Pathway will be completed, using the economic modelling recently undertaken
- This will inform consequent changes to payment mechanisms and a network model for existing organisations to reduce duplication and overheads leading to improved patient experience and improved use of resources

System Wide Developments Continued

Berkshire East

- A "Health and Social Care Leaders" group has been established which has the potential to enhance understanding of system sustainability issues and to lead required work to address these at a cross boundary level
- There is an aspiration to establish a health governance group to enable joint planning between health commissioners and providers.

Conclusions

1. We will continue to focus on quality and will maintain our investment programmes over the planning period to ensure that patients continue to receive high quality care
2. We have developed a set of strategic plans to address our sustainability issues, whilst benefiting the Local Health Economy, however:
    - these strategic plans do not fully meet our sustainability requirements and we still require support from our commissioners
    - the strategic direction we are taking , combined with our choice to focus on system wide initiatives, has been supported by commissioners
3. We advocate system wide working ,and believe that transformational change is necessary for the future sustainability of all providers in our LHEs. Work is now required to ensure that the scale and pace of required changes is sufficient to effectively manage the sustainability challenge of all organisations and the health and social care system as a whole.