

Southern Health NHS Foundation Trust

Strategic Plan 2014/15 – 2018/19

SUMMARY

30th June 2014

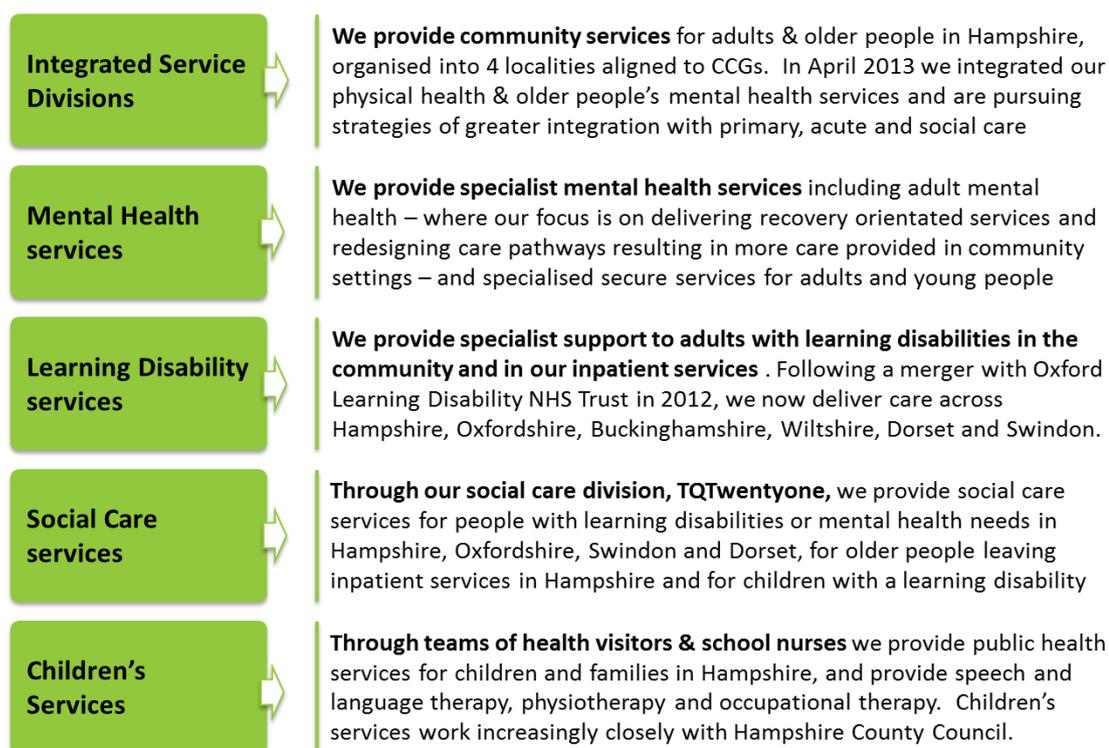
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1 Summary of our vision and strategy

Background and introduction

- 1.1 Southern Health Foundation Trust provides high quality community, mental health, learning disability and social care services. This document summarises the Trust's Strategic Plan for 2014/15 – 2018/19 setting out the transformational changes we are undertaking to deliver long term sustainability alongside our partners in the local health economy.
- 1.2 It is now 3 years since Southern Health NHSFT was formed in April 2011 through the merger of Hampshire Partnership NHS FT (a provider of mental health and learning disability services) and Hampshire Community Health Care (a provider of community based physical health services). We took over responsibility for learning disability services across a larger geographical area from November 2012 with the acquisition of Oxford Learning Disabilities Trust.
- 1.3 The ambition of the organisation when it was formed was that, as well as being an excellent provider of healthcare, Southern Health would play a lead role in the development of an integrated health and social care system in Hampshire.
- 1.4 The figure below summarises the clinical services provided by the Trust:



- 1.5 Southern Health employs 7,500 whole time equivalent (8,400 headcount) staff and has an annual turnover of £350m, making it one of the largest community and mental health providers in the country. The Trust operates from 242 sites, of which 51 sites are owned by Southern Health with a book value of c£196m, which includes Antelope House financed under a LIFT arrangement.

- 1.6 The table below summarises the headline performance of the Trust in 2011/12, 2012/13 and 2013/14 extracted from the statutory accounts.

	2011/12	2012/13	2013/14
Revenue	£322m	£333m	£354m
Operating Surplus	£7.3m	£6.5m	£5.4m
Financial Risk Rating/Continuity of Service Risk Rating (at 31 March 2014)	3	3	4
Governance Risk rating (at 31 March)	Amber/Green	Amber/Green	Red Note 1

Note 1: At 31 March 2014 Monitor had placed the Trust under investigation for governance concerns due to warning notices issued by the CQC. This was concluded on 16 April 2014 when a Red rating was confirmed.

Strategy Refresh

- 1.7 In April 2013 Southern Health launched a process to refresh its medium term strategy. The strategy is based on a robust and in depth understanding of the context within which the Trust operates, which is summarised in chapter 2 of this plan.

Our vision and mission

- 1.8 In line with national and local strategy, Southern Health is working to create a fundamentally different model of primary and community physical and mental health and social care in Hampshire, which will enable the system to create better outcomes and deliver better value from the investment of public funding. This model involves clinicians delivering holistic, co-ordinated care with and alongside empowered patients.
- 1.9 Southern Health exists “**to achieve excellent health and care outcomes for the population we serve**”. Our vision to “**build a sustainable, person centred health and care system**” summarises our ambition within the local health economy. Our desire is to play a central role in the design and delivery of affordable, high quality, fully integrated health and social care systems that put patients, service users and their families at the centre of everything we do.
- 1.10 The table below sets out our objectives for the next five years.

Southern Health Strategic Objectives

1. **To deliver safe services** - deliver a programme of patient safety initiatives that ensure the safety of our services is improved and the Trust does not fall below regulatory and internal standards
2. **To improve clinical outcomes for patients, service users and their families** - drive further improvements in the standards of clinical practice, customer service and outcomes across the organisation, so that all patients receive excellent care every time

3. **To improve the experience patients, service users and their families have of our services** - improve how we listen to and engage with patients and service users, fully involving them in service design, and systematically learning from and acting on the feedback we receive

4. **To improve the value for money of our services, reducing our costs and ensuring we live within our means** - through greater productivity, cost reduction and redesign to create financial resilience

5. **To establish new service models to deliver sustainable health and social care** - develop and deliver with partners and service users new models of integrated health and social care for physical and mental health that support early intervention and recovery. Implement a strategy for secure mental health services and transform our Learning Disabilities service.

1.11 These objectives reflect the need to ensure that we deliver the best possible care now, whilst undertaking a programme of work over the next five years that will provide a strong bridge to establishing future models of integrated care. We are clear that there is more work to do to improve the quality and safety of some of our services; we also wish to ensure that our patients, commissioners and regulators have confidence in the quality of the services we provide.

1.12 Delivery of these strategic objectives is enabled through three core enabling strategies, summarised in the table below.

Southern Health Enabling Strategies

1. **To employ and develop talented, motivated staff**

2. **To develop our organisation and governance to ensure we are as effective and transparent as we can be**

3. **Building our infrastructure to enable us to deliver our vision**

1.13 The Trust **values** underpin how people in the organisation will act and behave, and they define the culture towards which the Trust aspires. Since the Trust was formed the organisation has made measureable progress in improving the culture of the organisation, including through significant priority given to the development of leadership capability in the Trust. Value based recruitment and appraisal processes enable the values to be embedded in the organisation:

- Person and Patient Centred
- Forging Relationships
- Delivering Value
- Driving Innovation
- Realising Ambition
- Valuing Achievement

1.14 The figure below summarises our vision, mission and objectives.



1.15 The Trust has developed robust performance management processes for delivery against our strategic plans. Each of the Trust objectives has a number of indicators that we use to measure success. Divisional delivery of service line transformation is monitored on a monthly basis through our divisional performance review process and this is reported through to Board on a monthly basis through a range of performance dashboards and reports. The Board also assess overall performance against the Trust priorities set out in the strategy and Operational Plan on a quarterly basis.

1.16 We have a clear communications plan for the Trust strategy as well as individual service line plans. Plans have also been shared with stakeholders as well as being available on the Trust website.

2 Market Analysis and Context

Health Need in the population we serve

- 2.1 Southern Health provides community, mental health and social care services in Hampshire and Learning Disability services in Hampshire, Oxfordshire, Buckinghamshire, Wiltshire, Dorset and Swindon. This section of the strategic plan summarises the health needs of the different populations served by the Trust.
- 2.2 The focus of the analysis in the following paragraphs is on Hampshire, the most significant geographical market in which Southern Health operates. Whilst neighbouring counties in which the Trust currently operates (and could operate in future) clearly have distinct needs, many of the themes identified in relation to Hampshire are common across South Central England.
- 2.3 The key challenges facing the NHS and care system are that demand and costs are rising (driven by an ageing population, increasing long term conditions and increasing costs of healthcare delivery), that expectations in terms of quality and experience are rising (people rightly expect the very highest standards of care) but the resources available to meet these needs are severely limited as a result of the economic environment in the UK.
- 2.4 The national and local strategy to address these challenges – alongside a continued drive for overall productivity improvement - is to seek to move from a health system dominated by hospital based provision, and a separate social care system, to one in which health and social care provision are integrated, with much stronger primary care and out of hospital provision, supporting people to stay healthier for longer. There is also a strong emphasis on changing the culture of health and care provision, empowering people to take control of their own health and ensuring organisations provide ‘care’ not just ‘services’.
- 2.5 Key messages from our analysis:
 - Health and social care outcomes in Hampshire are good compared to the national average
 - Hampshire has pockets of significant deprivation in a number of areas such as Havant, Gosport and Southampton and inequalities are increasing, demonstrated by a widening life expectancy gap creating a relative increase in need for many of Southern Health’s services.
 - The population of Hampshire is expected to continue to grow over the next 10 years (over the next five years the number of 60 – 74 year olds in Hampshire is projected to increase by 7.5%, with a 10% increase in those aged over 75. By 2032 the number of people aged over 85 in Hampshire will increase by 100%.)
 - The middle aged and elderly population are increasingly living with multiple illnesses, often both physical and mental health conditions.
 - The birth rate in Hampshire has been rising year on year and is expected to continue to do so. 1 in 5 children in Hampshire entering school are overweight or obese, and by age 10/11 this has risen to almost 1 in 3.

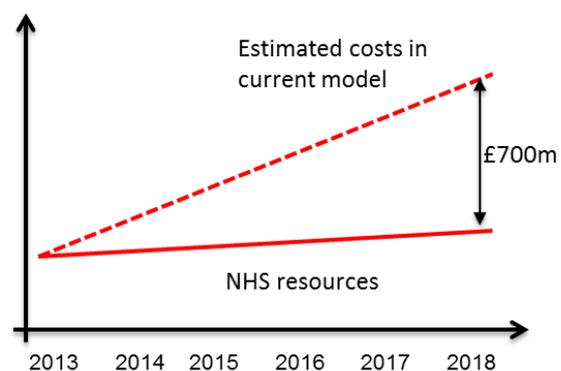
- In general mental health appears to be better in Hampshire than England as a whole, but there are areas and groups that experience poorer mental health, often associated with deprivation and the wider determinants of health.
- People with mental illness have significantly higher rates of mortality and morbidity.
- People with a learning disability are living longer and increasingly suffering from physical health problems, and because the number of babies born with a learning disability is rising as premature baby survival rates increase

2.6 In summary the Trust will need to care for more people with complex multiple health issues in the future. In order to do this will be to provide health and social care services which are more integrated both within Southern Health and without - services that bring together people, communities and the public, private and voluntary sectors

National and Local Policy Context

2.7 In 2013 the NHS England's 'A Call to Action' set out the challenges and opportunities faced by the health and care systems over the next five to ten years i.e. the need to raise quality of care to the best international standards while closing a potential funding gap of around £30 billion by 2020/21.

2.8 In responding to national policy, the challenge faced by the Trust's commissioners is to commission services that meet the needs of patients within the available resources. Across Hampshire commissioners face a projected funding gap of c£700m over the next five years. Similar financial gaps are forecast in neighbouring health economies.



2.9 Clinical Commissioning Groups (CCGs) have developed five year commissioning strategies in parallel with the development of this Trust plan. All CCG strategies reflect the intention to shift more care into integrated out-of-hospital services. For all CCGs in Hampshire, the greatest priority involves improving care for frail elderly people and those with long-term conditions by reducing this population's need to be treated in acute hospitals. The approach to do this is by strengthening out of hospital care and CCGs see Southern Health as a key partner in achieving this aim.

2.10 Local commissioners have allocated £80m to the Better Care Fund (BCF) to increase the capacity and resilience of out of hospital services. This could also be a first step towards large scale joint health and care commissioning. The Trust believes that commissioning intentions and the BCF represent an opportunity to grow Southern Health's services. However, there is a risk that funding is not transferred out of the acute sector into out of

hospital care. There is also a risk that provider trusts are not fully involved in how the BCF is developed which may impact on the future pathway.

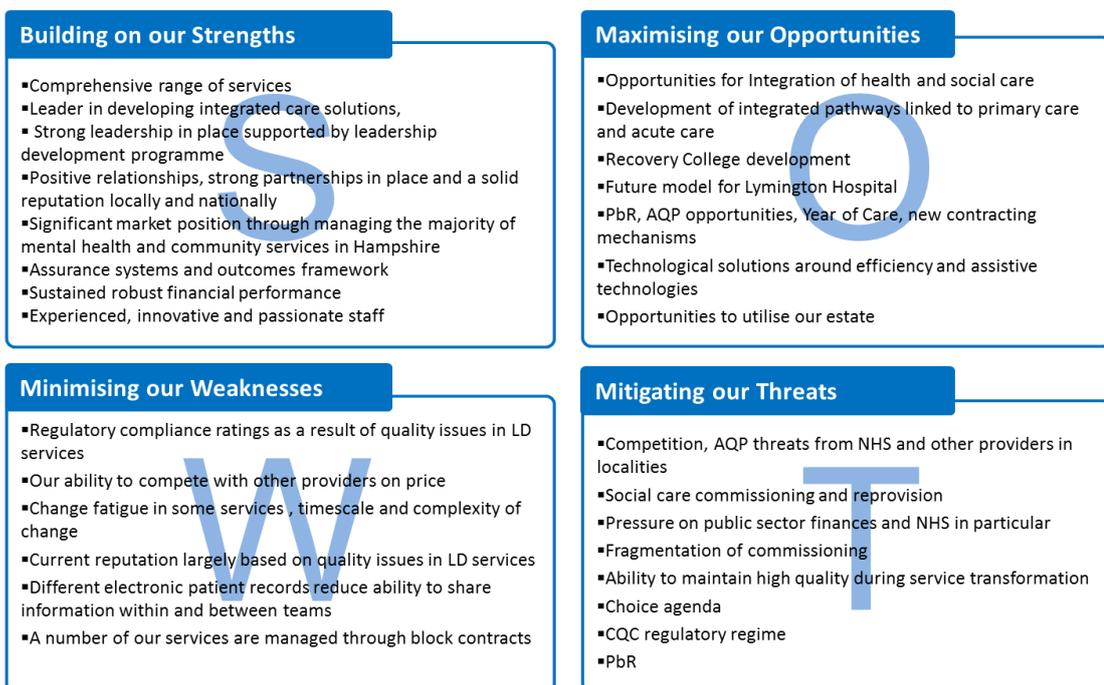
- 2.11 Southern Health’s current contract to provide Learning Disability Services in Oxfordshire expires in December 2015. Commissioners have commenced the process of procuring a provider of these services.
- 2.12 The Trust’s understanding of the intentions of commissioners regarding mental health services are that the intention is to commission care from fewer providers managing whole pathways of care in partnership with others including third sector providers.

Market Share and Competition

- 2.13 Southern Health’s wide portfolio of services means the Trust has a wide range of competitors, many/ all of which are also potential partners. These include other NHS providers, such as acute and community trusts, and potentially local GPs, as well as private and third sector providers particularly in mental health services. Over the next 5 years there will be a significant number of services in our current portfolio being tendered

Summary SWOT Analysis

- 2.14 The SWOT analysis set out below draws together the themes set out in this market assessment with an assessment of Southern Health’s internal strengths and weaknesses.



- 2.15 Southern Health, like all NHS providers, faces a challenging five year period. Chapter 3 details our plans for each service line in response to these challenges.

3 Delivering Our Strategy

3.1 Trust Clinical Strategy

- 3.1.1 Our vision for a sustainable person centred health and care system has been the key driver in the development of the clinical strategies for all of our services. Divisions have worked in their communities to develop plans to design new service models that will deliver excellent, evidence based integrated care. We are passionate about improvement and innovation. We are redesigning all of our services, with patients and partners, so that they better support individuals and communities to improve their health, wellbeing and independence.
- 3.1.2 As a Trust we work with others across the spectrum of care to manage complex and long term physical and mental health conditions.

Introducing the spectrum of care



- 3.1.4 As illustrated in the figure above, we believe that the development of our services to better serve people in the left of the spectrum, to empower them to take control of their care, will reduce escalation of problems to the right of the spectrum. This will increasingly involve us in the integration of our services with those delivered in primary care.
- 3.1.5 The long term sustainability of health and social care for our patients can only be delivered through greater integration of care pathways to reduce duplication and waste and with a focus on prevention and early intervention to reduce the significant cost of health and social care further upstream. We will work with our commissioners to develop alternative commissioning mechanisms and organisational models to enable this shift from acute care to out of hospital services where possible. Without whole system transformation, resulting in true integration of services and appropriate funding flows it is unlikely the services we provide will be sustainable over the course of the five years of this plan.
- 3.1.6 Following our market analysis and engagement with key stakeholders we have reviewed each of our key service lines to understand the impact of the challenges and identified options to address the risks to sustainability. The remainder of this chapter summarises the strategic options chosen.

3.2 Mental Health Services

3.2.1 Southern Health provides a range of core and specialist services across Southampton and Hampshire as well as Specialised Mental Health Services. The Trust's core mental health services are delivered in three geographical areas and include community care through community teams, acute care through inpatient services and increasingly community based services. The Trust has also developed its Hospital at Home services. An integrated health and social care model is delivered in partnership with Hampshire County Council and Southampton City Council. Niche services are also provided, including Tier 3 Substance misuse services in Southampton, Psychological Therapy services through iTalk for Hampshire, specialist community Eating Disorders service, perinatal inpatient and community service, prison mental health services in Winchester and Ministry of Defence (MoD) inpatient provision

3.2.2 Southern Health also provides secure Services through adult medium secure services for Hampshire, Dorset and the Isle of Wight as part of the Wessex Forensic Psychiatry Service, adult low secure service, adolescent medium secure service and Tier 4 adolescent inpatient service and day patient care.

3.2.3 Adult mental health services have redesigned the health and social care pathway over the last 3 years, resulting in a significant shift in delivery from inpatient to community settings. This redesign has been underpinned by a change in culture towards embedding practice focused on the needs of the individual and supports recovery of a life beyond illness. Our mental health services have a vision for service users of independence, choice and recovery. This involves a culture shift from historical service models which have tended to be paternalistic, disease and clinically led.



3.2.4 The focus is to provide care in the least restrictive setting and as a result the number of adult mental health inpatient beds has successfully been reduced. We will continue to reduce our bed based model and further develop support roles such as peer workers and social care support. Redesign of the Forensic Pathway is also underway; Ravenswood, our medium secure adult male unit, needs to be redeveloped in the next few years.

3.2.5 There are a number of challenges for our mental health services including growing private sector competition and market testing of a number of services such as substance misuse and IAPT, concerns by stakeholders regarding service redesign and high profile media and specific historical quality issues in the Southampton area which are currently being addressed. As with all of the Trust's services, there are financial challenges in the service.

3.2.6 Our view is that Southern Health has the core competencies and the clinical & leadership skills to deliver excellent mental health services. The recovery approach is in line with what patients want and good progress has been made to change the model of care, shifting from inpatient to community based services. The next stage of redesign includes integrating care for mild-moderate mental illness into our Integrated Service Divisions (ISDs).

Our Strategic Plans for Mental Health Services

3.2.7 Southern Health will ensure continued sustainability of the Adult Mental Health service line through redesign, to meet need at lower cost.

- For primary care mental health this involves redesign and earlier intervention. We will work with primary care partners to deliver services for people with less severe mental health needs and an integrated mental and physical health offering for patient groups such as those with long term conditions, as well as supporting greater self-management.
- In specialist mental health this means continued redesign of workforce, developing new roles, partnerships with the voluntary sector and integration of health and social care services. There will also be further development of alternatives to admission, crisis support and community rehabilitation.
- In secure services we will work with NHS England to ensure appropriate investment and a funding model that enables redesign of secure services and the re-provision of Ravenswood House. This will potentially involve the expansion of the service to a wider geography, consistent with national specialist service trends.

As a result service users will be engaged in the design and delivery of their care which is centred on independence, choice and recovery to create a life beyond illness. Care will be delivered in the least restrictive setting, through integrated pathways that provide quality outcomes and value for money

3.3 Learning disability services

3.3.1 The Learning Disabilities (LD) services provide specialist support to adults with learning disabilities in the community and in inpatient services across Hampshire, Southampton, Oxfordshire, Buckinghamshire, Swindon and Wiltshire. The LD service consists of community services, Intensive support and Assertive outreach teams, Assessment and Treatment units, Rehabilitation and Step Down and Secure services. There is strong service user focus and engagement and high satisfaction coupled with strong evidence that the clinical models we are implementing are delivering good outcomes.

3.3.2 Key challenges faced by the service are

- Significant quality issues in the LD service have resulted in enforcement action by Care Quality Commission (CQC) and Monitor. The LD service is driving a significant change programme to address these quality issues as well as redesign of the patient pathway.
- The financial position for the LD service remains challenging, made more so through inheriting a deficit position and a trading loss in the old Oxford Learning Disability Trust services. Current commissioning models outside of Hampshire for inpatients are not sustainable financially or in terms of outcomes, some bed services within the division are loss making and there is increased competition from the private sector where there is

more competitive and flexible pricing. Some of our building stock is no longer fit for purpose.

- The expanded service now manages relationships with Clinical Commissioning Groups (CCGs) in 4 counties and the local area team of NHS England for secure services. Commissioners have differing views on future models of care.
- A critical factor in merging the previous organisations was to ensure the critical mass and scope for development and growth. At the same time It is extremely challenging for the Trust to deliver small scale services over a wide geography
- All services within the Oxfordshire contract, with the exception of forensic services, are due to be reviewed by December 2015, in line with the existing contract.

Our Strategic Plans for Learning Disability Services

- 3.3.3 In the short term we will seek to reduce bed capacity and the Trust is likely to withdraw from some service provision in Swindon & Wiltshire. We will continue to redesign our services to ensure we deliver a high quality clinical model and bring services into financial balance within 12 months.
- 3.3.4 As the out of Hampshire services are retendered the trust will carefully consider whether it takes the opportunity to bid for these services.

As a result we will deliver a strong clinical model and good outcomes in the areas where we continue to provide services. Service users will be fully engaged with high levels of satisfaction. More services will be provided in the community with increased cost effectiveness.

3.4 Social care services

- 3.4.1 The Trust's social care division, TQtwentyone, supports people with a learning disability and people with mental health support needs and now, through TQ at Home, older people and people with long term conditions. Services are provided across Hampshire, Southampton and Portsmouth, Isle of Wight, Oxfordshire, Dorset, West Sussex and Swindon. TQtwentyone works with 11 commissioners as well as individuals who buy services through a direct payment or a personal budget.
- 3.4.2 The service has high standards of quality and compliance with CQC, and a strong brand and excellent reputation which is supported by feedback from the people who use the services. Care models are able to be adapted to meet diverse expectations. The establishment of the TQ at Home brand is enabling the Trust to work in new markets.
- 3.4.3 The social care landscape will change significantly over the next 3 years. We want to be a leading provider of social care services in Hampshire. This will be delivered in partnership with other divisions in Southern Health and other health and social care providers.

- 3.4.4 The service faces significant financial pressures now and over the next 3 years. Hampshire County Council is currently retendering these services with a view to new contracts commencing from April 2015. Oxfordshire County Council is also retendering their supported living and physical disability contracts currently.

Our Strategic Plans for our Social Care Services

- 3.4.5 Our proposed direction of travel over the next 5 years will see a reduction in our traditional markets and a growth in integrated health and social care services as well as some growth in the self pay market.
- 3.4.6 Some traditional services are unlikely to be sustainable in the current model. We also recognise the significant opportunity of having a social care offering as part of our integrated community and mental health services.
- 3.4.7 The Trust's social care business provides a very important strategic advantage to the Trust over the next five years, as health and social care commission and provision become increasingly integrated. We will explore new market opportunities for social care provision providing new roles for integrated mental and physical health services both within and outside Southern Health

As a result we will create a high quality, well trained workforce that support mental and physical health services to deliver integrated out of hospital care that reduces avoidable hospital admissions, facilitates early discharge, provides flexible crisis management and supports people to remain independent.

3.5 Integrated Community Services

- 3.5.1 Our community services are organised into 4 localities which mirror the local health communities and the geographical boundaries of CCGs. Each Integrated Service Division (ISD) provides a range of integrated services in community teams including (except in NE Hampshire) older people's mental health services.
- 3.5.2 The community services include Community Care Teams based around GP practice populations, specialist community services such as Heart Failure, older people's psychiatry services, urgent medical care and rehabilitation and in-reach services to acute hospitals
- 3.5.3 The Trust also manages services from community hospitals, including inpatient rehabilitation at hospitals in Fleet, Alton, Petersfield, Gosport, Lymington, Romsey, Fordingbridge and Brendoncare Nursing Home. Over the last 5 years the Trust has consolidated inpatient provision into a smaller number of community hospitals.
- 3.5.4 Our Integrated Services Divisions operate in the sector of the NHS where there are the greatest opportunities for growth and transformation. The clinical model delivers improved outcomes, experience and value for money through
- Integrated primary and community care teams at practice level

- Integrated community based physical and mental health care
 - Integrated community and acute services for frail elderly people
 - Social care as an intrinsic component of all our physical and mental health services
- 3.5.5 The community physical health model is well established. Good progress is being made in integrating older people's mental health services into this model. Older people's mental health services have also undergone significant redesign shifting from an inpatient to community based model of care. As a result the ISDs are embedding a strong physical and mental healthcare model for complex, high risk patients, who often have multiple long term conditions.
- 3.5.6 All ISDs are working in close partnership with other providers including Adult Social Care services to reconfigure hospital services and provide more community based care.
- 3.5.7 There has been limited investment in out of hospital services over recent years and in the absence of an effective payment mechanism, CCGs continue to struggle to move resources from acute hospitals to community settings. At the same time, acute providers are seeking to extend their reach into community care. Redesigned payment mechanisms will be needed to enable the shift from acute based to community based care.
- 3.5.8 Demand and acuity are increasing and with a reduction in block contracts year on year, current delivery models of community services will not be sustainable within the next 5 years.

Our Strategic Plans for each Locality

North-East Hampshire

- This health economy is based around Frimley Park Hospital and is complex as it involves three community providers, three local authorities, two mental health trusts and 2 ambulance providers. The NE Hampshire community services represent a small part of Southern Health business, and are unsustainable in their current form and this will need to be resolved with Commissioners in year.
- The most likely scenario in this locality is that some community services will be developed with Frimley Park Hospital, and that a new model of integrated primary and community care provision will emerge, based around the five GP localities. This new model will require an organisational form, leadership and infrastructure to be able to deliver the envisaged transformation; we are open to what the most appropriate organisational form will be.

Portsmouth and SE Hampshire

- The CCGs in Fareham & Gosport and in South Eastern Hampshire have indicated that they are looking to commission services from a single out of hospital provider responsible for all of general practice, community nursing and therapies, OPMH, social care and some parts of the acute sector.
- Southern Health has agreed in principle with the management team of the Primary Care Alliances for Fareham & Gosport and SE Hampshire to work in partnership to establish a single Accountable Care Organisation serving the local population. There is a strong

commitment and vision from the Primary Care Alliances as well as from Southern Health to develop this new service model and organisation.

- The new entity providing integrated primary and community care will require a legal form, which will need to be agreed.

North Hampshire

- The focus of North Hampshire CCG has been on the development of integrated health and social care teams, each led by a GP. These have now been established on a pilot basis; Hampshire County Council has placed significant effort in ensuring the success of these teams.

Southampton and West Hampshire

- West Hampshire CCG are pursuing an approach where, as far as possible, care is community led, with clinicians and providers outside of the acute sector playing a leadership role and 'gate keeping' activity.
- Our aspiration to enable the redesign of primary care, whether by directly providing primary care or by creating a joint workforce, attracts strong interest.
- There is potential to develop, in due course, a strong integrated primary and community care provider in Southampton and West Hampshire.

As a result integrated care organisations will deliver integrated out of hospital health and social care pathways centred around primary care. Avoidable admissions will be reduced; streamlined pathways will enable patients to have greater control and independence creating improved quality, outcomes and cost effectiveness. There will be strong partnerships between providers across health, social care and the voluntary sector and new organisational models will be in place.

3.6 Scheduled Care Services

3.6.1 Southern Health provides a range of services which could be termed planned or elective care across its various geographies. Many of them are core parts of a clinical pathway and as result these services are managed as part of the Integrated Services Divisions. Some of these services have developed as a result of historical arrangements or opportunities. Going forward the Trust will need to make decisions on whether to continue to provide some of these services and whether to grow others, being cognisant of their impact on our core delivery. The Trust currently provides:

- Medical and surgical outpatients delivered from a variety of community locations
- Elective surgery and medical day case procedures at Lymington New Forest Hospital (LNFH)
- Community based Musculoskeletal triage and specialist therapy services in SW Hampshire
- Hampshire wide Smoking Cessation service (Quit for Life)
- Diagnostic Services including CT, MRI, X-ray and Ultrasound and Radiology at LNFH

Strategic Plans for scheduled care services

- 3.6.2 The Trust is committed to Lymington New Forest Hospital (LNFH) and securing a strong stake as the integrated service provider and lead tenant. There are opportunities to integrate further developing our minor injuries, medical take, medical day case and outpatient services. The Trust continues to review its future role in the provision of surgical services in LNFH balancing the opportunities that this would provide against the clinical risks and costs of growth.
- 3.6.3 There are opportunities to expand our diagnostic services through repatriation of our own activity as well as offering GP direct access and access for other organisations across a wider geography. This will need to be considered against the significant costs of growth and modelling is currently being undertaken. Diagnostic imaging and radiology are highly competitive and potentially highly successful markets. The current service provides good access times, highly skilled workforce and has an excellent reputation locally.
- 3.6.4 MSK has strategic importance to the delivery of other parts of our core offering, it is an area where integration with primary care could be developed.

As a result service users will have greater choice and local access as well as high quality and improved productivity.

3.7 Children's Services

- 3.7.1 The main focus of the Trust's children's services is the delivery of a public health service through Health Visitors and School Nurses. The Trust provides health visiting services to the whole of Hampshire, and school nursing services to most of Hampshire (apart from the Basingstoke area). Southern Health also provides Hampshire wide safeguarding leadership and co-ordination and Children in care services. Through the mental health division the Trust delivers Tier 4 (specialist) CAMHs, secure forensic inpatient service and a mother and baby mental health service.
- 3.7.2 Considerable redesign has already taken place within children's services. There is strong engagement with staff and partnerships with local authorities. However, the complexity of the new commissioning environment is very significant for children's services. Some services are commissioned at CCG level, some through local authorities and other through Local Area Teams. This will change again in 2015 when responsibility for commissioning health visiting will shift to local authorities.
- 3.7.3 The service is relatively small and there is a financial challenge to reduce costs by 20% over the next 3 years. Children's services are currently an area of investment with additional funding for school nursing and there is the potential for growth through service tenders and changes in commissioning arrangements.

- 3.7.4 The school nursing service in Hampshire is currently being tendered. We also believe that this service line will continue to grow in the next 5 years with investment in school nursing and health visiting, an extended remit to support young people from 16 – 19 years, and capacity to deliver greater skill mix after October 2015.
- 3.7.5 There is potential to integrate our children’s service to deliver improved outcomes through greater alignment with primary care and integration with our ISDs,

Strategic Plans for Children’s services

- 3.7.6 Southern Health has expertise and competency in the delivery of public health services (health visiting and school nursing) for children. As a small service the 5 year strategy must be one of growth. If we are not successful in retaining our school nursing service then children’s and family services are potentially not viable.
- 3.7.7 In the short term the Trust will reconfigure the workforce to deliver better value for money, continue to seek to gain market share in school nursing and consider opportunities to win contracts which enable growth and support the vision of the Trust.
- 3.7.8 Children’s services are also a core component of an integrated primary care team; these services therefore form a very important part of the integrated primary and community care team supporting each general practice in Hampshire – and are therefore an important part of the Trust’s service offering and portfolio.

As a result we will deliver integrated community based children’s services with a focus on public health and prevention, supporting the physical and mental health of children and young people in a co-ordinated way as part of primary care led family health care linked to integrated service divisions. There will be a strong quality offering and governance, integrated safeguarding.

4 Financial Plans

- 4.1 The focus of the five year plan is to identify the financial sustainability of the service lines the Trust delivers. The income deflation and cost inflation assumptions used are identified in table 1 below.

Income Deflator	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	Plan	Plan	Plan	Plan	Plan	Plan
	%	%	%	%	%	%
Income Deflator	1.3	1.8	1.6	0.9	0.5	0.5
Pay inflation incl increments	1.0	1.5	2.6	3.0	3.4	3.4
Non Pay Inflation	2.7	2.1	1.6	3.0	3.4	3.4

Table 1

- 4.2 The total Trust plan shows that income will decrease from £343m to £318m by year 5 of the plan. The actual level of reduction is higher than this, but is offset by growth in some services. The key financial headlines are shown below in table 2.

EBITDA and Surplus	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	Outturn	Outturn	Plan	Plan	Plan	Plan	Plan
	£m						
Total Revenue	355.8	350.4	343.0	321.1	310.2	315.8	317.6
Total Expenses	340.2	335.9	327.4	304.6	292.3	297.3	298.7
Cost Improvement Savings (incl Revenue Generating Schemes)	11.8	13.0	18.2	11.6	11.5	10.9	11.0
EBITDA	15.6	14.5	15.6	16.5	17.9	18.6	18.9
EBITDA %	0.0	0.0	0.0	0.1	0.1	0.1	0.1
Normalised Surplus / (Deficit)	5.1	2.1	0.2	0.2	0.3	0.2	0.0
Normalised Surplus / (Deficit) %	1.4%	0.6%	0.1%	0.1%	0.1%	0.1%	0.0%
Non Normalised Surplus / (Deficit)	0.0	0.1	0.2	(1.1)	0.3	(6.7)	0.0

Table 2

- 4.5 The target is for the Trust to achieve at least a break-even position in each year of the plan. This can only be achieved by continuing to deliver cost savings which at least equate to the value of income lost via the annual deflator and cost inflation incurred. In reality this means CIP delivery over 5 years of £63m. £33m of this will need to be achieved in the final three years. This level of saving equates to a range of 3.3% to 5.3% of income per annum. Services will only remain financially sustainable should this prove to be possible. Given the level of savings already achieved by the Trust in recent years it is not feasible for future savings to be generated exclusively by the Trust. They will only be achieved as a result of whole system change and re-design. This is an important assumption made in the construction of this plan. Without synergies being generated by wholesale system change the Trust is only likely to be able to deliver circa 2-3% cost improvements annually. The plan has assumed that savings will be made as a result of exiting some loss making services and growing services which are profitable and will give rise to further synergies by that growth. It is also assumed that further simplification of processes and service transformation will take place.
- 4.6 It should also be emphasised that Trust reference costs are currently 91 and as such are well below national averages.
- 4.7 Whilst not explicitly included in the financial plan from a financial perspective, there is an underlying assumption that some form of integration with primary care will take place over the course of the next three years. Without such integration the sustainability of services in an economic climate of continuing financial austerity will mean the services provided are unlikely to be financially sustainable as they currently stand.

5 Conclusion

- 5.1 We have undertaken a strategic review of all our service lines and we have concluded that if services were to continue in their current form with the similar levels of investment they would not be sustainable in the next 5 years. In order to ensure future sustainability for these service lines we will:
- a) Support the creation of Integrated Care Organisations through the development of integrated primary and community physical health, mental health and social care services with partners in each health economy in Hampshire. This new model will fundamentally improve the offer to the population, improving outcomes and experience for patients, and value for money for commissioners and taxpayers. This assumes an increased level of income in out of hospital models of care. This plan also assumes that the Better Care Fund (BCF) does not reduce our income. The organisational forms required to successfully deliver integrated primary and community care in each locality will need to be agreed, our ambition is to ensure the long term sustainability of high quality services and we will support the organisational options which best enable this.
 - b) Continue to redesign our specialist mental health and learning disability services, agreeing the geographical scope of these services to enable clinical and financial sustainability, agreeing a sustainable future model for secure mental health service provision, and integrating mild-moderate mental health care into the developing Integrated Care Organisations. It assumes an increased level of income for specialist services that reflect true cost of provision
 - c) Deliver productivity as well as system wide service transformation through cost improvement programmes of £63m over 5 years to reduce overall costs and improve outcomes for patients and service users
- 5.2 The analysis that we have undertaken has also led us to the conclusion that, through the delivery of this strategy, it is unlikely that Southern Health NHS Foundation Trust will continue in its current form.

