

A summary of our Strategic Plan

2014/15 - 2018/19

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About Oxleas

We offer a wide range of health and social care services in south east London and into Kent, specialising in community health, mental health and learning disability services. We have been the main provider of specialist mental health care in Bexley, Bromley and Greenwich for nearly two decades and have developed a comprehensive portfolio of services in community and hospital settings.

We provide adult learning disability services across Bexley, Bromley and Greenwich and additionally forensic mental health care for the residents of Lewisham and in Kent Prisons. We also provide a range of physical health services to adults and children in the boroughs of Bexley and Greenwich and within a number of prisons in Kent. We provide care for people of all ages and work closely with a variety of partners to ensure our services are well-integrated and wide-ranging. We have a workforce of around 3,500 people including many highly skilled health and social care professionals. We own and operate out of a number of premises, our most recent significant acquisition being the transfer of Queen Mary's Hospital in October 2013 where we have already begun our exciting redevelopment programme.

We became a foundation trust in the first wave of non-acute foundation trusts in May 2006. Since then, we have consistently received very good ratings for finance and governance. We have a highly-motivated and stable workforce who regularly rate Oxleas as one of the top NHS organisations for which to work. In the last three years we have been rated by our staff in the national staff survey as the best NHS organisation to work for in London and the South of England. Our staff engagement scores are the highest nationally. Patient feedback has shown that this commitment is reflected in the quality of services experienced by patients and continuing improvement in levels of patient satisfaction.

We have established an effective network of partnerships across Bexley, Bromley and Greenwich including excellent working relationships with local commissioners. Our reputation is built upon providing local services that are high quality and value for money. At the core of these services is:

- A focus upon providing care close to home
- Managing long-term conditions
- Preventing crises and relapses
- Promoting well-being and recovery

Core to our strategy is the development of integrated services and providing care solutions for mind and body. As an integrated mental health and community organisation, we have already seen how services, and professionals working within such services, can benefit from a more holistic approach to care and treatment. Our portfolio of services has grown and we continue to look for further opportunities where we believe our skills and approach will deliver real benefits to patients.

We are an organisation that is fully committed to our purpose, which is:

***To improve lives by providing the best quality
health and social care for our patients and their carers***

Declaration of sustainability

Clinical

Our governance risk rating has historically been and remains low. On the two occasions where breaches against referral to treatment targets have been reported these were quickly identified and corrected. The breaches exclusively related to newly acquired services and the impact on patients was minimal. Our Quality & Risk profile with the CQC continues to be one of low risk. We have been the subject of fourteen formal inspections from the CQC to our registered locations with no enforcement actions or major improvement notices. Our one registered service with Ofsted is rated as outstanding. Our track record of delivery against CQUINs and internal quality performance measures is strong.

Our organisational structure has strong clinical leadership at its heart, with directors leading our medical, nursing and allied health professional workforce. Clinical directors provide leadership across our five service directorates, in partnership with each service director; both sets of directors are involved in all strategic sessions with our Board of Directors.

Operational

Our key plans for 2014-16 are detailed in our Operational Plan and are described under our four main strategic priorities; Quality, Innovation, Productivity and Transformational Change.

The portfolio of our services provides excellent opportunities for integration, both within our organisation and with identified partners from the health, voluntary and commercial sector. We continue to seek to grow our services, alongside retaining our core contracts, as commissioners look to market test. Our plans are supported by a clear Marketing Strategy.

Operational delivery of our clinical services is from a number of locations, predominantly in the London boroughs of Bexley, Bromley and Greenwich but also into Lewisham and within a number of prisons in Kent. We own 29 sites, ranging from large multi-building hospitals to small community clinics. Our estate has an estimated asset value of £80m. We lease a further 13 properties and deliver our services from a number of other sites associated with service contracts. The size, geography and diversity of our estate provide us with excellent business resilience and opportunities to increase revenue or reduce cost.

Financial

We have an excellent financial track record. We deliver our financial efficiencies in full, have a strong balance sheet, healthy cash balances and achieve the lowest financial risk ratings. Increasingly though, achievement of these financial markers is becoming more challenging as demand and expectations grow against a backdrop of a reducing financial envelope, a more competitive market and changes in commissioning.

Within our Operational Plan we set out our plans to deliver a surplus of £2m per year. Combined with the required local and national efficiencies, this means we need to make savings of £14.4m over the next two years. We will continue to use our cash to improve local services, alongside investment in our ambitious organisational transformation programme. We believe this is critical to continue to drive efficiency in the way that we deliver services. This includes significant investment in new technology and innovation. Whilst we face the service, market and financial challenges from a sound financial position, our Strategic Plan is predicated on delivering a reducing operational surplus over the period of the plan, with the aim to achieve a break even position within the period of the Strategy.

Our cash position is sufficiently strong for us not to need to make a surplus and to try to continue to do so would risk impacting on quality.

Executive summary

The economic environment over the next five years will be more challenging than we have ever experienced, with a wide range of social consequences. Demand for our services will increase, particularly for long-term conditions, dementia and mental health. Meeting this demand with decreased levels of NHS and local authority resources will force new ways of working. We are already engaged with Local Authorities and Clinical Commissioning Groups to support plans for the Better Care Fund over the next two years.

Integration of services and out-of-hospital care is now central to the sustainability of local healthcare. This is our core business. We will lead new service models with primary and secondary care and new financial models with commissioners. We will ensure that all patients benefit from being treated by a truly integrated mental and community health trust.

We face this challenge from a strong financial position. We have a track record of delivering our efficiencies in full, and have a very strong balance sheet with a healthy cash position. We are planning to deliver a surplus of £2m per year for the next two years, which we will invest in improving local services. These surpluses are underpinned by the achievement of our cost improvement programme which will require us to deliver significant efficiencies. We have firm plans in place to deliver the target of £6.4m in 2014/15 and have outline plans to deliver the requirement of £8m in 2015/16. However, it is critical we continue to ensure that delivery of our savings targets does not have an adverse impact on clinical quality. We are confident our established governance structures will ensure this is the case.

We believe our plans for the next five years are well developed and take account of all known and likely trends and factors. We are in a strong position to deliver them and have a track record of achieving our quality and financial targets. That said, even for an organisation such as ours, the challenge over the next five years will be considerable - our downside shows us drawing on our cash reserves to a greater extent than we would like. The savings targets in our plan will require us to fundamentally change the way that we operate. There is already pressure on our services and we find ourselves in an increasingly competitive environment with new market entrants. Whilst we have been successful in both defensive and new tenders, we expect this to become more difficult as contracts are likely to be increasingly awarded on price. As a result, we plan to further explore sub-contracting opportunities and opportunities to reduce our cost base.

We are conscious of the impact of further cost reductions across the NHS, both locally and nationally. Having been part of the solution to the first NHS trust to be dissolved, we have seen first-hand how an NHS trust can become financially unviable. It must be the case that there will be other trusts in similar positions to South London Healthcare NHS Trust. The appetite for repeating the Trust Special Administrator process seems to have diminished and the system will need to find new ways of supporting NHS trusts who cannot make foundation trust (FT) status. This may present us with opportunities and we have had some dialogue with other local non-FT NHS trusts. This is both in terms of acquisition or other forms of partnership and support.

Our Strategic Plan includes:

- An **analysis of the marketplace**, including our views on demand, the security of our core income and future opportunities within existing and new markets
- A recognition that we are entering a period of **unprecedented competition and change** and the threats this brings to our core work as commissioners increasingly look to award contracts based on price

- A **restatement of our agreed strategic priorities and robust two-year operational plans**, against the backdrop of the current and future economic environment and commissioning landscape
- An **assessment of our financial position**, with reference to our past performance and the sound footing we are on to tackle a challenging future
- An **honest view of what is achievable** and the reality that, to continue to make the required levels of savings, we need to fundamentally re-think how we provide our services and how we are organised
- A high-level summary of the **key opportunities we believe exist to drive efficiency**, how we will ensure we do this whilst maintaining safety and improving quality and how we continue to communicate and engage with our patients, staff and stakeholders

Market analysis and context

Demographics and health needs

The combined population of the boroughs of Bexley, Bromley and Greenwich was 800,000 in 2012 and is predicted to grow to 850,000 by 2017, equating to an increase of approximately 6%. Although in the short term the population is growing, there is forecast to be little change in the split between those aged 0-17, 18-64 and over 65. However by 2022 there will have been a more profound increase in the population of over 65s in all three of the boroughs where we provide the majority of our services:

- Bexley - increase of 8.6%
- Bromley - increase of 10.0%
- Greenwich - increase of 25%

National estimates are that 12% of people over 65 will have three or more long term conditions, 34% two or more and 67% one long term condition. Therefore our plans rightly focus on the need for further integration of services and support to primary care to enable co-ordinated management of multiple long term conditions.

There are a number of areas identified as a high burden of ill health in south east London:

- Mental health disorders associated with lower life expectancy with many receiving poor physical health care - our Operational Plan focuses on the integration of physical and mental health care
- Continuing rise in co-morbidities, and dementia within the older people's population which is growing - our Operational Plan focuses on joined up services for the elderly population
- Increasing burden of ill health from diabetes (in line with the national trend) - we currently provide diabetes services and aim to support their development with commissioners in future
- Childhood obesity (age 10-11) in Greenwich and Bexley are above the national average by approximately 5% and also above the London average. Bromley has the lowest level at 17.3%, which is under the England average - providing universal and specialist children and young people's services in Bexley and Greenwich enables us to focus on this area jointly with colleagues in Public Health

Demand for our services

Since the integration of community health services in Bexley and Greenwich in 2010 and 2011 respectively, our caseload has changed significantly. We have nine times as many community health services patients on our caseload than those receiving mental health and learning disability services. Our overall caseload shifted further in 2013 due primarily to our acquisition of Bexley Specialist Children's services.

We have undertaken a review of our activity data over the past four years in order to establish the changes that have occurred during this time and used this alongside intelligence of the local health economy, demographics and our service development plans to forecast service demand. Across the majority of our service lines we are projecting growth, with notable increases expected in:

- Dementia services and care for older people with mental health conditions
- Common mental health illnesses in adults

- Long term conditions
- Musculoskeletal services
- Specialist children's services
- Health visiting
- Medium secure inpatient services
- Primary care services in Kent prisons

We have actively engaged with commissioners to ensure we have sufficient capacity to deliver to the required needs, however we also plan to meet this additional demand through better use of our capacity. A key part of this strategy is through the use of new technologies to aid productivity and improve the care provided to patients. Alongside these new technologies we are focused on delivering services through integrated provision, as well as major transformational changes and service redesign.

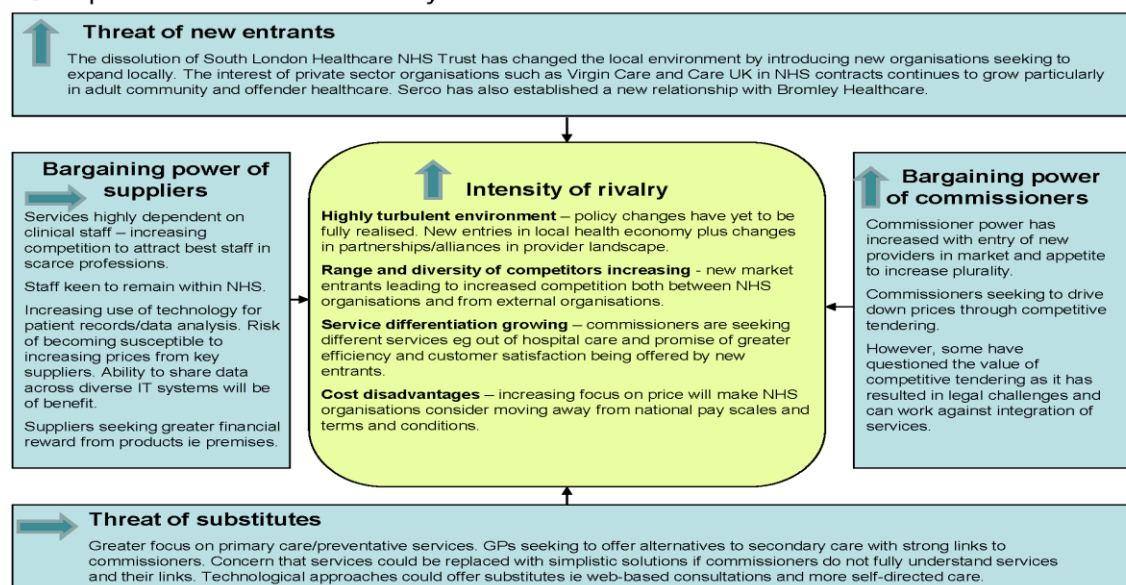
Increased competition

The increased market competition and range and diversity of competitors represent a risk to our income and strengthens the ability of commissioners to drive down contract values. We have developed expertise in the bidding process and established new ways of delivering services in line with new contracting structures. In order to maintain our presence as a leader in the delivery of community and mental health care as well as our expertise in prison health and integrated service delivery it is vital we are able to:

- Defend our current services from competition
- Be flexible and quick to take up opportunities to deliver new services
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Within the current financial climate we must deliver these new service developments or defend our services in a way which delivers both enhanced quality and innovative new models of service within a reduced financial envelope. Although this environment brings its challenges and risks it also provides us with real opportunities to expand our delivery portfolio, adding to the benefits our current services and new services can deliver to our patients and improving lives. We have a good success rate on the bids we have submitted.

Competitive environment analysis



New service developments

We have been successful both as a single organisation and by building relationships with other primary care and acute care trusts as well as social services and third sector organisations. In 2014 we have been successful in securing contracts to deliver the following services:

- Bexley Integrated MSK Services - delivering a brand new model of musculoskeletal services, within a sub-contract arrangement with Kings College NHS Foundation Trust.
- Primary and community health care and pharmacy services within Medway adult prisons and Secure Training Centre - delivering primary care across HMP Cookham Wood and HMP Rochester.
- Adult Mental Health care and pharmacy services across all 9 Kent and Medway prisons, including Dover Immigration Centre - delivering mental health services and services for offenders with learning disabilities
- Transfer and TUPE of Bromley community and social care Learning Disabilities staff - social care staff will transfer fully through staff consultation and TUPE into Oxleas. This will allow for all staff to be managed together in one integrated team under the same terms and conditions.
- Co-working to deliver expansion of Greenwich Intermediate Care - working in partnership with a local high quality third sector provider to deliver to a need to increase capacity of intermediate care bed provision in Greenwich.
- Bexley Integrated Cardiac Services - providing interim management of the cardiac rehab service within Bexley, following a tender of the whole integrated cardiac service pathway from primary to tertiary care provision. We are part of the partnership of providers, led by Guy's and St Thomas' NHS Foundation Trust who has been awarded preferred provider status.

Our finances

We enter the next five years from a position of financial strength. We have a track record of delivering our savings in full, therefore we are not carrying forward any undelivered savings targets from previous years. And we also have a very healthy balance sheet, with cash of £85m as at 31st March 2014.

That said, the next five years will bring unprecedented levels of financial challenge for us as an organisation. We have delivered 4% savings targets for each of the past five years, therefore nearly all of the quick and relatively pain-free savings have already been taken. Future savings will require a different way of delivering services, fundamental changes to processes, and different clinical pathways.

Coupled with this, some of our local commissioners are developing an appetite for tendering out services on the open market, which means that we will have to work very hard to defend our existing contracts; though this may also bring opportunities.

Our mid case plan shows a breakeven position in year 5 with a continuity of services rating of 3, although it should be emphasised that this will require significant levels of organisational change which will be very challenging. The decision to reduce our planned level of underlying surplus to breakeven was taken by our Board and reflects our desire to ensure that as much resource is invested in front line services as possible.

£m	2014/15	2015/16	2016/17	2017/18	2018/19
Income	225.5	221.9	215.9	219.4	216.3
Retained surplus	2.0	2.0	1.0	1.0	0.0
CRE requirement	6.4	8.0	9.2	9.0	8.7
Net assets	156.8	158.0	151.6	149.0	146.0
Of which cash	76.3	68.6	42.7	31.0	29.1
Continuity of service rating	4	4	4	3	3

Investment in estate

We have outline plans for £88m over the next five years to maintain and improve our estate. A number of these schemes will lead to reductions in cost, for example consolidation onto fewer sites and energy saving schemes, as well as ensuring an appropriate level of return from tenants. The major schemes are as follows:

- **Queen Mary's Hospital (£39m)**
Our exciting redevelopment programme of investment is in line with the business case approved by our Board in August 2013.
- **Re-provision of inpatient beds at the Memorial hospital (£16m)**
We have outline plans to build seven mental health inpatient wards on the Memorial site.
- **Bracton expansion (£10m)**
We are working on a major business case to increase our medium secure capacity at the Bracton site.

Investment in new technologies and IT infrastructure and systems

£8.5m of capital has been allocated over the next 5 years to improve our IT infrastructure. In 2012/13, we created a new director level post, Director of Informatics, in order to drive forward the IT agenda.

This will involve the implementation of the new clinical system; development of live information dashboards (i-Fox); and stepping up the introduction of new technologies into the workplace; all of which should enable us to become more efficient without impacting on front line services. This will also enhance our reputation with commissioners as an innovative provider.

Liquidity and cash investment strategy

We are forecasting cash of £29m at the end of the five year period, so we do not have any medium term concerns regarding liquidity. We have spent time developing investment plans as described above, in order to put our cash resources to best effect.

The Board is very committed to investing our cash balances for the benefit of our patients and the local health economy, but has decided to retain a cash buffer of £25m (broadly two months' pay costs) to help manage any unforeseen eventualities.

Contingency

As mentioned elsewhere in this document, the Trust is keen to ensure that the maximum possible resource is put into front line clinical services. With this goal in mind, and in the knowledge that the Trust has a strong cash position, we have set a plan with 0.5% recurrent contingency and a target of breaking even in year 5.

Should we fall behind on CIP delivery, we are confident that there would be scope to make non-recurrent savings/ use non-recurrent resource to manage the gap. Thus far, we have not needed to make non-recurrent savings so there would be scope to consider short term measures that could deliver savings while more sustainable savings projects are implemented.

The challenge and how we plan to meet it

Our agreed strategic priorities are:

- **Enhance Quality:** ensuring excellence for every patient
- **Promote Innovation:** redesign services with patients, families and commissioners
- **Increase Productivity:** be resilient and resourceful to thrive in difficult times
- **Transformational Change:** delivering best practice services, for the future, today

Under each strategic priority we have developed detailed plans to meet the financial challenge over the next two years. These are designed to improve our services and make them more efficient. Giving consideration to the current and predicted climate, our key challenges going forward beyond these detailed plans are:

- Delivering significant efficiency savings, both national and additional local requirements
- Meeting the growing demands of an ageing population with increased co-morbidities, a rise in mental illness and long term conditions
- Taking the opportunities of tendered services and competition whilst defending our services through continual transformation and improvement
- Delivering integrated services to support patients' physical, mental and social care needs effectively working in partnership with others
- Increasing our ability to deliver services more innovatively and embed the use of self-management within the culture of our patients
- Building new and sustainable relationships with all commissioners and working closely with them as commissioning arrangements change
- Achieving success through our plans for the development of the Queen Mary's Hospital site in Bexley for both ourselves and partner providers on the site

Whilst confidence remains in the detailed schemes and projections for the next two years, we believe that to continue to make the required level of savings we need to fundamentally re-think how we provide our services and the support required to enable us to achieve this. Our model to date has been to distribute the overall savings target across our clinical and corporate directorates. Plans have been developed locally, often supported by a level of upfront cash investment. Alongside these local locally derived plans, there have been a number of centrally-led schemes. Progress against savings targets is monitored through our robust annual planning process, with oversight and scrutiny provided by a number of our governance groups. This approach has served us very well. We have always achieved or exceeded our planned level of surplus as a foundation trust.

Going forward beyond the proposals set out over the next two years, we have developed our savings plans across a range of themed areas where we believe there are opportunities to drive further efficiency:

- **Integration** - providing services jointly, internally or with external partners, to ensure best value
- **Estates** - more flexible use, rationalisation, income generation
- **IT / new ways of working** - providing staff with the tools they need to do their jobs better, at the convenience of patients, and ensuring we can see more patients more quickly
- **Sub-contract delivery** - delivery of services through new models but within our existing governance arrangements

- **Procurement** - driving value through smart purchasing, with a focus on high value contracts
- **Recruitment to bank / reduce agency** - reducing our spend on temporary staff through better recruitment
- **Service re-design / decommissioning** - finding new ways of working and considering how best to provide services that meet the needs of our patients now, rather than simply what has historically been provided
- **Performance / productivity / HR** - bringing our performance up to the best levels of our staff, being more productive and exploring ways of reducing our staff costs
- **Trust surplus reduction** - reducing our internal target of delivering a surplus to reduce the burden on front line services
- **Income / contract surplus** - where we win new services, ensuring we include sufficient headroom to cover our overheads

Monitoring performance against our plans

Ensuring quality

Our challenge is to ensure that whilst we continue to improve the quality of our services we also examine how improving quality can contribute to delivering an element of cost improvements. We have an established Quality Governance Framework which underpins the processes of improving our performance on quality. The key processes the framework applies to are:

- Ensuring required standards are achieved
- Investigating and taking action on sub-standard performance
- Planning and driving continuous improvement
- Identifying, sharing and ensuring delivery of best practice
- Identifying and managing risks to quality of care

Reporting to the Governance Board, our Quality Board provides assurance to our Board of Directors on the quality of services and promotes a culture of continuous improvement and innovation. It has clear lines of responsibility for the three domains of Quality across the Trust: patient safety, patient experience and clinical effectiveness. Each of our service directorates reflects the Trust wide Quality management structure with a local Quality Board overseeing the constituent directorate led Patient Safety, Patient Experience and Clinical Effectiveness Groups.

The quality of our performance and all quality indicators are assessed and measured at directorate and Trust level with clear accountability on our progress reported back to the Governance Board and Board of Directors by the Medical Director, who is our lead for Quality. We have ensured that the framework of having a clear trust strategy and promoting a culture of quality throughout the organisation has been maintained.

Our Patient Safety Group reviews all serious incidents and monitors the actions arising from investigation recommendations. They identify themes arising from investigations and ensure organisational learning takes place through an ongoing series of workshops for clinicians.

All identified key risks from the above process are included in our aligned Quality Domain risk registers (patient experience, patient safety and clinical effectiveness) which are regularly reviewed by our quality subgroups, our Quality Board and our Governance Board. None of these risks are rated above moderate.

Financial assurance

The delivery of financial plans and savings are the responsibility of the Board of Directors. Processes are in place to give the Board assurance with regards to the delivery of such schemes. Our quality governance structures combine to give assurance that if there were issues regarding quality these would be picked up promptly. To further strengthen our existing process we are considering how we can provide additional executive and corporate support and oversight, particularly across years three to five of the Plan. We intend to delegate responsibility for delivery of elements of our savings plans to nominated lead directors and governance groups.

Key risks

In developing our Strategic Plan we have considered separately the financial risks and our ongoing risks based on:

- Our market analysis
- The increasingly competitive environment
- Changing commissioning arrangements and commissioners intentions
- Rising and more complex demand
- An overall reducing financial envelope from which to deliver our services

As a result, we have identified a number of key strategic risks that will require ongoing management and mitigation throughout the duration of the plan in order for us to continue to deliver high quality, value for money services.

Strategic Priority	Overarching risks	Summary mitigation plan	Risk level
Enhance Quality: ensuring excellence for every patient	If due to the financial pressures we are unable to demonstrate the provision of high quality care this may impact on commissioning decisions, weaken our market position and erode our organisational integrated care benefits	<ul style="list-style-type: none">– Quality Account and delivery of KPIs, CQUINs and local quality measures– Marketing and Communication plans– Friends & Family Test– NHS staff and patient survey– Use of iFox for team level performance data	Moderate
	If patients and carers are not adequately involved in planning their care and treatment their outcomes are likely to be less positive. Our reputation as a provider of high quality services may be affected resulting in reduced referrals and confidence from GPs and commissioners	<ul style="list-style-type: none">– Patient engagement programme– Real-time feedback on services– Promoting best practice and innovation– ‘Sign up to Safety’ campaign– GP master classes– Patient survey	Low

Strategic Priority	Overarching risks	Summary mitigation plan	Risk level
Promote Innovation: redesign services with patients, families and commissioners	Our ability to embed new technology as 'business as usual' will have a significant bearing on realising the associated efficiencies, which is a key part of our efficiency programme	<ul style="list-style-type: none"> – New clinical record system provides unique opportunity – Oversight by IT Strategy Group – Clinical transformation programme 	Moderate
	Any delay to investment decisions in a volatile marketplace will place further pressure on our efficiency targets	<ul style="list-style-type: none"> – Ability to pump-prime initiatives – Shorten time from proof of concept to roll out – Clinical transformation programme 	Low
Increase Productivity: be resilient and resourceful to thrive in difficult times	Exploration of sub-contracting arrangements and other models of service delivery may be demotivating to staff and result in a reduction in quality and an inability to maximise the efficiency opportunity	<ul style="list-style-type: none"> – Excellent staff engagement – Ongoing dialogue with staff representatives – Robust governance arrangements to ensure operational grip on quality – Annual planning process 	High
	Increased competition destabilises staff and can consume a significant amount of staff and management effort, presenting a risk to delivery of core savings and quality targets	<ul style="list-style-type: none"> – Support of central bid team and development of core information – Significant tender experience – Mobilisation plan for new services 	Moderate
Transformational Change: delivering best practice services, for the future, today	New ways of working require our staff to develop new skills and competencies. A failure of our staff to respond effectively to these new ways of working will result in inefficient service delivery	<ul style="list-style-type: none"> – Good baseline of mandatory and essential skills training – Use of iFox for team level performance data – Dedicated clinical transformation support 	Moderate
	Delivery of the estates strategy requires a significant cultural change and adaptation in order to deliver the required cost efficiencies.	<ul style="list-style-type: none"> – Models at Market Street and Queen Mary's – Role-modelling – Utilisation data 	Moderate