Pennine Care NHS
NHS Foundation Trust

Strategic Plan Document for 2014-19
Summary Version

Pennine Care NHS Foundation Trust

Strategic Plan Guidance – Annual Plan Review 2014/15

The cover sheet and following pages constitute the strategic plan submission which forms part of Monitor's 2014/15 Annual Plan Review.

The strategic plan must cover the five year period for 2014/15 to 2018/19. Guidance and detailed requirements on the completion of this section of the template are outlined in Section 5 of the APR guidance.

Annual plan review 2014/15 guidance is available here.

Timescales for the two-stage APR process are set out below. These timescales are aligned to those of NHS England and the NHS Trust Development Authority which will enable strategic and operational plans to be aligned within each unit of planning before they are submitted.

Monitor expects that a good strategic plan should cover (but not necessary be limited to) the following areas, in separate sections:

1. Declaration of sustainability
2. Market analysis and context
3. Risk to sustainability and strategic options
4. Strategic plans
5. Appendices (including commercial or other confidential matters)

As a guide, we would expect strategic plans to be a maximum of fifty pages in length.

As a separate submission foundation trusts must submit a publishable summary. While the content is at the foundation trust's discretion this must be consistent with this document and covers as a minimum a summary of the market analysis and context, strategic options, plans and supporting initiatives and an overview of the financial projections.

Please note that this guidance is not prescriptive. Foundation trusts should make their own judgement about the content of each section.

The expected delivery timetable is as follows:

Expected that contracts signed by this date	28 February 2014
Submission of operational plans to Monitor	4 April 2014
Monitor review of operational plans	April- May 2014
Operational plan feedback date	May 2014
Submission of strategic plans (Years one and two of the five year plan will be fixed per the final plan submitted on 4 April 2014)	30 June 2014
Monitor review of strategic plans	July-September 2014
Strategic plan feedback date	October 2014

1.1 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	**23/06/14**

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:

Name	Mr John Schofield *(Chair)*

Signature 

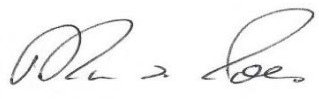
Approved on behalf of the Board of Directors by:

Name	Mr Michael McCourt *(Chief Executive)*

Signature 

Approved on behalf of the Board of Directors by:

Name	Mr Martin Roe *(Finance Director)*

Signature 

1.2 Declaration of sustainability

The board declares that, on the basis of the plans as set out in this document, the Trust will be financially, operationally and clinically sustainable according to current regulatory standards in one, three and five years' time.	**Confirmed**

A sustainable vision

'Working together, living well' is our vision to deliver the best possible care to patients, people and families in our local communities by working effectively with partners, to help people live well. We believe that through delivering this vision effectively over the next five years, our local communities and the services they need from us will change and alter in shape, but will be sustainable over the longer term.

Our strategic goals outline how we intend to steer the organisation to deliver this vision and what we will need to bear in mind during this period of significant change: -

- Put local people and communities first;
- Strive for excellence;
- Use resources wisely;
- Be the partner of choice;
- Be a great place to work.

Our analysis of the current context within which we are working and the market within which we operate (detailed in the Commercial Strategy) shows that our operational and clinical sustainability relies on us continuing to retain existing business and win new contracts, where possible, which consolidate our position. Our greatest competitors remain other NHS providers for core elements of our service provision, but we recognise a growing competitive market for smaller services including health improvement, drug and alcohol and Increasing Access to Psychological Therapy (IAPT) services. Our strategy for sustaining and growing our business is outlined in more detail in section 1.5.

Sustainable service plans and operational delivery

Our Service Development Strategy demonstrates the areas we will concentrate on in transforming our offer and how we intend to reshape services. Integral to that will be the process of engagement and consultation we will have with our communities, patients, staff and commissioners to ensure that what we are proposing meets their needs.

In Appendix 1, we describe our overarching service development strategy. We intend to integrate our physical and mental health service offer into a neighbourhood or GP cluster based service. In some cases this includes social care provision via a Section 75 arrangement. We envisage a significant shift of resources into more 'universal' self-management services which we are likely to provide with different staff and other agencies. We intend to shift more resources into what we can do in people's homes and enhance services outside hospital. We want to work with patients and communities to redefine our mental health inpatient offer in a way that builds on the best of what we do already and better meets people's needs locally.

Sustainable financial delivery

The Trust has a strong history of solvency and financial performance and this provides assurance that the Trust can deliver sustainable financial performance in the future, driven by robust financial planning. We also have in place a range of contracts with core commissioners for services over the next 3 years and are confident that we can maintain our income stream through continued delivery of contract performance and effective relationship management.

The Trust's performance in 2013/14 on the new Risk Assessment Framework (RAF) provides further assurance that the Trust has the ability to deliver its financial liabilities. The planned Continuity of Services Risk Rating (CoSRR), as noted in the table below, is driven by the Trust's future planning assumptions and transformational cost improvement plans and provides assurance to the Board that the Trust can manage its liabilities over the next five years.

	Audited figures	**Operational plan**		**Strategic plan**		
	2013/14	**2014/15**	**2015/16**	**2016/17**	**2017/18**	**2018/19**
Liquidity	4	4	4	4	4	4
Capital Servicing Capacity	4	3	3	4	3	3
Continuity of Service Risk Rating	**4**	**4**	**4**	**4**	**4**	**4**

The Trust has a strong track record on liquidity (consistently scoring a strong 4 on the original FRR) and on the new RAF, the Trust is forecasting a level 4 over the next 5 years. The strong balance sheet which drives this plan is based on delivery of the cost improvement plans and the capital spend programme (included in section 1.5), which the Board has assessed we have the capability to deliver.

Declaration

Based on our previous history and track record of delivering our plans, our self-assessment against the strategic planning capabilities and the Service Development Strategy going forward , the Board is assured that the Strategic Plan is deliverable in one, three and five years' time.

1.3 Market analysis and context

i) Health care needs assessment

The Trust delivers a diverse portfolio of community and mental health services across six geographical boroughs of Greater Manchester. A representation of our current footprint is shown in the map below:

A wide range of community services are provided to Bury, Heywood, Middleton and Rochdale (HMR), Oldham and Trafford. The Trust is also commissioned to provide health improvement and intermediate care services in Tameside and Glossop.

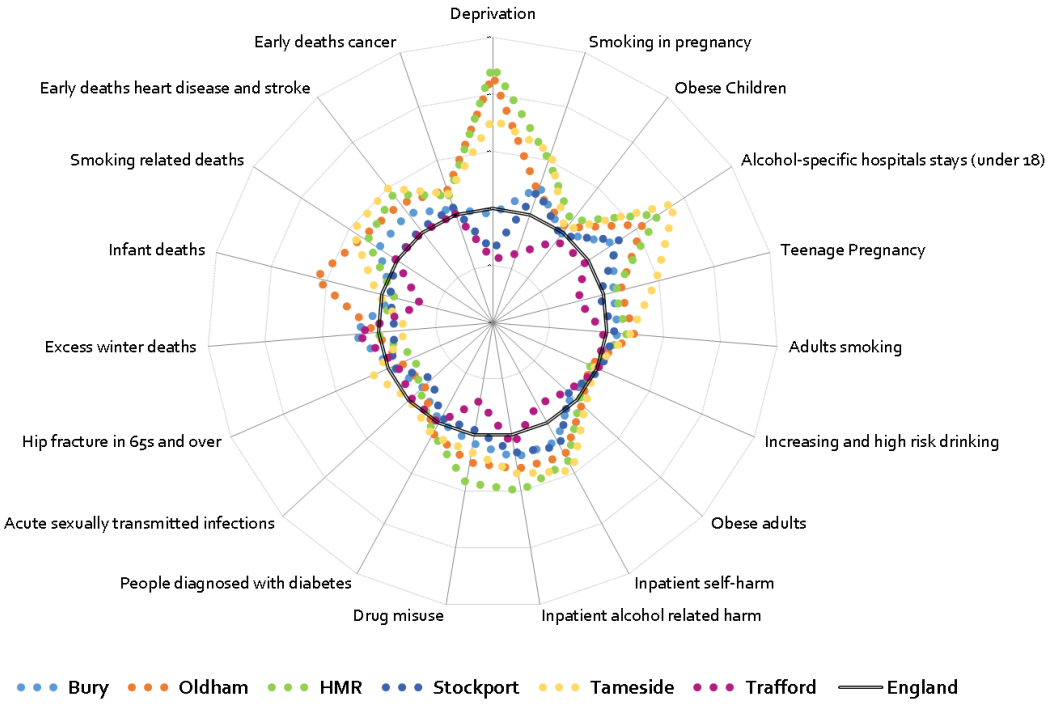
Mental health services are provided for Bury, HMR, Oldham, Stockport and Tameside and Glossop. The Trust is also commissioned to provide mental health services to parts of the High Peak, East Lancashire and North Manchester areas via additional contracts.

The Trust provides a range of integrated services in partnership with seven Local Authorities – Oldham, Bury, Rochdale, Tameside, Stockport, High Peak and Trafford. It also provides integrated sexual health services in Bury and HMR and integrated diabetes services in Bury and Oldham, in partnership with Pennine Acute Hospitals NHS Trust (PAHT).

It provides services on acute hospital sites across its footprint and shares these with PAHT (covering Bury, Rochdale and Oldham Hospitals), Stockport NHS Foundation Trust, Tameside Hospital NHS Foundation Trust and Central Manchester NHS Foundation Trust (on the Trafford General Hospital site).

The health profile of the 1.35 million people served by the Trust varies significantly between boroughs and electoral wards, influenced by relative levels of deprivation, economic status, ethnic origin etc., which is captured in the Joint Strategic Needs Analyses published by the respective Directors of Public Health for each borough.

Public health data has been obtained and analysed to demonstrate how the six boroughs within our footprint, compare with key national indicators. The illustration below aims to give an overview of the boroughs' positions against these indicators relative to the England average.



The illustration shows that our most deprived boroughs (Oldham, Tameside and HMR) are significantly over the England average in a number of key health indicators, in particular alcohol specific hospital stays, smoking related deaths and early deaths from heart disease and stroke. It is acknowledged that lifestyle choices are a significant factor in many of these areas and, therefore, treatment and care models are unlikely to deliver a fundamental change in performance against these indicators.

All six boroughs have their specific challenges in respect of health and social care outcomes, which need to be addressed through locally targeted approaches, working in collaboration with commissioners and other key stakeholders.

ii) Capacity analysis

As identified in the Operational Plan, the Trust's vision and service development strategy (SDS), which take account of national, regional and local priorities (Care Closer to Home, Healthier Together and the New Health Deal for Trafford) have identified the following key drivers in respect of demand and capacity over the next 2-5 years: -

- Growing demand for services due to demographic changes (aging population and increasing numbers of people with long-term conditions and dementia) plus changing patient expectations, not matched by increased investment;
- Requirement to provide increased and enhanced service delivery in the community and reduce demand upon acute hospitals, including extended working hours and/or 7-day week service delivery;

- Requirement for more service integration e.g. health and social care and/or other delivery partners, wrapped around neighbourhoods and/or GP clusters;
- Reductions in mental health beds (1500 beds closed nationally since April 2011) have led to increasing numbers of patients being placed in expensive, private sector provision and/or in mental health hospitals that are significantly distant from the patients' homes;
- Increased market testing by commissioners in a number of specific service areas may well lead to increases and/or decreases in the range and scale of the services that the Trust provides, with associated gains/loss of income and staff (experience and expertise);
- Financial pressures on the health and social care economy expected to continue for the foreseeable future, resulting in a Trust CIP target of £44.9M over this 5 year period;
- Reducing workforce, resulting from service redesign to meet above CIP requirements.

Assessment of inputs

As a Foundation Trust since 2008, the Trust has significant experience of planning and managing its resources within the context of on-going efficiency requirements and ever-evolving service change to ensure the delivery of quality standards, innovation and emerging best practice. It is recognised, however, that the challenges facing the health and social care economy are unprecedented in their scale and impact. Taking into account the drivers detailed above, the Trust is working on the following planning assumptions for the next five years: -

- No significant increases in contract income to procure additional activity from existing services, in spite of anticipated increasing demand – the Trust has developed a **demand and capacity tool** (inSight) to facilitate effective demand management;

- Expected decrease in physical capacity required as a result of the reducing workforce, increased service integration with co-located partners, the introduction of mobile working and extended working hours – the Trust has identified **fewer buildings** as one of the key components of its transformation programme;

- The current configuration of inpatient beds, including intermediate care, will undergo significant change – **realigning resources to community and cluster-based levels of care**, underpinned by a robust engagement and consultation exercise (see section 1.4);

- Expected decreases in staffing numbers – to be managed through divisional **People Plans**, within the context of the **People Strategy**.

The following inputs have been assessed: -

a) Estates capacity

The Trust currently delivers its services from 126 sites, spread across six geographical boroughs of Greater Manchester. These include sites that are owned or leased by the Trust, back office and clinical delivery/inpatient facilities, offering sole occupancy or co-location with delivery partners. Ensuring that these properties remain fit for purpose, compliant with all relevant standards and legislation and meet patients'/service users' access needs, whilst providing value for money, is both complex and challenging. The Trust already has in place established working relationships with each borough council across its foot print and works closely to ensure it shares premises, where this provides increased service benefits and efficiencies.

Nevertheless, the Trust recognises that it needs to review and rationalise its current estate in the context of the key drivers and planning assumptions identified above. This will involve working in each borough and considering the changing pattern of service delivery in each area. This will include assessment of the current or planned programmes of integration of our own community and mental health services and/or

health and social care integration, the roll-out programme for Paris and mobile working technology and any planned reduction in workforce numbers. This will be a significant programme of work during 2014/15, with the expectation that a targeted reduction in overall estate and estates costs is delivered from 2016/17 onwards and the revenue consequences are included in the cost improvement plans.

Adult Mental Health

Due to the increasing financial constraints being placed on NHS providers, many Mental Health Trusts are working to reduce inpatient bed numbers in a bid to release financial efficiencies. The impact of this is increasingly evident in the number of requests we receive for access to our beds by other mental health providers, who are now unable to contain their local demand within their reduced bed base. This issue has been recognised and debated at a national level. In previous years the Trust rationalised its inpatient capacity and grew its community provision. This has provided a strong base for inpatient provision and occupancy levels are high in the adult acute service. Rather than reduce this further in the short-medium term the Trust has taken an alternative approach by exploring options to income-generate from its bed stock. The Trust has had little need to commission out-of-area beds or beds within the private sector. This has been supported by work to develop robust gate-keeping procedures and to decrease length of stay.

Child & Adolescent

CAMHS Tier 4 beds are currently commissioned nationally through the specialist commissioners (NHS England). It is unclear if this arrangement will continue as it has been suggested that there may be a move back to local CCG commissioning. A national strategy is currently being developed through NHS England however this has been delayed so the longer term plans concerning provision of Tier 4 CAMHS beds remain unclear at this point. The current bed base within the Trust is accessible by commissioners country-wide since the move to national commissioning. This has created some capacity issues and resulted in an increase in the numbers of younger people being admitted onto adult mental health wards.

Intermediate Managed Care

The Trust currently provides 94 beds across three community locations providing a blend of nurse-led clinically enhanced care, rehabilitation, reablement and respite care that supports patients on both 'step-up' and 'step-down' pathways. This type of care forms an essential component of the Trust's approach to managing out-of-hospital care pathways and avoiding unnecessary hospital admissions. Although there are no specific plans to change the bed provision in this area at present, the Trust continues to work in partnership with both acute sector and social care colleagues in respect of the optimum future configuration of service provision across health and social care.

Old Age Psychiatry

The Trust has worked to maintain a split in bed provision across the older people's service in terms of organic and functional admissions. This position is coming under increasing challenge due to the increasing number of organic admissions and associated reductions in adult social services and the reduced funding available to support longer term placements. This is resulting in some difficulties in discharging older people from organic assessment wards. The Trust is exploring alternatives to hospital admission for people with organic mental health problems and developing partnerships with third sector and voluntary partners in terms of building community resilience.

Rehabilitation & High Support

The Trust is currently undertaking work to review both male and female pathways within the Rehabilitation and High Support service with a view to generating and releasing capacity through the development of alternative community based rehabilitation services for this patient cohort. This will support our local commissioners in repatriating patient's currently in out of area placements.

Future bed configuration

As described above, the Trust is reviewing its bed stock on a regular basis within the context of the national policy drivers, the commissioning environment and local demand to ensure optimal bed utilisation. It is recognised, however, that a major 'step change' will be required to ensure that the Trust's model of

care delivers medium-long term sustainability and this is likely to require a significant shift of resource away from hospital beds to caring for people in their own homes .

Community services

The Trust provides a broad range of community-based, physical and mental health services that are delivered in people's homes and a wide variety of community locations. This activity is not dependent upon the Trust's bed capacity.

b) Workforce

The Trust's People Strategy sets out a clear intention 'to recruit, retain, reward, recognise and develop the right people, with the right skills, at the right time who are committed, motivated and engaged and are supported to deliver the vision for Pennine Care' . To achieve this, the organisation has appropriate short, medium and long-term plans from a workforce, organisational development (OD) and education, learning & development perspective. These ensure that we have flexible, skilled, motivated, engaged, and high performing staff, who are proud and motivated to work for the Trust and are committed to delivering high quality services.

To deliver the strategy, People Plans and a new 'people planning toolkit' are being introduced in 2014/15, which will support services to ensure that staffing structures meet the required future service needs in the short and longer term.

The Trust employs 5,554 (whole time equivalent) staff. Future workforce demand is reviewed on an on-going basis within the context of the Trust's programme of service transformation and redesign schemes, which are developed and taken forward in partnership with staff-side colleagues and, where appropriate, in consultation with service users and patients. Service transformation, including the forward planning of the workforce is also supported through the use of the Trust's new, in-house demand and capacity tool, 'inSight', and bespoke service analyses of pathways, activities and competences. Our clinical and professional education processes ensure we develop, commission, and deliver high priority clinical and professional skills training to ensure that safe and effective patient care can be delivered for future needs. This is underpinned by our *Principles of Care,* which state our values and ensure that patient care is at the heart of our service delivery.

PCFT is currently developing a Leadership Development Strategy which focuses on clinical leadership, senior leader development and talent management to ensure we are facilitating the development of leaders with the necessary skills and behaviours for the future. This builds on current programmes in place that provide access to skills and knowledge development and the Trust's Principles of Leadership and Management, which sets out the expectations of managers, supporting managers and leaders to self-assess and access appropriate development opportunities.

iii) Funding analysis

The Trust delivers both mental health and community services to CCGs and LAs throughout Greater Manchester. Its income is primarily based on block contracts and the Trust has signed contracts with all its commissioners however, as noted, the contract lengths are different for each commissioner.

Although the commissioning landscape continues to be a risk with commissioners reviewing their contract arrangements, the Trust is confident it can retain existing levels of income based on its track record of both retaining and winning large tenders.

iv) Competitor analysis (based on an assessment of the Trust's key areas of strength and weakness relative to its key competitors)

In developing its Commercial Strategy, the Trust has undertaken a competitor analysis using the framework of Porter's five forces to structure the analysis. In assessing the relative threat of competition to PCFT, we considered competitors from the following five perspectives:

- Competitors who currently provide the same services, either being from the NHS, independent or third sector;
- Competitors in the health and care market that do not provide the same core business as PCFT, but who may move into the Trust's core business areas;
- Competitors who are providing only professional services into the health care market, but who may use these entry points to also become service providers, for example companies providing commissioning services for CCGs;
- Competitors within health and care who are experiencing a redefinition of their contribution to health care, such as local government and occupational health providers; and
- Competitors who, due to their core business being financial investors, fund business within the health care market, mainly through private equity.

Competitor positioning

Current key competitors are:

Neighbouring Mental Health Providers
▪Neighbouring Mental Health Providers
▪Neighbouring Acute Providers
▪Local Authorities
▪Independent Providers & Private
▪Other NHS

Competitive environment

The provision of community and mental health services by private, other independent and third sector organisations is well established. This is particularly the case for services that are easy to cost, stand-alone and are specialised in nature, for example sexual health services, drug and alcohol services etc.

Some third sector providers are also providing specific stand-alone services that have traditionally been provided as part of a whole pathway approach (Step 2 IAPT, counselling or cognitive behavioural therapy).

There is little evidence locally that any private health care providers are seeking to enter the market to provide what we regard as core service provision within mental health services, but we recognise that this is not the case for some services provided in community health care.

It is clear that our local commissioners are already commissioning a percentage of services from private and third sector providers, and it is anticipated that further development and diversification of their provider market will be integral to their commissioning intentions over the next five years and part of the commissioning strategy, in line with the Department of Health's national policy driver *Any Qualified Provider.*

However, our assessment is that the greatest level of competition in our markets is likely to come from neighbouring NHS bodies that provide mental health, acute and/or community services, who we expect will increasingly seek to expand their service offer or compete for services outside of their geographical area.

We also anticipate increasing competition from the independent and third sectors with their focus being upon specialised or niche services rather than the more complex care pathways where an integrated approach is required. It is recognised that in some service areas e.g. health improvement and drug & alcohol services, the NHS brand is not considered to be particularly desirable and can be seen to typify rather traditional (non-innovative) and expensive service delivery models. The Trust recognises the commercial challenges faced by these service areas and is considering alternative delivery models for future service provision, in order to facilitate more responsive, cost-effective and innovative solutions.

v) SWOT analysis

An analysis has been produced taking account of the Trust's internal strengths and weaknesses and the external opportunities and threats.

The Trust is working on actions to capitalise on its strengths, strengthen its areas of weakness, maximise its opportunities and mitigate against its risks. In particular, these actions include: -

- Engaging stakeholders in the new Vision and programme of transformation, working with the six borough CCGs, LAs and other local partners to develop shared plans for service integration and neighbourhood working;

- Launch of Commercial Strategy and associated tool kit, including the roll-out of commercial awareness training;

- Further developing our approach to partnership working with other providers, building community resilience and developing an ethos of self-management support linked to the Living Well Academy;

- Exploring closer working with LAs in respect of both their commissioning and provider roles in order to influence the effective deployment of limited resources within local health and social care economies for maximum impact and long term health gains.

vi) Alignment with comparable intelligence from LHE partners

This section outlines the main changes in the commissioning strategies and the Trust's response to these. Understanding the key changes and redesign of commissioning in the context of the changing political, demographic and economic climate has been key to the Trust's business planning for 2014/15 and the development of the SDS for the coming years.

The Trust recognises the local NHS and social care economy faces unprecedented budgetary constraints. The system is undergoing an extensive reorganisation, with the bedding down of a new commissioning structure, in the form of clinical commissioning groups (CCGs), and a new regulatory framework and regime.

Local Authorities have an increasing role. Responsibility for public health commissioning transferred to them on 1st April 2013, which includes a range of services provided by the Trust. We have already seen a greater focus on well-being services, a move away from the NHS being seen as the 'provider of choice' and also significant reductions in budgets to support the financial challenges that local authorities face.

Regional strategy: 'Healthier Together'

It has been recognised in Greater Manchester, across the health and social care system, that there is a need for whole system reform to achieve more efficient and effective service design. The focus of this work relates mainly to acute trust configurations. Healthier Together is a review of health and social care in Greater Manchester that is accountable to Greater Manchester's twelve Clinical Commissioning Groups (CCGs) including the six that currently commission the majority of our services.

Potential service models are now being discussed across Greater Manchester. In particular, Oldham and possibly Stockport acute hospitals will assume 'specialist' status, whilst other acute hospitals in the Trust's footprint will be classified as 'local'. The changing scope and focus of the acute hospitals in our local economy will have a direct impact on how we provide services in the future

The Trust is working to influence the thinking of Healthier Together with regard to a community service focus and our SDS is flexible enough to pick up the impact of Healthier Together changes.

Local commissioning intentions and local health economy context

The Trust's local commissioners have stated their commissioning intentions for the next year, in line with the above regional strategy. The areas that commissioners continue to prioritise are outlined below: -

- Helping children and young families live secure healthy lives;
- Tackling the damaging effects of obesity, smoking and alcohol and other unhealthy lifestyles;
- Improving mental health and learning disability services especially for patients with dementia;
- Providing more appropriate and cost-effective services for people living with long term conditions;
- Providing appointments and treatments especially for people with life-threatening illnesses;
- Providing emergency, unscheduled and same-day care for people who suddenly become unwell;
- Providing appropriate and compassionate care for people approaching the end of their life;
- Improving efficiency and quality of services through new ways of working.

Our SDS is designed to respond to the above commissioning intentions, a summary version of this can be viewed below (see Appendix 1)

The Trust's relationship with the six Local Authorities in its footprint has a dual purpose; they have an increased commissioning role in respect of a range of our services and also act as a key partner in the successful delivery of health and social care. However, local authorities have faced some of the most substantial reductions in budgets. This has led to reductions in many local services which have typically supported health care pathways, as well as a number of cuts to council-funded, health-delivered services.

The Trust recognises If we are to deliver the most efficient services and best outcomes for people, both the NHS and local government need to avoid cuts which simply result in shifting costs from the local authority to the NHS and vice versa. The Trust is actively working through local joint partnership boards to influence commissioner thinking.

Health & Well-being Boards

Health and Well-being Boards (HWB) have been established across the Trust's footprint and they have strategic influence over a range of commissioning decisions relating to health, public health and social care. They bring together CCGs and councils to develop a shared understanding of the health and well-being needs of the community. This includes the production of the Joint Strategic Needs Assessment (JSNA) and the development of joint strategies for how these needs can be best addressed, including recommendations for joint commissioning and integrated services across health and social care.

The Trust has undertaken a full analysis of the joint strategies and identified the a range priorities across the six HWBs.

Specialist Commissioners

NHS England, as a national commissioning organisation, says it will establish a framework for discussions over the coming months; focusing on improving clinical and financial sustainability in the next 2 years. These intentions establish key terms for contracts – non-tariff, CQUIN. They also highlight the work ahead in commissioning for the right care, across pathways with all commissioners working together to invest in the best care models. This strategic work will be central to the 5 year plans to be developed in each health system.

These intentions also identify the need to work with providers to test out new networks of care and provider partnerships such as a prime contract model, possibly leading to fewer providers across the country.

The Trust has developed strong relationships with specialist commissioners and will continue to influence and inform the development or consolidation of service reviews to ensure quality of care and equity of access.

Collaborative discussions with local Clinical Commissioning Groups (CCGs) and Local Authorities (LAs)

Over the last 12 months, we have been working with a range of stakeholders on defining our new five-year vision for the Trust: *'Working Together Living Well'*.

Our vision for transformation *"is to deliver the best possible care to patients, people and families in our local communities by working effectively with partners, to help people to live well."*

Demands for care services are growing, patient needs are more complex and finances are shrinking, so we need to radically rethink how we provide and deliver care in order to be sustainable and meet patient needs. But we cannot do this by working alone; we must work with all of our partners and care providers in each locality to develop a solution for everyone.

Commissioners and providers are working together in every borough to see how we can deliver more effective, integrated services to patients. The plan will vary in each place according to local priorities, but we need to put forward ideas and solutions for how we believe community and mental health services can be better. However, the Trust will need to be mindful of the impact of increasing integration with other providers and will consider this in the context of the most appropriate organisation form to meet the needs of the people that we care for.

1.4 Risk to sustainability and strategic options

i) External challenges and sustainability risks

As described in the Operational Plan, the Trust has been working with a range of commissioners and other key stakeholders across the local health economy to assess the short-medium term challenges over the next two to five years. For each challenge or risk area, the Trust has identified the actions that it needs to take to ensure that proactive action and/or mitigation plans are in place. These have been summarised as follows: -

- Growing demand for care

  We are developing service models that maximise efficiency and effectiveness through partnership working and/or service integration where that brings patient/service user benefits, reduces duplication/increases productivity, promotes independence through self-management empowerment and builds community resilience;

- Changing populations

  The Trust is reshaping its community service delivery into neighbourhood teams designed to meet the needs of the communities that they serve;

- Economic Climate

  The Trust is working closely with LAs, and other private and third sector providers in our local health economy, to identify opportunities for service integration or partnership working, aimed at managing the on-going efficiency requirements whilst maintaining service delivery. The Trust's programme of transformation will also facilitate the delivery of efficiency savings by realigning the Trust's resources into more productive, cost-effective service models;

- Early Intervention and Early Help

  The Trust is committed to the principles of early intervention and early help and recognises the long-term benefits of services that act early and appropriately, however, managing increasing demands within the context of reducing resources remains a challenge;

- Integrated out-of-hospital care

  The Trust is working hard to enable care co-ordination across its geographical footprint in a range of service areas. It is focussing on redesigning pathways that will reduce the demands for urgent/acute hospital care and provide well-co-ordinated care in community settings that facilitate self-management, early interventions and the pro-active management of exacerbations;

- Greater Patient Voice

  Delivering person-centred, high quality care and empowering patients to self-manage are two of the Trust's nine priority work programmes.

- Closing the gap

  As a provider of both physical and mental health care in three of the six boroughs that it serves, the Trust is currently working on the increased integration of physical and mental health care, underpinned by Physical Health Matters training for mental health practitioners and Mental Health Matters training for their community services colleagues.

- Competition

  The Trust has benefited from significant organisational learning in respect of its approach to tenders over the last two years and has been successful in growing and retaining business in key strategic areas. Nevertheless, it has been less successful in other areas where third sector providers have

been able to offer more innovative, locally responsive, cost-effective models. The Trust is currently considering whether the organisational form of a Foundation Trust is the best vehicle for some of its less clinically specialist services that have been subject to competitive losses.

- Quality and Safety
  The Trust has implemented a robust approach to Quality Impact Assessments, which ensures that proposed service changes are reviewed rigorously to protect quality standards.

- Growing role of LAs
  The Trust will continue to work in all local areas to shape and influence the work of Health &Wellbeing Boards and future Better Care Fund planning and implementation.

- Increased use of assistive technology
  The Trust has piloted and evaluated the deployment of Telehealth technology and demonstrated significant efficiency savings from avoided admissions. Work is now underway to develop a broader strategy for assistive technology and identify future funding streams.
  In addition, the Trust's new clinical information system (Paris) will bring significant benefits to the delivery of safe and effective patient care, through the creation of a single patient record across the organisation. The roll-out programme for Paris is being harmonised with the deployment of mobile devices for community based clinical staff, which enable access to patients' records and other relevant IT infrastructure from all clinical delivery points, including patients' homes.

- Healthier Together
  The Trust is engaging with the Healthier Together programme through a range of clinically led groups and is influencing a shift in focus towards community models.

ii) Meeting the challenge

The Trust has taken account of the strategic and local context in which it is operating and the challenges that it faces and, in response, has developed a programme of transformation, working within the context of its vision, values and strategic goals. The transformation programme is comprised of seven key components: -

- Living well – including a Living Well Academy and a shifting emphasis in care delivery to behaviour change, self-management support and shared decision making;

- Easy access – coordinated access for patients and referrers, directing the delivery of the right care, to the right person at the right time, in the right place;

- Whole person care – integrated health (physical and mental) & social care teams with care coordination for those with the most complex needs;

- Places that work – develop and implement the most productive model for each neighbourhood, wrapping service delivery around GP clusters;

- Better use of technology – implement Paris (clinical information system) by December 2015, with associated roll out of mobile working increasing clinical effectiveness and productivity, deployment of assistive technology to improve care and reduce costs;

- Fewer buildings – reduce spend on community estate by 25%;

- Different ways to deliver care – different organisational vehicles to deliver care.

1.5 Strategic plans

i) Summary of Strategic Plan

The Trust has set out its strategy for the next five years in its SDS on a page (see Appendix 1). This clearly describes: -

- The Trust's vision and strategic goals;
- Our values enshrined in the 10 Principles of Care;
- Our guiding principles captured in the 9 key themes;
- Our transformation programmes and success criteria; and
- The key enablers that will facilitate achievement of the strategy.

Working through the development of the SDS has enabled the Trust to reflect on its current position, create a vision for the future and identify a new service model that will enable the achievement of its ambitions within the context of its values and guiding principles. In turn, that has guided the development of the key service line initiatives.

Resourcing

The Trust has considered its internal capacity and capability to manage and deliver its vision and strategy and is currently allocating leadership and resources to deliver the transformation programmes identified in the SDS. It is acknowledged that commissioner 'buy-in' and shifting investment will facilitate transformation at scale and pace, and the Trust will aim to present a *compelling case for change* to them in order to gain that support. However, it is also recognised that the Trust operates in a complex environment with multiple commissioners over a wide geographical footprint and, therefore, significant additional investment may not be forthcoming. In which case, the Trust will also need to consider how it can deliver the new service model and key service line initiatives by remodelling its own resources across the four levels of care, working in collaboration with other delivery partners.

As part of the Trust's SDS there is an objective to reduce costs associated with its community estate by 25%. This equates to approximately £1m of revenue expenditure on leased premises. This reduction is within the Trust's overall CIP programme.

Dependencies and risk mitigation

Through its analysis of the SWOT and the strategic options analyses the Trust has considered a range of risks, threats and dependencies within the context of its internal capacity and capability and external environment. From an external perspective, significant dependencies and risks will be managed through a comprehensive approach to relationship management with our key stakeholders. The robust management of these external risks will be controlled alongside internal risks and dependencies, as part of a robust programme management approach that will be firmly placed within the Trust's governance structure and reporting processes. This is shown in more detail in Appendix 2.

ii) Communication Plan for key stakeholders

The Trust recognises and values the importance of engaging with staff, partners, service users and other key stakeholders on its plans. Therefore, a supportive communications and engagement plan has been developed, which will support the transformation programme and ensure clear and timely information is shared with stakeholders. We will do this using a number of different channels including continuing to update the Joint Health Overview and Scrutiny Committee, ensuring information is accessible via the Trust website, utilising social media and promoting news in the media.

Community engagement will also be of paramount importance to ensure the views and experiences of service users inform the development of plans. A project is underway to review the Trust's approach to

engagement that will range from one-way communications to co-production and full engagement. The Trust will also utilise its strong links with the Joint Health Overview and Scrutiny Committee to determine what level of engagement is required for its plans.

Furthermore, the Greater Manchester Healthier Together consultation is likely to commence from July 2014 and will involve a GM-wide review of health and care services, including acute, community and primary care. The Trust will work with partners as part of this consultation to avoid duplication of effort or confusing the public.

iii) Performance management of the Strategic Plan

The Trust's move to a new *devolved autonomy* organisational structure and ethos has prompted a complete review and refresh of the Trust's governance structure and reporting processes. This has been essential to ensure that the Trust Board and its associated sub-committee structure are focusing attention on an appropriate balance of delivery, assurance and foresight. It also needs to ensure that there are effective 2-way communication channels between the Trust's six divisions and the Board/executive team that enable a prompt escalation and resolution of significant risks and/or issues.

The newly formed Quality Governance and Assurance Committee, Service Development and Transformation Committee and Finance Strategy Committee are the formal mechanisms through which the Board will receive assurance on the performance of the organisation and the progress of the Trust's strategic and operational plans.

Whilst these committees will formally report to Board on a quarterly basis, it was identified that the Board would need to receive monthly updates to ensure its members retained timely and relevant oversight of the key issues affecting service delivery, transformation programmes, the financial position, performance, etc. It was therefore agreed that one of the regular Executive Directors' (EDs) meetings would become a monthly 'Business Meeting', where the EDs would receive monthly highlight reports from the Quality Group, Strategic Planning Group, Transformation Group, Divisional Business Units (via the ED buddy for each division), along with a Corporate Compliance Report. This would allow the executive team to manage the plans and identify areas for escalation to the Board, whether these be matters of concern or examples of notably good performance.

Appendix 2 demonstrates in diagrammatic form how the Board will receive assurance through the proposed reporting structure.

iv) 5-year financial projections

The following table summarises the key financial data for the next five years, which is included in greater detail in the Forward Plan Financial Return.

5-year financial projections	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m
Income	273.053	268.229	269.161	264.505	259.934
Expenditure	(271.039)	(268.130)	(269.275)	(263.300)	(259.746)
In Year Surplus / (Deficit)	**2.013**	**0.099**	**0.886**	**1.205**	**0.188**
CIPs/Revenue Generation	7.862	6.376	13.000	8.988	8.814
Capital Expenditure	8.027	2.568	7.231	9.570	6.520
Forecast CoSRR	4	4	4	4	4

Appendix 1

Our Service Development Strategy on a page 2014 - 2019

Our vision is to deliver the best possible care to patients, people and families in our local communities by working effectively with partners, to help people to live well.

Pennine Care NHS
NHS Foundation Trust

Nine key themes

1. Get change right
2. Safe and high quality care for all
3. Help people to live well
4. Deliver whole person care
5. Provide alternatives to hospital admission
6. Integration of physical and mental health
7. Early intervention
8. Wrap services around primary care
9. Demonstrate our social impact

10 Principles of Care

1. Safe and effective services
2. Meaningful and individualised
3. Engaging and valuing
4. Constructive challenge
5. Governance procedures enable
6. Focused and specific
7. Competent skilled workforce
8. Clear and open communication
9. Visible leadership
10. Shared accountability

Transformation programmes

Living well

Living Well Academy, self-management and shared decision making, behavioural change, recovery.

Easy access

Coordinated access for all referrers which directs the delivery of the right care, to the right person, at the right time, in the right place.

Whole person care

Integrated health and social care teams, care wrapped around primary care, care co-ordination for most complex, integration of physical health and mental health, enhanced urgent care in the community, early intervention, 7-day working, housing, employment, education, community engagement.

Places that work

Develop and implement most productive model for each neighbourhood.

Better use of technology

Implement Paris by December 2015, efficiency and clinical effectiveness with mobile working by April 2015, assistive technology to improve care and reduce cost.

Fewer buildings

Reduce spend on community estate by 25%.

Different ways to deliver care

Different organisational vehicles to deliver care.

Success criteria

Success will be measured using the following:

- Exceed current Friends and Family Test results of 87%
- Meet quality standards
- Paris and mobile working by 2015
- Reduce spend on estate by 25%
- Reduce acute hospital admissions
- Successful delivery of Divisional Business Unit Plans
- Deliver savings of £42.5m over 5 years (£8.5m per year)

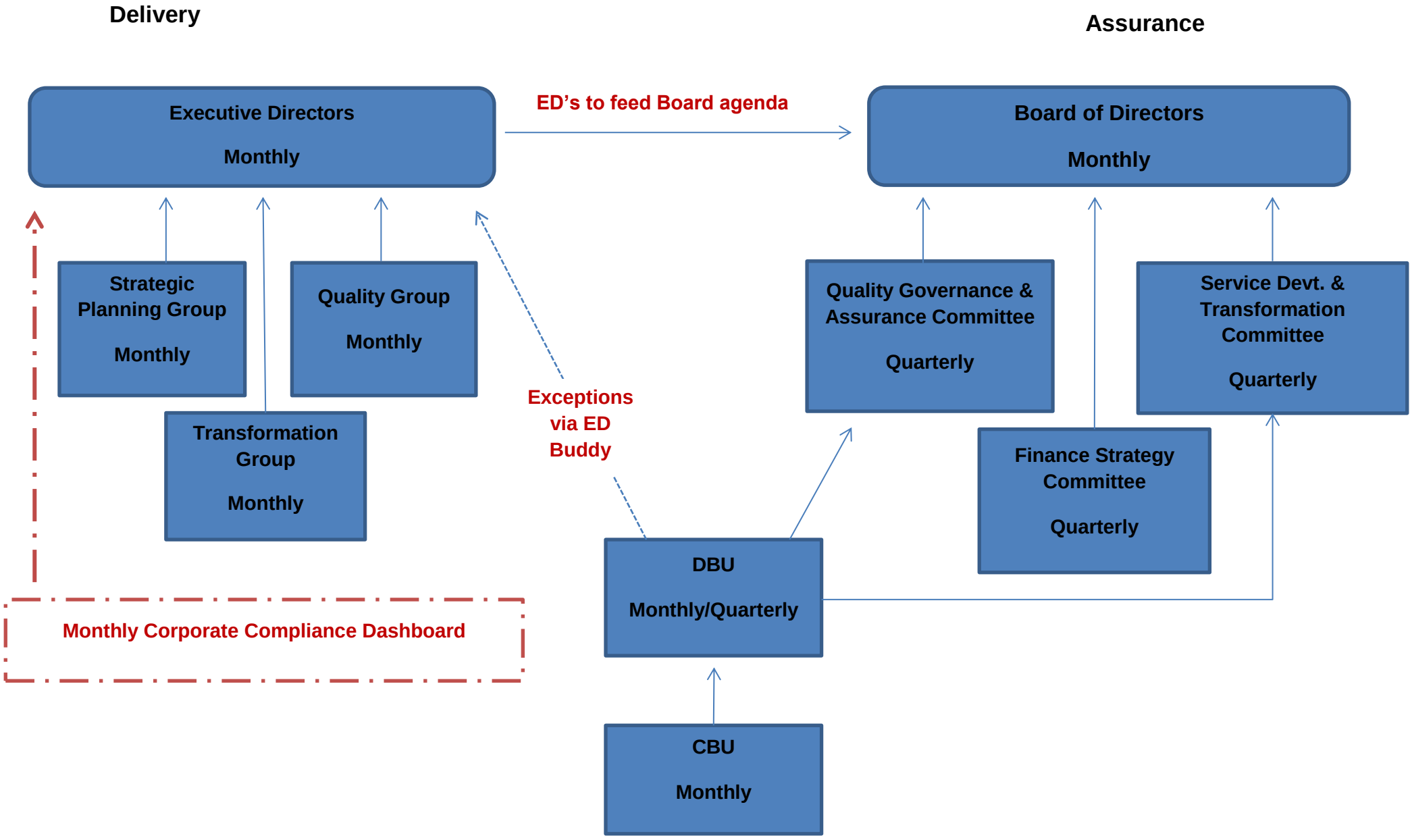
Five strategic goals

- Put local people and communities first
- Strive for excellence
- Use resources wisely
- Be the partner of choice
- Be a great place to work

Enablers

Strong relationships with our commissioners and partners, support and build a skilled and motivated workforce, public engagement and experience based design, organisational development and culture change, public sector reform, a plan for each town, effective internal structures and processes, devolved autonomy, clearly defined brand and identity.

Appendix 2


Delivery
Assurance
Executive Directors
Monthly
ED's to feed Board agenda
Board of Directors
Monthly
Strategic Planning Group
Monthly
Quality Group
Monthly
Transformation Group
Monthly
Exceptions via ED Buddy
Quality Governance & Assurance Committee
Quarterly
Service Devt. & Transformation Committee
Quarterly
Finance Strategy Committee
Quarterly
DBU
Monthly/Quarterly
Monthly Corporate Compliance Dashboard
CBU
Monthly