

Calderstones Partnership

NHS Foundation Trust



Strategic Plan Document for 2013-14

Calderstones Partnership NHS Foundation Trust

Strategic Context and Direction

The Board and the Council of Governors have worked closely over the past year as the trust has emerged from the Corporate Governance issues experienced in early 2012. The appointment of a new Chairman and Non Executive Directors has brought new views and experience as well as a refreshed challenge to our strategy and operational plans.

It is clear looking forward over the next 3 to 5 years that Calderstones faces a number of significant challenges: quality and value challenges which come from the constant drive to improve services and support to service users; and structural challenges which come from the economy and the re-structuring of the NHS.

The major challenges and the way we will address them are set out below:

Challenge	Strategic response
Restructuring service delivery to retain existing and win new business	
Enhanced services are now commissioned by CCGs who are demanding that services are provided more locally for their service users.	We will work with commissioners to re-provide services and will work with partners to identify the most cost effective ways of providing new properties for service delivery.
Commissioners of Low Secure services have indicated that they will be looking to the trust to provide 2 new 20 bed units in Greater Manchester to replace beds currently provided at Calderstones.	We will work with commissioners to re-provide services and will work with partners to identify the most cost effective ways of providing new properties for service delivery.
The trust has limited access to capital to invest in new and improved services.	Subject to approval of business cases, we will invest the maximum possible in new buildings that meet commissioner requirements and lead to the retention of current business. We will sell surplus assets to finance new build and borrow as much as we can afford to deliver the programme.
Local authorities demand improved value for money from providers of social care and domiciliary care services	We will transfer all our community contracts to our subsidiary, Future Directions, through which we can re-engineer labour costs to reduce current prices and become more competitive to win new business
Improving efficiency and delivering CIPs	
There is little scope for reducing staffing levels in the hospital based services particularly where new build units have been purpose designed to maximise efficient	We will continue to look for savings in client facing services but do not expect this to be a major source of CIP. We will focus on the back office in future years and seek

Challenge	Strategic response
staffing and any savings are absorbed by additional costs of capital investment.	opportunities for co-production with partner trusts.
Opportunities for growth in a cash strapped NHS will be very limited.	We have identified growth opportunities in core hospital services which will be a further priority for capital investment. Future Directions operates in a volatile market where services are tendered routinely and our offer of top quality at affordable prices has proved to be an attractive solution for commissioners.
Remaining viable as one of the smallest Foundation Trusts	
Our financial modelling indicates a robust financial performance in 2013/14 (FRR=4) with acceptable performance in 2014/15 (FRR=3). Year 3-5 performance continues to decline under current assumptions.	Over the past 4 years we have maintained robust financial performance and continue to have 12-24 months leeway which gives time for alternative scenarios to be investigated and implemented should this be necessary.
Our corporate infrastructure is limited and has been tested over the past year. Significant opportunities for improving corporate governance have been identified.	A corporate governance improvement action plan has been agreed and will be delivered over the first half of the year. Additional resources have been put in place to achieve this and to embed improvements identified.
The governance and infrastructure requirement of being a Foundation Trust is a disproportionate burden for a small trust.	Our modelling shows that the trust is sustainable in the short run. We will explore options for collaboration with other organisations to share governance and infrastructure. This will include review, with partners and stakeholders, of options for joint appointments, co-production and merger, in order to maximise resource focus on core service delivery.

The Board has considered these challenges individually and collectively:

- in order to be financially viable we need to retain existing business and to grow wherever possible across all aspects of the business;
- in order to do this we need to invest in replacement buildings and change the way in which services are delivered;
- to make this affordable we need to reduce cost; and
- given the past focus on front line cost reduction the focus over the next three years will be on ways of reducing corporate infrastructure and overhead costs.

To address these issues the Board has concluded that Calderstones should pursue a dual track strategy over the coming three years:

Firstly, to concentrate on delivering the best possible facilities and outcomes for service users. This will include investment in new and replacement facilities where this can be justified on quality and business grounds, and taking every opportunity to grow the business based on our mission, core values and skills. This will ensure that the trust continues to do the right things to support service users and that our services are the best we can make them; and

Secondly, to work on finding new solutions to the issues of corporate efficiency and delivering best value. This will include exploring all the options to maintain independence and viability as well as working with partners and stakeholders to identify and implement alternative arrangements if long term independence is not achievable.

The Board believes that this twin track approach represents the best way forward to build strong services and to formulate and deliver a corporate form which will serve and protect those services in the long term. The strategy will necessarily be iterative – current modelling shows a 2 year window for action; review of progress on a quarterly basis will provide feedback to guide direction and pace and ensure that the long term objective of continuing to deliver high quality, person centred support and care to service users is delivered.

Corporate Governance

During 2012/13 the Board, on advice from Monitor, undertook a self-assessment of its Board Governance Assurance Framework (BGAF) which was subsequently reviewed independently by Deloitte. The outcome of the review is an action plan which addresses the 37 recommendations forthcoming from the review.

The main areas where action is required are:

- Completion of an externally validated self assessment against Monitor's Quality Governance Framework, to confirm that quality governance arrangements are fit for purpose;
- Refreshment and upgrading of the way that the corporate governance / company secretariat function works, to ensure that the Board and Governors are properly supported to deliver their responsibilities;
- Reviewing the ways in which the Directors, Governors and Board, individually and collectively are developed and work together to enhance their effectiveness in delivering good governance and better services; and
- Improving internal and external communications with staff, service users and stakeholders at all levels.
- Further benchmarking and improved reporting on CIPs to ensure best quality and value.

A consolidated action plan has been formulated containing these actions together with those identified in other investigations and reviews carried out in the past year. The delivery of the action plan, including a re-assessment by Deloitte, is scheduled to be completed by the end of the second quarter of 2013/14.

Plan for sustainability and future growth

1. Explore options for partnership, collaboration and co-production

The Board is conscious that action needs to be taken to ensure the long term sustainability of the services that we deliver; it is not economically viable for the trust to continue in its present form without significant corporate restructuring. Over the next 2 years a plan will be established and delivered to identify and implement changes to ensure that services are sustained for the long term. This will include exploring all the options to maintain independence and viability as well as working with partners and stakeholders to identify and implement alternative arrangements if long term independence is not achievable.

We will explore options for collaboration with other organisations to share governance and infrastructure. This will include review, with partners and stakeholders, of options for joint appointments, co-production and further collaboration up to and including merger, in order to maximise the resources we can focus on core service delivery. As a foundation trust with a robust history of delivering financial targets and high quality services we believe there will be opportunities with larger foundation trusts and also with organisations that are not yet FTs to find a suitable partner(s) for future joint working.

2. Improving our services

We will continue to invest in modernising our services by investing in improvements to our buildings and re-providing services to better meet the needs of our service users and their commissioners. Our market analysis shows that there are significant opportunities for niche hospital services that build on our areas of expertise and will offer additional choice to commissioners. These include:

- Additional Medium Secure beds to meet the constant demand from our commissioners which exceeds current capacity and results in long waits for admission.
- New provision of Psychiatric Intensive Care Unit (PICU) beds for people with a Learning Disability. There is a small but consistent demand for this service which is non-existent currently in the North West. LD admissions to mainstream PICU are occasionally extremely disruptive and can lead to unit closure to other admissions.
- The opening of Maplewood 2 and the prospective transfer of LSU beds of the hospital site will release physical capacity for other services.
- There is a small but significant demand from commissioners for individual packages of care which cannot be delivered by other providers in the North West and have in the past been met by referral to out-of-region providers.

During 2013/14 we will continue to work with commissioners to construct business cases for these and other opportunities that we locate, and to plan and deliver solutions as they are demonstrated to be commercially viable.

3. Improving our marketing, business development and customer communications

As the only NHS specialist provider of services to people with a Learning Disability or associated developmental disorders we aspire to being the leader in the field and the “name”

associated with LD expertise in the NHS. Whilst we have a good reputation in the North West there is scope for improving our image and brand identity locally and nationally. We have taken first steps in 2012/13 to build a resource in marketing and communications. Over the next strategic period we aim to use that resource to build our reputation and move towards being the NHS organisation associated with excellence in our field. We will achieve this by:

- Developing and implementing a relationship strategy for internal and external relationships.
- Developing a marketing strategy in order to position ourselves to be the preferred provider of choice
- Presenting a clear and focused corporate approach to communicating internally and externally
- Promoting the trust and its clinicians as leaders in the field of learning disability
- Creating a range of promotional opportunities, using these to actively market the Trust

4. Grow community business through Future Directions CIC

Future Directions operates as an autonomous business register with both CQC and Companies House. It operates within broad objectives set by the trust and reports to the Calderstones Board on progress against its objectives and business plan. The core purpose of Future Directions is to manage and grow the social and domiciliary care part of the Calderstones business using the flexibilities of being a social enterprise to deliver innovative, person centred support for service users in a market focused and cost effective way.

During 2013/14 Future Directions will deliver the following key objectives:

- Complete the transfer of all service contracts and staffing from the trust
- Exit from contracts that are loss making and cannot be transformed by the CIC
- Continue the programme of transferring staff onto Future Directions terms and conditions of employment
- Identify opportunities and tender for new business in 2013/14 with a target of winning new business that will lead to income growth of not less than £1m pa in 2014/15. This will be achieved by providing services over a wider and entering new markets such as dementia care and young adults in transition*.
- In year three, 2015-2016, we plan a further increase in income of not less than £1m pa and intend to be in a position to deliver services throughout the whole of England*.
- Explore the opportunities for creating an alternative specialist support and care model with Calderstones Partnership NHS Foundation Trust
- Focus on delivering social value

*Prudently these assumptions have not been incorporated into the three year financial model.

The Future Directions vision is to continue to deliver high quality, personalised social and health support services to people in their homes in local communities. By collaborating and

working with other social care providers, housing providers and community groups, we will support individuals to expand their opportunities and to connect with others and the wider community.

Through delivery of its objectives, Future Directions will relieve the trust of contracts that have become loss making over the past years with the potential to turn them round to become profitable. As the subsidiary becomes profitable, those profits will be donated to the trust through its Charitable Trust and used to support service users, research, training and other charitable purposes.

5. Continue development of our Business Services Division

East Lancashire Financial Services (ELFS) has established itself as a leading provider of back office services to NHS organisations in England and generates surpluses to support core health and social care delivery by the trust. Success in competitive tenders for work across the NHS demonstrates that ELFS has significant potential for further growth both in terms of their market share and their financial contribution to the trust.

In order to compete for the larger multi functional tenders in 2013/14 and later years we are presently working with a number of potential commercial partners to be sub-contractors for tenders requiring a wider range of functions including Procurement, Finance, Systems and Payroll/HR.

Clinical Strategy & Improving Quality

The Trust has a robust approach to service quality supported by an organisational culture in which reporting of incidents and concerns about quality or patient safety are well embedded. There are no current quality concerns from CQC. The trust has a high incidence of incidents of violence and aggression by service users against staff and other service users which are dealt with through well established recording, management and safeguarding systems.

During the first quarter of 2013/14 the Trust will complete the Monitor Quality Governance Self Assessment framework to identify areas of good practice and areas where further development of our quality systems is required. Part of this exercise will be to review and refresh the function of the Board's Quality Committee to ensure that it continues to operate effectively to ensure ongoing high quality care within the Trust.

Quality objectives for the year include:

1. Implement local actions to address lessons from Francis, CQC, Winterbourne and other national drivers.

We plan to implement a number of changes to the way services are delivered and governed in order to pick up and embed the lessons learned from the many relevant internal and external reviews of the past year. The improvements we will make in 2013/14 include:

- Introduction of digital ECG with expert interpretation service
- Appointment of a non-medical responsible clinician to release senior clinician time for service user facing duties
- Introducing a service user forum to review anonymised complaints and concerns
- Further development of our Patient Reported Outcome Measures programme
- Local implementation of the Chief Nursing Officer's 6C's programme
- Work with CCGs on the post-Winterbourne reviews of longer stay inpatients

As with all quality issues our aim is to continually improve practice, review compliance through clinical audit and embed best practice throughout our services.

2. Deliver CQUIN targets

We continue to work collaboratively with NHS England and CCGs to ensure CQUIN targets are meaningful, appropriate and achievable for the services commissioned from our trust. In previous years we have fully delivered all our CQUIN targets and expect to deliver similar results with our CQUINs for 2013/14 which cover the following areas:

- Optimising Pathways
- Physical Healthcare
- Care Programme Approach
- Provision of literacy and numeracy
- Improving service user experience through innovative access to and for secure services
- Safety Thermometer

Our detailed implementation plans will ensure that appropriate resources, training and operational support are provided to ensure the targets are met within the required time frames. This will ensure resources for our services are maximized while enhancing quality and moving forward key objectives for service user experience, safety and outcomes. This will build on trust programs of work around person centred planning and efficacy of treatment options within the integrated care pathways work.

3. Continue implementation of Care Pathways focusing on service user engagement

A 12 point plan has been developed for implementation in 2013/14, building on work in previous years to ensure that Care Pathways are continually reviewed, refreshed and updated as required to meet service user needs. The plan includes refresher training for staff and service users, review of service user related information and increased service user involvement in LD nurse training at Edgehill University. Elements of the plan focus on specific service pathway improvements covering personality disorder, autism, substance misuse and treatment of people who have committed sexual offences.

4. Continue and progress the delivery of person centred services

The trust will continue with the implementation of person centred approaches:

- Meaningful engagement of service users in the production of person centred information, building on the work of the Media Crew which is gaining a national reputation as a model for service user engagement.

- Developing service user access and skills to input their personal notes in their healthcare record.
- Continuing to develop and deliver goal orientated therapeutic occupation building on the successful development of an Occupational Therapy service into the trust over the past 2 years
- Ensuring that the integrated therapeutic model (embracing Nursing, Occupational Therapy, Speech and Language Therapy and Psychological Therapy staff) is available and delivered for each service user.

5. Continue delivery of the Health Equalities Agenda

We will review and refresh the Trusts compliance against the NHS Health Equality framework and NICE guidance, in particular the ways in which the Health Centre delivers person centred care that meets the individual needs of service users and delivers national targets and strategies.

6. Develop evidence based practice to promote clinical outcomes

The annual plan for research and development is driven by the Trust Annual Plan, Corporate risks and National drivers. Research activities planned for this year, driven by the Trust Annual Plan include:

- 2 projects on DBT (Dialectical Behavioural Therapy) – one staff project which is continuing from 2012/13 and a linked client project which is about to start following ethical approval
- Completion of research on the use of Soft Intelligence by the Board started in 2012/13 in advance of the recommendation in the Francis Report.
- An outcome study for the Calderstones Adapted Sex Offender Treatment Programme

Workforce Strategy

We will continue to develop a professional and skilled workforce and an organizational culture, which will enable the trust to deliver services to the standards of care implicit in our vision. In particular we will:

- Develop the Workforce Strategy to deliver Trust and Future Directions workforce requirements up to 31 March 2016
- Continue to develop workforce information and reports to Trust/Future Direction Boards
- Develop and deliver the operational workforce plan
- Improve the calibre and number of applicants for medical posts and reduce the time from recruitment to hire. Target to have all medical posts filled and to raise the profile of the medical department nationally
- Following training, to fully embed Equality and Diversity throughout the whole organisation
- Develop an effective bank rostering system for the Trust and Future Directions

Other workforce plans for 2013/14 are:

1. Invest in training, education and lifelong development to support service developments

During 2013/14 we will introduce new educational and learning opportunities and ways of working which support care pathway and subsidiary developments. These will fully embrace the new structure and opportunities created through Health Education England and continue to support service development through existing and new initiatives.

We will review the quality and effectiveness of the new appraisal system introduced in 2012. This will also encompass work to:

- Ensure that training plans for all roles reflect the needs of the services
- Engage with all work areas to identify training requirements
- Review Personal Development Plans and work with services to plan and deliver their training requirements.
- Develop more integrated training models.
- Develop service user involvement in training and roll-out of their involvement in recruitment.

2. Improve communications and stakeholder / staff engagement

We will improve internal communications with staff and encourage staff engagement and involvement by:

- Developing a fit for purpose corporate website which will showcase the Trust business to all our stakeholders. It will allow us to compete on an equal footing with the private sector in the marketing of our services in order to become the provider of choice.
- Embedding the Health and Wellbeing strategy
- Using various means, collect and receive feedback from employees about working for the Trust to continually improve and to remain an employer of choice

Productivity and Efficiency

CIP Profile

The Trust has successfully delivered savings of at least 3% per annum in each of the years since it was authorised as a Foundation Trust, maintaining a FRR of 4 or higher. Whilst it is acknowledged that the level of savings required is becoming more challenging, the established methodology of monitoring and performance managing delivery of the programme positions the Trust well for the period of the forward plan.

A Corporate Assurance and Impact Assessment decision tool is used in the management of each CIP scheme to ensure clarity on responsibility and risk management. Gaps in assurance are identified and managed within each CIP project plan. The Trust does not employ a PMO. The Director and Head of Service affected by each CIP are directly

responsible and accountable for delivery. CIPs are measured monthly in terms of WTE reductions and financial savings by HR and Finance Departments and this information is considered at each Board meeting. Governors are consulted on the proposals through the Governor's Strategy Group, and performance is reported to Board each month.

Appendix 2 details the key CIP schemes for 2013/14. In total, Secure Services are contributing £772.7k to the total for the year, and Non-Nursing schemes account for £644.8k of the £1.4175m recurrent target for the year.

The Trust has not yet identified any CIP schemes for 2014/15 and 2015/16. The Board has identified that CIP targets for 2014/15 and beyond will be extremely challenging. By that time the majority of hospital services will have been modernised and will operate from purpose built accommodation designed to optimise staffing and operational efficiency. Scope for front-line CIPs will be very limited. Similarly, all the community services will have been transferred to Future Directions and will be running at market comparable costs.

Staff at all levels have been involved in the development of the efficiency programme. For 2013/14 the programme focuses on ensuring the appropriate level of unqualified to qualified staff, elimination of duplication and supporting succession opportunities across the organisation, delivering a modern, well equipped and efficient workforce. The financial benefits of the programme have been considered alongside the impact on quality, service users and staff.

Cost improvements for 2013/14 have been identified and implemented from 1 April 2013 (or earlier). This continues Calderstones practice of identifying and delivering CIPs well in advance thereby giving time each year to focus on innovative schemes which cut costs without impacting adversely on service quality.

Future CIPs will need to be found from growth and income generation or from rationalisation of the corporate infrastructure. This will form a discreet objective for the future, described earlier in this plan.

CIP enablers

CIP Schemes are developed to deliver quality, growth and workforce development in line with the Trust's overall objectives. For 2013/14, the Board had identified that savings should be made from non-nursing areas as far as possible. This follows on from several years of major restructuring of the nursing workforce and a need to protect frontline delivery going forward.

The Trust established two distinct Quality and Cost Improvement Programmes for 2013/14, Secure Services and Non-Nursing. Each work stream established its own Quality and Cost Improvement planning group (QCIP) to identify appropriate and effective schemes to deliver the savings targets. The Secure Services QCIP was led by the Deputy Operational Manager (a Nurse by background), all members of the Clinical Management Team supported by HR, Finance and Training. The Non-Nursing QCIP consisted of senior individuals from corporate departments.

Quality Impact of CIPs

The QCIP groups ran each proposed scheme through the Corporate Assurance and Impact Assessment decision tool prior to consideration by the Board, and each scheme is implemented using a multi-disciplinary approach and reviewed at team meetings.

The Board receives a clinical quality dashboard each month, detailing performance against key tracking indicators. Indicators include Patient Safety, Patient Experience and Patient outcome measures, as well as information on complaints, staff sickness and absence and vacancy levels.

Financial and Investment Strategy

The Trust plans to maintain financial stability through a combination of controlling costs, investing in schemes that secure current and future business and delivering CIPs as described earlier. The strategy includes use of Future Directions CIC as a vehicle to mitigate historic losses on community contracts by employing staff on non-Agenda for Change pay rates. This will have the potential to generate new business as quality is maintained whilst costs are significantly reduced. There are two specific financial strategies:

1. Deliver FRR=3 or better in each year

The Board has set a target that Calderstones should maintain a financial risk rating (or equivalent) of 3 or better in each financial year. The underpinning metrics which drive the FRR are currently:

- EBITDA - whilst EBITDA delivery by the inpatient services and ELFS is robust, returns from social care and the relatively high corporate overheads of a small trust dilute performance;
- Return on investment - as we increase our capital investment programme our ROI will reduce unless EBITDA and hence net margin are improved; and
- Liquidity - cash balances need to be maintained at around £2m in order to support the liquidity metric

Under the new continuity of service risk rating we will deliver a rating of 4 in 2013/14 though this will be under pressure in future years arising from the level of capital investment required to modernise services and the limited scope for further CIPs in front line services that are wholly dependent on trained and experienced staff.

- Liquidity days will reduce as cash balances are used to support the capital investment plans
- Capital Service Capacity will reduce due to increasing costs of servicing borrowings.

The combination of future growth and potential for reshaping the corporate infrastructure and overheads will mitigate the increased costs of capital investment needed to ensure that all our services are fit for future purpose.

2. Focus capital investment on growth and improving performance

Investing in improved buildings and accommodation for service users is key to the modernisation of trusts services over the next 3 years. It is a fundamental component of retaining and growing business.

Our plans to consolidate current business includes a number of schemes

- Open our first local enhanced services in Bolton and Manchester by the end of 2013/14
- Open further local units in 2014/15 with the whole enhanced service (40 beds) re-provided in new locations by end of 2015/16.
- Secure sites and planning approval for 2 x 20 bed male LSU's in Greater Manchester by end of December 2013 with units completed and operational by end of 2014/15 and
- Relocating step down services (15men, 5 women) in refurbished accommodation at Calderstones Hospital by end 2013/14

These are in addition to work already underway with the Maplewood 2 Development which is on target to be completed by end September 2013 and to be operational early the following month.

Our forward capital programme also includes investment to secure new business as described earlier and includes provision of a small PICU capacity, probably built and run in conjunction with the local LSUs planned in Greater Manchester (subject to business case approval).

A further priority for investment is in schemes that contribute towards delivery of our sustainability targets. New buildings invariably improve our energy efficiency but separate investment will be necessary for older building, especially our heating systems, to ensure we continue to make progress towards achieving a 10% carbon reduction from our 2007 level, by 2015.

Given the range of high priority investments required we will continue to look for alternative sources of finance including

- Selective sales from our portfolio of investment property and land
- Reviewing the economics and other potential benefits of using joint ventures as an alternative to property ownership
- Developing a profile of potential sources of capital for future investment taking into account the current private sector appetite for investment in NHS infrastructure; and
- Prioritising investment to deliver the best overall benefit for the trust and service users in terms of improving quality, maximising financial return and meeting environmental and other targets.