



**Strategic Plan Document for 2013-14**

**Lancashire Care NHS Foundation Trust**

# Strategic Plan for y/e 31 March 2014 (and 2015, 2016)

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

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Date	31 <sup>st</sup> May 2013

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.

Approved on behalf of the Board of Directors by:

Name (Deputy Chair)	Derek Brown
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Signature



Approved on behalf of the Board of Directors by:

Name (Chief Executive)	Heather Tierney-Moore
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Signature



Approved on behalf of the Board of Directors by:

Name (Finance Director)	David Tomlinson
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Signature





## Strategic Context and Direction

### Executive summary

The Strategic Plan for 2013-2016 has been driven by the vision and strategic priorities. Clinical Network and Corporate business plans have provided supporting detail which has been used to develop resourcing strategies and plans.

A thorough business planning process commenced in September 2012, involving managers and staff right across the organisation and plans were reviewed and challenged by the Executive Management Team and the Board.

The Strategic Plan has been endorsed by the Board, and the views of the Council of Governors have been sought and built into plans.

The Engaging for Excellence transformation programme is a key element of the plan and delivers clinical service transformation that responds to commissioning intentions and is aligned to the enabler strategies. A programme management office has been established to facilitate the delivery of the programme and support in the assurance and development of the programme structures and benefit realisation.

The Executive Finance and Business Performance Committee will provide oversight of the Strategic Plan and provide assurance to the Board.

Using its robust system for the delivery of cost improvement programme the Trust has produced and will continue to produce a planned surplus that can be used to fund its aspirations and plans. The Trust will deliver surpluses of c£4m a year supporting its capital agenda, maintaining cash reserves and risk ratings, and delivering the flexibility needed to maintain its strong financial platform moving forward.

Summary of financial plans:

	13/14	14/15	15/16
<b>Income and expenditure</b>			
Operating Income	310.5	303.4	295.2
Operating Expenditure	-296.6	-287.9	-277.9
<b>EBITDA</b>	<b>13.9</b>	<b>15.5</b>	<b>17.3</b>
Depreciation and Impairments	-5.4	-5.8	-7.4
<b>Surplus From Operations</b>	<b>8.5</b>	<b>9.7</b>	<b>10.0</b>
Non Operating Income	0.1	0.0	0.0
Non Operating Expenditure	-4.6	-5.7	-6.0
<b>Surplus</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>
<b>Cost Improvement Programmes</b>	<b>11.0</b>	<b>12.3</b>	<b>12.2</b>
<b>Capital Expenditure</b>	<b>-41.8</b>	<b>-35.7</b>	<b>-6.8</b>
<b>Cash</b>	<b>19.7</b>	<b>17.6</b>	<b>18.6</b>

## **Vision**

The vision for Lancashire Care is 21<sup>ST</sup> Century healthcare with well-being at its heart.

## **Strategic aspirations**

Our strategic aspirations for how Lancashire Care will look in 2016 are:

- To be a 'one stop shop' to which people can come for help in their 'life plan'. We may not provide everything but have expertise in how the wellbeing system works and can help people get the services and support they need, making the navigation of the journey easier for people
- To provide a citizen focused package, with the citizen at the centre, providing integrated and holistic services that meet their individual needs, promoting self-determination rather than dependency
- We welcome and seek out relationships with like-minded organisations who share our values and create opportunities for people to join with us on a partnership or collaborative basis
- We work well with people who control and influence different parts of the care pathways, aligning our efforts to benefit the people we serve, whilst recognising at times we may compete for business
- We are seen by commissioners as a solutions orientated, constructive partner that works across organisational boundaries in health and social care and that provides in depth knowledge and expertise in what is needed and how it can be provided
- We have built trust in the Lancashire Care brand. We have attracted, retained, motivated and developed the right staff who live our values and so ensure a positive experience for all those who touch the organisation
- We deliver services across a wide geographical area whilst ensuring these are tailored to local need and we have the ability to flex and be responsive to change over time
- We deliver value for money for the tax payer and seek opportunities to exploit the economies of scale

In achieving these aspirations as a successful organisation we will need;

- to understand how we perform in terms of quality, outcomes, experience and cost effectiveness and ensure we are in upper quartile performance across these measures robust and highly efficient systems, infrastructure and corporate services which add value, are fit for purpose and support clinical service delivery
- to have the capacity and capability to be fleet of foot, respond to new opportunities and changes in requirements
- to have strong, open and constructive relationships with all parts of the system and across the organisation
- effective engagement with all those who use our services
- a culture of continuous improvement, creativity and innovation driving cost effectiveness and demonstrably better offers to citizens and commissioners
- an engaged and skilful workforce, living the values, with a high degree of autonomy operating within clear standards, boundaries and frameworks for decision making
- high quality information and intelligence about what's needed, what's wanted, how we are performing now and what we need to do next
- to exploit technology to achieve transformation

We have already made good progress on a number of these – some are more aspirational and there is further to go.

**Key building blocks to deliver that success include:**

- the establishment of service delivery business units with high calibre clinical and managerial leadership operating with autonomy within a clear framework of accountability across all dimensions and delivering an agreed plan in line with Board Strategy
- implementation of a matrix for assessment of existing and future business opportunities that considers both new and existing customers and new and existing services within parameters set by the Board, that informs the business unit plans
- a corporate strategic unit which provides support services required by the service delivery units and sets directions and intentions, policy and corporate rules/standards
- a high quality business intelligence unit that provides meaningful analysis and interpretation of policy, and information that supports all parts of the organisation and also influences and shapes policy and the external environment
- a commercial arm to provide market analysis and supplementary capacity to the organisation around business cases, business development, tendering activity and consideration of new organisational forms and partnerships
- an accelerated programme of technology exploitation and information systems based on clinical need/care planning that meet individual needs but also provides intelligence and improves efficiency and performance
- clear priorities for integration of services and finding ways to bundle services together and strengthen alliances across the organisation
- assessment of organisational capacity and capability to get ahead of the curve and action to be fit for the future assessment of opportunities for strategic partnerships and collaborations to support integration plans set against conditions precedent
- on-going development of relationships with key clients, Primary Care stakeholders and commissioners, demonstrating responsiveness and supporting their aspirations
- on-going cultural and organisational development in line with our values

**Lancashire and Local**

Lancashire and Local is our ethos for the provision of health care services. We deliver services across a wide geographical area whilst ensuring that these are tailored to local needs and can be flexible and responsive to individuals and stakeholders needs as they change over time. We make the most of the advantages of a large, well run organisation that delivers economies of scale for the tax payer whilst remaining flexible and responsive to change in how services are delivered locally.

This does not mean that we will not pursue wider opportunities where we have particular strengths, e.g. secure services.

**Strategic Plan 2013-2016**

The Trust's vision and strategic aspirations have informed the strategic priorities that have driven the development of the Trust's Strategic plan for 2013-2016.

A thorough business planning process commenced in September 2012, across the Trust and business plans were developed against a set of agreed criteria across the following domains;

- Market assessment, including national and local policy drivers, commissioning landscape and intentions
- Strategic direction
- Finance
- Quality and Governance
- Risk Management
- Leadership and Workforce
- Relationship management
- Health informatics
- Property Services
- Innovation

Each of the Clinical network plans, are driven by service line plans and an operational plan for delivery in 13/14, supported by the following resourcing strategies and plans;

- Financial Budget and CIPs
- Health Informatics Strategy and Plan
- Property Strategy
- Capital Programme

The Clinical network and Corporate business plans were critically reviewed challenged and signed off by the Executive Management team and the Board had the opportunity to provide further challenge in relation the overarching business plan and resourcing strategies.

The annual planning cycle has resulted in a clear direction of travel for Service Lines and Networks, and will increase the pace in developing a programme to implement service line management. The delivery of the Strategic plan will be reviewed on a quarterly basis, in line with the refreshed governance arrangements that have been established from 1<sup>st</sup> April 2013.

The Trust continues to enjoy a strong financial base and has started to generate additional income and margin from non-core work, with our joint venture potentially offering significant opportunities in this respect.

Though there are significant challenges and risks facing us, including discontinuity in commissioning, we are well placed to capitalise and build on our position.

## **Our market**

The market in which the Trust operates varies by Network, but in general:

**Location** – Our core services are in Lancashire, but we regularly provide them in the wider North West; dependent on the nature of the service, the robustness of governance arrangements, the quality deliverable and the financial and strategic implications, we would be prepared to deliver in the rest of the UK

**Services** – In the context of these points about location, we are prepared to provide clinical services that we already do well or we know we could provide effectively. Increasingly, we are considering providing non-core services and have agreed that these can provide a valuable supplement to our profitability.

**Flexibility** – To compete, it is essential that we identify a range of alternative, flexible approaches to service delivery, including a variety of organisational and employment models. The absolute and relative cost effectiveness of Service Lines is a crucial determinant of our competitiveness. Where we are or can be cost effective then we would be well placed to compete. A simple rule of thumb might be that we would seek to

operate outside Lancashire where we can generate good margins without adversely impacting on the delivery of services in Lancashire.

Whatever the nature and cost effectiveness of services, there are a number of important enablers which will be treated as priorities:

- Driving down direct costs
- Ensuring value for money from corporate functions
- Developing and maintaining excellent relationships with commissioners and other key stakeholders
- Improved monitoring and understanding of contract income and profitability
- Ensuring consistently high quality of services

### **Overview of key changes to local commissioning strategy and intentions and their anticipated impact on the Trust**

The 13/14 commissioning intentions have been developed between PCT and CCG colleagues and where possible a Lancashire wide collaborative approach has been taken.

Each of the clinical network plans have considered the impact of commissioning intentions as part of the market assessment and factored the impact into their financial plans and the objectives for 2013/14. The transformation programmes across the networks reflect service and care pathway reviews and these will continue to be reviewed and refined throughout the duration of the contract.

CQUIN and quality indicators have been reviewed in line with national guidance and QIPP priorities.

Activity levels and the financial value of the contracts have been negotiated and agreed. Due to the national economic climate and local pressures these discussions have included service redesign to release efficiencies and costs.

The commissioning intentions for mental health are fewer but wider ranging in their impact, whilst the community contract has more service specific level intentions which tend to be lower value.

### **Collaboration, Integration and Patient Choice**

The Trust's Engaging for Excellence programme is driving our plans to integrate services, in collaboration with partners, and provide better care and/or increase efficiency. The following are the 'big ticket' programmes that are the key priorities for delivery during the lifetime of the strategic plan;

**In patient reconfiguration programme** – responsible for ensuring systems and processes are in place to support the reduction in beds and move to the care models that will deliver high quality person centred care in the best possible environment.

**Long term conditions programme** – this large scale transformation programme will radically change and improve the way services are delivered to patients with long term conditions across the Central Lancashire health economy including

- Early identification of patients at risk of hospital admission
- Accessing care through a Community main access point



- Anticipatory and advanced care planning
- Receiving care from integrated neighbourhood teams
- Recording care and care planning through an IT shared record
- Whole system review of rehabilitation services

This will deliver improvements in communication and quality of care for patients with LTC and have a much wider impact across a range of conditions and care pathways.

**Implementing the Dementia strategy** – this programme will enact the Trust's elements of designing and embedding a new model of care and treatment for people with dementia. It will enable consistent delivery of a range of services across the county to enable people to be treated near home and with the most appropriate level of care. The resultant newly enhanced community services and pan health and social care economy liaison and care, will also enable the safe move to a specialist inpatient dementia unit with fewer beds.

**Hospital Liaison** – Enhancement of community services to enable patients to be diverted away from A and E or to reduce the need for admission on attendance at A and E

**Mind the Gap programme** – designed to maximise the clinical efficiency and effectiveness of complex care and treatment teams and crisis resolution and home treatment teams in preventing admission and facilitating early discharge

**Children with additional and complex needs** – this programme will deliver consistently effective, holistic, integrated and efficient care for children and young people with additional and complex health needs and their families. This involves building on good practice and where necessary redefining the care pathways and treatment to ensure it is of the highest quality, evidence based and family centred.

#### **Outline of existing quality concerns (CQC or other parties) and plans to address them;**

Following an unannounced visit by the CQC in February, four areas of minor improvement were identified in an older adult mental health ward. The Trust took the decision to temporarily close the ward and an action plan was established to address these areas of minor concern and progress is reported to the CQC. The opportunity was also taken to develop an internal action plan that goes beyond the requirements of the CQC, to establish a centre of excellence and additional resources have been deployed to do this. Some of the issues in this wider review are being picked up as part of the Quality Strategy such as the leadership model. Whilst the ward is temporarily closed, the opportunity has also been taken to improve the physical environment. It is expected that the ward will reopen in September 2013.

#### **The key quality top 5 risks inherent in the plan and how these will be managed**

- Capacity and capability to deliver transformation projects and associated change – the Trust has invested in a Clinical leadership strategy to embed a co-production model of delivering transformation. Each of the transformation programmes are supported by a project initiation document that identifies the resource requirements and this has been supplemented by a structured capability survey with SRO's from Network and Corporate functions. A number of priority areas were identified and the gaps in knowledge and skill will be addressed through the Trust's learning and organisational development plans. A proposal for a standardised model of developing capability using Transformation Hubs is in production. This includes an approach for deploying internal and external resources to support development, as well as a plan in the short term to address immediate priorities. Additional resources have already been deployed and are being further supplemented.
- Impact of CIPs on quality and safety – All CIPs are subject to a rigorous approval process involving

clinical leaders within services and networks with the Medical Director and Director of Nursing providing additional challenge on the impact on the quality and safety of services.

- Immature risk management – A risk management strategy has been approved and is being embedded across the organisation. A risk management committee has been established as part of the refreshed governance arrangements to provide oversight of the delivery of the strategy.
- Lack of robust systems and processes – A Quality Committee has been established to oversee the delivery of the Quality Strategy and implementation plans. Each of the clinical networks and corporate services has reviewed their governance arrangements as part of the production of their strategic plans. These arrangements will align to the reporting requirements of the new governance arrangements.
- Compliance with CQC registration -All clinical teams have now completed the Quality SEEL self-assessment and have participated in the validation process which is a key quality assurance element. Teams are in the process of developing 'Team information boards which incorporates their 'Quality Map' with their SEEL findings as a minimum displayed. The information boards in place thus far are supporting regular conversations about patient safety, patient experience, effectiveness and leadership and the actions being taken to address any necessary improvements. The risk advisors are continuing to work with teams to ensure the proactive use of the Datix system and that actions to address risks are progressed.

### **Service Line Management Strategy:**

Through the business planning process each network determined its approach to service line structures.

Initial plans, to inform the clinical strategy have been developed across the networks at service line level and these were presented and challenged by the Board in March. These were informed by reference cost data and other benchmarking information to identify the competitiveness and profitability at service line level. A further challenge session is planned in June 2013 and the plans will continue to be developed through 2013/4 with support from the programme detailed below, in order to continue to inform Trust's strategic direction.

The Trust has established service line reporting to support the development of service line plans and this will continue to be refined.

### **Value for money**

The Trust has a range of mechanisms and programmes available to it which support and evidence its pursuit of value for money. Many of them analyse expenditure from an objective, service related, perspective, but it is also important that a subjective analysis also takes place which captures expenditure by type. Some expenditure is considered so key that it is reported directly to the Board.

Additionally, most of the programmes are retrospective, in so far as they review expenditure already incurred, but the Trust also has in place a number of ways to ensure VFM prior to committing funds, including the following;

- Service line reporting
- Payment by results/Reference costs
- NHS benchmarking
- Corporate benchmarking
- CIPS
- Procurement
- Financial management / business management
- Board review

## **An overview of how the Board derives assurance on the quality of its services and safeguards patient safety.**

### **Quality strategy programme**

The Trust's Quality improvement strategy set an ambitious plan for year one with the expected outcomes largely achieved or well on course. The strategy ensures a strong foundation from which to further develop a culture of continuous quality improvement. Success has relied upon working in partnership with colleagues across the Networks, IM&T, Medicines management, Safeguarding, Infection Prevention and Control, Estates management, Equality and Diversity, and the integration of work streams across the Quality and Governance, Risk, and Clinical Audit Teams.

The development of the Quality SEEL has given clinical teams a picture of their compliance against the 16 CQC Essential Standards of Quality and Safety and their associated outcomes that the CQC expect all people who use services to experience as a result of the care. The Quality SEEL findings for each team across the 16 Essential Standards of Quality and Safety and the associated outcomes, will be reported through the respective Network Governance structures to the Clinical Quality Committee in May 2013.

Clinical teams are progressing their quality maps of safety, effectiveness, experience and leadership as part of their team information boards and all teams will have a quality map in place which as a minimum displays their Quality SEEL findings by the end of June 2013.

Year 2 of the Quality Strategy Implementation will continue with an ambitious plan to further develop a shared understanding of quality progressing from a focus on compliance with the Essential Standards of Quality and Safety to the implementation of development programmes supporting a culture of continuous quality improvement.

### **Governance arrangements**

The Executive Director of Nursing and Company Secretary have reviewed the existing governance arrangements in order to strengthen assurance systems for clinical quality, risk management and workforce development. This supports a more robust and lean Board Assurance Framework and allows the Board to have greater transparency of risks and assurances. It also introduces a discipline to the effective establishment and working of sub groups; as these will have to be authorised by and report to one of the EMT committees.

A Finance and Business Performance sub-committee has been established by the Director of Finance and will have oversight of the delivery of the network and corporate services plan and the overall Strategic plan.

### **Quality Governance framework**

An external audit was undertaken by KPMG in December 2012 to provide an independent assessment of the evidence available to support the Trust's assessment of its compliance with Monitor's Quality Governance Framework. In addition KPMG undertook deep dives into key areas in anticipation of the publication of Francis Two.

The Trust is committed to providing safe, high quality care and there are a number of strategies and work streams in place to support the findings of the KPMG report and The Mid Staffordshire NHS Foundation Trust Public Inquiry (2013). In addition the Trust is implementing key national drivers, including Compassion in Practice (The 6 Cs) and Harm Free Care, which will support the Francis recommendations and the delivery of high quality care.

## Clinical Workforce Strategy

### Current Workforce Challenges:

There are a number of workforce challenges faced by services across the Trust, including on-going recruitment problems, high employee turnover or skills gaps, including the following;

- Specialist practitioner School Nurses and Health Visitors
- Prison healthcare professionals
- Pharmacist posts and senior psychology roles
- Junior doctors

The delivery of our Mental Health Inpatient Programme represents the biggest workforce challenge to the Trust. Retaining the required workforce during transition and avoiding redundancies will involve careful planning and an innovative workforce strategy. Work has commenced to map our inpatient workforce requirements against projected staff in post throughout the transition period. This aims to identify periods of under and over supply. This intelligence is being used to develop a variety of workforce flexibility initiatives, such as annualised hours contracts, 'SWITCH' teams, staff development programmes, transport initiatives, etc.

The delivery of our Cost Improvement Programmes represents a challenge, though we are in a fairly strong position to achieve required staffing reductions, considering its established occupancy and turnover rate.

The Trust has adopted the Skills for Health Six Step approach as its integrated workforce planning model of choice. An in-house workforce planning training course has been developed to up-skill our managers, and our HR Business Partners and Learning & Organisational Development Consultants are now positioned to proactively support local planning. In addition, the Trust has established a 'Workforce Planning & Modernisation Steering Group' to create a forum for the dissemination, development and alignment of relevant strategy, the sharing of best practice, and the generation of collective intelligence regarding workforce issues.

### Activity

The Trust is ostensibly managed via a number of block contracts. As well as defining the income base, these also determine the required levels of activity. As a block, the activity is set by historic levels of performance.

The Trust is monitoring activity on adult and older adult inpatient units in line with the transition plan. There are targets on length of stay which are 30 days for Adult Mental Health and 50 days length of stay for Older Adult Mental Health. This requires a reduction in the bed compliment and the Trust has various initiatives on-going to meet this requirement. As a consequence there has been a reduction of 18% in the available beds Adult Mental Health for 12/13 as against 11/12 and this diminish further in future years.

Length of stay is measured both on discharge and as the ward population at a month end census. The ward end census has shown consistent falls over the year of 12% in Length Of Stay at month end.

The Trust is a member of the NHS Benchmarking Club, and uses this data to benchmark for both Mental Health and Community Services. Although this service is embryonic, the Trust has already been able to measure relative performance against 40+ other Trusts, especially in Mental Health.

## **CIP governance**

### **An assessment of historic performance, including main drivers, and necessary further action to ensure future delivery**

Each Directorate and Network produced a Cost Improvement Plan (CIP) to realise a 20% organisational cost saving over a 5 year period. Networks and Directorates were encouraged to think radically, assessing the viability and design of their services, their estates portfolio, their staffing structures, and their use of technology, ensuring that plans were aligned to the strategic direction of the Trust and the external operating environment. These plans received approval via the Trust Board.

Savings of £13.4m have been achieved for the year 2012/13 as a whole, against a Plan of £14.4m and a Risk Adjusted Plan of £12.2m. The underperformance of £1.0m is more than offset by other gains of £3.6m. There is a good degree of achievement against the programme for 2012/13:

- 141 schemes out of the 166 planned schemes were on track, a number of which over performed
- 3 additional schemes were identified
- 25 schemes under -performed, with 18 of these by £10k or more

The Cost & Resource Effectiveness Committee continues to review the programme with the focus now turning to future developments and considering the most appropriate and effective way to identify savings and efficiencies. The need to robustly manage schemes and source compensatory schemes where there is any shortfall has been communicated to managers as a priority.

## **Governance arrangements**

The Trust has refreshed its governance arrangements to provide assurance of the delivery of the Strategic plan. The Finance and Performance committee will have responsibility for oversight of the plan and will report regularly to the Board.

A programme office has been established to oversee the delivery of the Engaging for Excellence transformation programmes that are a key element of the strategic plan. The programme office reports to the Executive management team and there is a timeline for a review of the programme, supported by regular highlight reports.

The Cost and Resource Effectiveness Committee, which is a sub -committee of the Trust Board, has responsibility for the oversight of the Cost Improvement programmes and value for money benchmarking activity

All CIP proposals developed by the clinical networks include the engagement and leadership of clinicians across the networks. The CIPs are then subject to challenge by the Executive team, to achieve not only financial balance, but also to convince the Medical Director and Director of Nursing, that any savings are derived from a systemic review of activities and drive through savings, grounded on a robust methodology, that identifies efficiency without compromising the output from a safety and qualitative perspective.

The Trust continues to invest in the IT infrastructure, to increase the level of robustness of the data to inform the management of capacity and demand and future CIPs.

## **CIP profile**

2012/13 saw the Trust introduce a process of accreditation to establish Networks as business units. This entailed the Networks completely reviewing their position and articulating how they intend to work taking into

account such things as contractual obligations, relative efficiency, market position, business challenges, IT, estate, workforce and finance variables.

The network business plans are intended to be a realistic measure of a Networks capacity and capability, recognising and highlighting the challenges and clearly articulating what action is being taken or is being delivered to address these.

Primary amongst these challenges was a systemic review of activities and drive through savings grounded on a robust methodology that identifies efficiency without compromising the output from a safety and qualitative perspective.

This exercise was launched in the latter part of 2012/13 and there was an understanding that this was a challenging requirement, but also that this was the first step in a transition in management that would take some time to embed but that would increasingly accrue benefits as change in outlook and working style took hold.

The Trust has identified £11.033m of schemes for 2013/14, some £0.09m manifesting as income. Of the expenditure reductions, £8.6m is in respect of pay, £0.6m on drugs, £0.6m on clinical supplies, £1m on miscellaneous other operating expenses and the balance on non-clinical supplies and revenue generation.

All schemes have been financially risk rated. Assuming no delivery on those schemes rated “red” and a 25% shortfall on those schemes deemed “amber”, we have a c£1.4m assumed underachievement. Whilst services will be challenged to recover this position, it seems prudent to allow for this underperformance and this has been modelled through within pay.

There are a number of more prominent schemes:

Adult Inpatient Reduction – This includes the full year impact of ward closures in Blackpool and Lancaster, but also the recycling of some funds into bolstering ward establishments. Additionally, it assumes the closure of a ward in Burnley.

Primary Care Restructuring – Entails a restructuring of the Mindcare and PCMH Teams across the clinical networks

Older Adult Inpatient Rationalisation – This embraces the full year impact of closing the Oaklands ward, plus the impact of Ward 19 closing in East Lancashire. Additionally, Altham Meadows is due to close toward the end of the financial year.

Children and Families Administration – The service is undertaking a review of its non-clinical administrative services. This will assess current delivery and address any areas of inefficiency.

Pharmaceutical Savings – The Trust will take measures to ensure that it takes full advantage of the movement to generics of a number of its most widely used drugs.

2012/13 marked a change in planning methodology which encouraged innovation and efficiency at the expense of short-termism and cost cutting. It is recognised that the workstreams embarked upon will take some time to bear fruit, but the scale proposals for 2013/14 are encouraging. Services have taken a more systemic approach and the robustness of the schemes is in accord with Trust expectations.

The Trust has targets of £12.3m and £12.2m in 2014/15 and 2015/16 respectively. Indicative proposals have already been put forward for £10.75m in 2014/15 and £9.4m in 2015/16. Given the amount of time available for these schemes to be developed, the Trust is optimistic of achievement and the delivery of, as a minimum, the balance.

Services are benefitting from early notification of the likely scale of savings required, and the ability to

manage the transition and change into the medium term.

Note that the CIP is risk adjusted for optimism bias and represents the required CIP rather than the raw CIP total. The Board of Directors monitors performance against both raw and adjusted figures.