

HSC FINANCE SCRUTINY QUESTIONS

1. Please summarise the Trust’s 2017/18 financial plan – i.e. your start position, agreed control total, key elements of the plan including STF (sustainability and transformation funding).

The underlying outturn position for FY16/17 was a c.£1m surplus (excluding STF) generally in line with the planned control total.

The control total and other related targets for the Trust are set out in a letter from NHSI of September 30th 2016 as follows:

- Increasing control total (surplus) requirement ‘as a minimum’:
 - 17/18 £786k plus £1.262m STF
 - 18/19 £977k plus £1.262m STF
- No performance ‘fines’ against national standards if control totals accepted
- Agency expenditure cap held at £8.525m

Planning guidance requires that “*Commissioners must continue to increase investment in mental health services each year at a level which at least matches their overall expenditure increase*”. 2017/18 is the second year of three year contract arrangements covering c.90% of Trust income. CCG allocations see both principal commissioners receive allocations at circa 3%. Hertfordshire CCGs account for c.68% of total income and funding negotiations concluded with East & North Herts CCG meeting this commitment in full and Herts Valleys CCG meeting it in part.

Other key elements of the plan are:





- Full year effect of 2016/17 CCG investment is modelled on a neutral basis, identifying quality and access standards for First Episode Psychosis and IAPT as key target areas.
- Where funding for demographic uplift has been made available it is included on a neutral basis.
- Pay includes the amounts for pay incentives and increments. The pay element of Cash Releasing Efficiency Savings (CRES) principally relates to agency savings and reflects plans to achieve the NHSI agency expenditure ceiling as a minimum.
- Other direct costs relate principally to secondary commissioning costs. This is the area where the largest portion of CRES is expected to be delivered.
- Overhead CRES savings are planned within corporate support staff, procurement and estates/facilities through back office consolidation.

2. Please set out your current 2017/18 forecast outturn position and key risks to delivery.

At this point it is expected that the Trust’s control total will be met at the end of the year. However it should be noted that there are key headline risks to this:-

- Pay is currently underspent but has increased year to date and the trend is rising.
- Secondary commissioning for long-term health placements, social care placements and social care packages have not yet started to achieve the savings planned for the year and demand is increasing.
- Demand has continued to increase with significant pressure on access times for adult community services

In the last year:

 <p>1,000 Face to face contacts per day</p> <p>Face to face contacts have risen to 339,000. The largest increases have been within our Child and Adolescent Mental Health (CAMHS) service and specialist Learning Disabilities services</p>	 <p>14% increase in in-patient admissions</p>
 <p>Section 136 Continued growth in police detentions</p>	 <p>Capacity challenges in SPA</p>

3. Please identify any significant commissioning / contractual issues not yet reflected into the 2017/18 plan (i.e. differences between commissioner and provider positions)

Contractual positions have been agreed and there are no significant outstanding issues for 2017/18.

4. Please summarise your 2017/18 savings plans, current progress and expected impacts / key risks.

The CRES requirement for 2017/18 was set at £5.7m. This included the requirement from Hertfordshire County Council for HPFT to find £1m in savings from its Social Care budget during 2017-18.

Likely recurrent programme delivery is currently forecast at c. £4.2m, which is £1.5m below the overall requirement. Whilst this can be met non-recurrently this year with additional schemes worked which contribute a further c. £0.8m to the position, any shortfall met non-recurrently will impact as an increased requirement in the next period.

	CRES Workstream	Overarching Project	Plan 2017/18 £m
• Seeking to build longer term sustainable schemes - Quality & Value	● Reduction in Pay (Agency)	Balanced Teams	0.8
		Value In Community	0.5
• Current recurrent forecast £4.2m	SBU Schemes		
	● Demand for Beds (placements)	Innovation & Improvement	0.5
• Investing in innovation & technology	● Acute Pathway – Red to green		0.8
	● Increasing Value Added Time		0.5
• Member Lord Carter MH Cohort	● Workforce for the Future		0.5
	● Social Care		0.7
	● Support Services	Back Office Consolidation	0.6
	● Procurement		0.3
	● Estates	Modernising our Estate	0.5
	● Rationalisation		
		Total	5.7

Assessment of Current Plans and Associated Risks

Social Care

The 2017/18 requirement is £1m (4.3%) against a c.£23m income budget. This level of efficiency is very challenging. Efficiency savings totalling c.£650k have been identified and discussions are progressing with the County Council to meet the available funding envelope.

Agency:

- The trust submitted its agency reduction Plan to NHSI in May. As at month 6 the Trust has spent £4,477k on agency staff (£611k in month) which is £209k above the year to date Plan figure and £214k above the ceiling.
- The trend for actual spend indicates that spend is now relatively static when compared to the reduction plan, particularly for community based services.

Placement/ bed costs

- Overall secondary commissioning costs are above Plan at month 6 with demand pressures for health, social care placements offsetting efficiency gains. The plan also requires maintaining an average of 3-4 PICU and 1-2 Acute external placements for the remainder of the year whilst acuity and bed occupancy remains high, generally over 100%.

Overheads/ Corporate Services

- Corporate Services have underspent by c.£277k YTD and are expected to meet this year's CRES requirement.

Currently the main schemes are;

- The outsourcing of elements of financial services to a Shared Services provider from December 1st.
- Work within Procurement to identify some immediate contract savings whilst working on several major contracts renewals impacting in 2018/19.
- A review of Secure Transport services is being undertaken.
- Bringing together Estates & Facilities functions for HPFT and HCT

5. Please summarise CQUINs that apply to your organisation in 2017/18, financial value and expected outturn position

The 2017-19 CQUIN scheme is intended to deliver clinical quality improvements and drive transformational change. The scheme is designed to support the ambitions of the Five Year Forward View and directly link to the NHS Mandate. The Hertfordshire CQUIN for 2017/18 is a 2 year scheme as set out in the national guidance published in November 2016. Each of the 5 goals have been nationally mandated with no ability to locally negotiate any aspect of the scheme. This has a financial value of £2,103,600.

The 5 goals are:

1. NHS Staff and Wellbeing £421k – on track
 - i. Improvement in related staff survey responses
 - ii. Reduction of sugary drinks and foods high in fat, sugar and salt available to service users, staff and visitors
 - iii. Improving the uptake of flu vaccinations
2. Child and Young Person Mental Health Transition £421k - on track
3. Improving physical healthcare for people with Severe Mental Illness £421k - on track
4. Improving services for people with mental health needs who present to A&E £421k (currently element of risk relating to A&E coding for Mental Health c.£34k)
5. Preventing ill health by risky behaviours – alcohol and tobacco £421k – on track

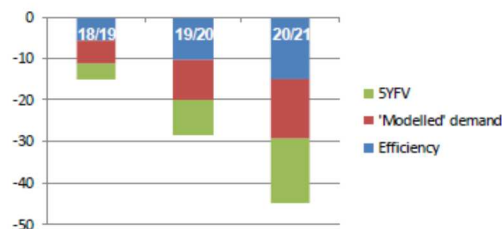
6. Please set out the longer term financial outlook for your organisation and summarise the key elements of your longer term financial sustainability plan

We are developing a culture of continuous learning, improvement and innovation, coupled with a well-established improvement approach. Creativity and innovation are actively encouraged and rewarded so that every person in the organisation routinely and systematically takes actions to improve the delivery of health care for our service users as part of their day to day work.

We have modelled our longer term sustainability in line with the Five Year forward View to 2021, including the impact of efficiency requirements within the national tariff, the impact of demand and the required development of priorities for mental health and learning disability services. The approach mirrors that set out within the STP process to determine the base case through a 'do nothing' scenario. This is described in the slide below:

- **Managing demand**
 - Inpatient demand & PICU
 - Community demand
 - Secondary Commissioning
- **Integration**
- **Workforce**
 - Recruitment & retention
 - Agency cap
 - Physical Healthcare
 - Workforce for the future
- **Increasing acuity levels**
- **Managing finances**
 - Efficiency c.£15m
 - 'Modelled' demand c.£14.35m
 - National priorities c.£16m

STP Base Case - Trust Deficit £m



To address the financial aspects of this and support delivery of our Good to Great Strategy, we are developing a Service Development & Improvement Programme which is focused on customer experience and improvements to services which will also deliver efficiencies. The aim being to deliver efficient and sustainable services.

The programme builds on work undertaken with Mental Health Strategies and focuses on fourteen discrete workstreams which are being scoped and developed. As part of the scoping, appropriate metrics for measuring deliverability and timescales, together with indicative financial efficiency values are being established. The programme includes:

<u>Wave 1</u>	<u>Wave 2</u>
<ul style="list-style-type: none"> • Placements: Health, Social Care and Personal budgets • Review of Crisis Pathway • E-rostering • Income generation • Workforce • Agile Working 	<ul style="list-style-type: none"> • MHSOP Stranded Patients • Adult Community Services • Rehab Strategy • Secure Rehab Unit • ABI/ Neuro Business Case • CAMHS Transformation • Patient Transport Service • Procurement

7. How has the Trust reviewed its effectiveness and value for money in delivering service outcomes?

We are a member of the MH & Community cohort of Trust's working with NHSI's Improvement Team as part of the development of Lord Carter's efficiency programme. The aim is to maximise the learning from our participation to support our Service Development & Improvement Programme. This includes:

- Tighter controls of rostering including the full roll out and utilisation of Safecare
- Participation in Pharmacy and Procurement workstreams
- Development of 'Community Productivity' model
- Participation in 'Back Office' opportunities

Further work with Mental Health Strategies

Capturing the suggested opportunities coming out of the following reviews which are currently taking place and feeding these into the CRES programme:

- IAPT
- CAMHS
- Learning Disabilities
- Organic services

Other opportunities

- Participation in national benchmarking work including additional NHSI exercises held in relation to corporate services
- Development of Service Line Reporting utilising this data to support the national work stream being led by NHSI to look at individual team metrics to identify unexpected variations
- Work within the STP looking at joint procurement opportunities with initial areas looking at a joint payroll and a more integrated bank and agency process
- Closer working with peer Trusts, sharing ideas and methodologies. This network will be sharing the outputs from the national benchmarking of Corporate Services with a view to identifying efficiencies.

Our Quality and Service Development Strategy (QSDS) sets ambitious and achievable goals for outcomes, service user experience and safety clearly establishes the areas that require attention to achieve these by the end of the plan period.

Our work to deliver this strategy will take place over a number of years during a period of unprecedented change in the provision of local health services, a tightening financial framework that requires organisations, as well as the health and social care economy, to continually review and improve the quality of its services. This work will define outcomes for pathways and the associated evidence based interventions to achieve these.

It will cover Efficient Provision of Care including:

- Modelling the capacity of the pathway based on likely demand and the recommended interventions to ensure the solution fits within available resources
- Effective operational processes to ensure a seamless patient journey and the efficient delivery of care
- Information systems (electronic patient record and management information) to support the effective and efficient provision of care
- Amended approaches to training and supervision to support an outcomes focused approach

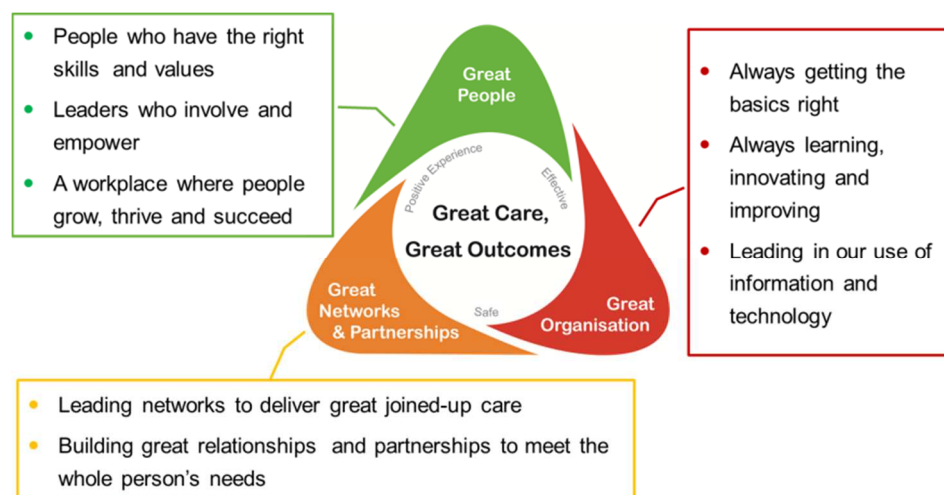
8. How is your organisation working in partnership to deliver improved system-wide sustainability?

HPFT's mission is to **“help people of all ages live their lives to their fullest potential by supporting them to keep mentally and physically well”**. We do this by providing consistently high quality, joined up care, support and treatment that:

- Provides the best possible experience

- Keeps people safe from avoidable harm
- Is effective and ensures the very best clinical and individual recovery outcomes
- Empowers individuals to manage their mental and physical health and wellbeing

We do this in partnership with individuals using our services, their families and/or carers, local communities and other providers and agencies. We have been rated by the CQC as “Good” and are now focused on moving from ‘Good to Great’ putting local communities, service users, their carers and families at the centre of all that we do. Our vision is “**Delivering Great Care, Achieving Great Outcomes - Together**” and delivery on this is supported by three key enabling strands as shown below:



Our work over the coming years to realise our Vision and live up to our Mission will support the Trust's ability to sustain quality services and play its full role in the development of high quality and sustainable services across the local STP footprint.

We play a full part in the Hertfordshire and West Essex STP. The STP includes a commitment to ensuring that mental and physical health are given equal priority with a collective ambition framed within the context of the Five Year Forward View for Mental Health and the national Transforming Care agenda and these are mirrored within the Trust's operational plans. Delivery of the STP vision is based on three key programmes of work, all of which also link directly with the priorities we set out in our operational plan:

Prevention

HPFT is the lead co-ordinating partner for the newly launched wellbeing college in Hertfordshire 'New Leaf'. Developing and expanding the college offering is key priority for us over the coming two years. Increasingly our strategic approach is to work in areas where our intervention can prevent individuals requiring our services, offering access to support in a way that reduces their need for secondary care interventions. Most notably we are doing this in our work with primary care as well as in the identification of 'at risk' mental states for individuals who are developing the early signs of psychosis.

Integrated primary and community services

We have played a leading role in developing the STP footprint's vision for integrated place based networks of care and work closely with Hertfordshire Community NHS Trust (HCT) to deliver on these plans over the period of this plan.

Initiatives include:

- Marlowes Health & Well-being centre
- Combined Estates & Facilities functions

- Developing integrated care pathways for older adults and children
- Strengthening our provision of a single point of access for all CAMHS referrals, including those provided by HCT

Acute hospital services

We work in partnership with both acute trusts in Hertfordshire to deliver a highly successful mental health liaison service and are continually looking to develop and improve the service.

We have also developed a highly successful 'Street Triage' crisis service in partnership with the police and ambulance services.