

**Report to the Meeting of the Oxford Health NHS Foundation
Trust
Members' Council
For Consultation
10th May 2011
2011/12 Annual Plan**

1. Introduction

- 1.1 The Board of Directors has a statutory duty to consult the Members' Council regarding the Trust's forward planning each financial year. The purpose is for the Board of Directors to prepare the Annual Plan which is to be submitted to Monitor, the Independent Regulator. The Trust has to submit the Annual Plan to Monitor at the end of May 2011. This paper sets out the requirements for the Monitor submission and outlines the vision, aims and objectives for the Trust this year.

2. Monitor requirements for 2011/12

- 2.1 Monitor is required by law to receive, publish and review foundation trust annual plans.
- 2.2 This year Monitor has issued a similar template to last year which focuses on the detailed financial inputs and strategic priorities for the Trust.
- 2.3 The plan for 2011/12, like last year's will be looking at priorities over the next 3 years.

3. Oxford Health NHS FT current position with 2011/12 plan

- 3.1 Given that Oxford Health NHS FT currently has an existing plan, that still has a further two years to run and the detailed plans that have been prepared and submitted to Monitor for the integration with CHO, the approach that is being taken by the Trust is to review and refresh existing plans and not to make significant changes.

3.2 As such it is proposed to continue with the existing vision, aims and objectives for the Trust, as adapted to reflect the more diverse population of people that the trust now serves.

3.2.1 Appendix 1 sets out the Trust's vision, aims and objectives.

3.2.2 Appendix 2 summarises the Divisions Core Purposes and key plans.

3.2.3 Appendix 3 summarises the Oxford Health NHS FT Financial Plan.

4. Oxford Health NHS FT planning 2011/12 and onwards

4.1 This is a time of unprecedented change both for the NHS nationally and also for Oxford Health NHS FT.

4.2 In July 2010 the coalition government published *Equity and Excellence: Liberating the NHS*. The White Paper (along with a further 14 consultation documents) sets out a path that will dramatically alter the landscape of the NHS. These proposals are now a part of the Health and Social Care Bill 2011 which has now completed the Committee stage in Parliament.

4.3 The proposals set out in the Health and Social Care Bill are many and will take effect between now and 2013/14.

4.4 In summary the stated intention of the changes are to put patients at the centre of the NHS ("no decision about me, without me"), to put a greater focus on clinical outcomes, to shift power towards health professionals, to reduce bureaucracy and to increase choice and competition in the NHS.

4.5 These proposals will see the abolition of Primary Care Trusts (PCTs) and Strategic Health Authorities (SHAs) with commissioning responsibility transferring to GP Consortia, every NHS Trust must attain (or merge) to become a Foundation Trust, there will be new roles for Monitor and the Care Quality Commission (CQC) and also as confirmed in the Comprehensive Spending Review (November 2011) efficiency savings of £20 billion across the NHS (Oxford Health's share of the £20 billion is a saving of £52 million over the next five years).

4.6 In addition to the national changes Oxford Health NHS FT has also recently changed as an organisation. From the 1 April, with the merger with CHO, Oxford Health NHS FT now has four new divisions, providing services across five counties and in Oxfordshire is a provider of both physical and mental health services.

4.7 At a Board level this is also a time of change with three new Executive Directors coming into post (Director of Nursing and Clinical Standards, Medical Director and Director of Strategy and Commercial Development) and also a newly appointed Non Executive Director.

- 4.8 As such it is recognised that Oxford Health NHS FT will have to adapt and constantly set objectives in order to maintain the organisations excellent reputation for clinical services and to develop new areas of business for positive growth.
- 4.9 Accordingly over the next six months the Trust will be developing a robust strategy following a process recently approved at the March Trust Board – *Strategy-in-Action*.
- 4.10 The strategy will set out how the trust will deliver improvements to patient safety, outcomes and experience.
- 4.11 This will be supported by plans for commercial development to create a stable and sustainable financial standing for the trust.
- 4.12 The existing vision, aims and objectives will be maintained at the start of the development of the new strategy. They may be revised during the development of new plans.
- 4.13 As a key part of the development of this approach the Board wishes to fully involve Governors on an ongoing basis in the development of Strategy.

5. Clinical Priorities for Improvement

- 5.1 We have identified five priority areas for 2011-2012 for the integrated Trust which includes both mental and physical health priorities. In selecting our priorities and what we hope to achieve within these priorities we have been mindful of both the national and local picture, as well as feedback from service users, staff, external bodies (such as Monitor, CQC, commissioners and LINKs).
- 5.2 This year the Quality Account for the new organisation Oxford Health NHS Foundation Trust adopts the national format. This sets out our Quality Account priorities within the three broad dimensions for Quality, whilst also taking account of the recently published white paper emphasising the importance of focusing quality initiatives on outcomes rather than systems and processes. This publication Transparency in Outcomes (Dec 2010) has led us to develop sub categories for the three quality dimensions.
- 5.3 Importantly in Oxford Health NHS Foundation Trust, we provide a range of general community services for the population of Oxfordshire including health promotion services, children and young people's services, community hospitals and district nursing, and a wide range of community therapy services including dentistry, podiatry, physiotherapy and specialist nursing.

5.4 The identified priorities fall under the following three dimensions of

- **Patient Safety**
Preventing people from dying prematurely
Treating and caring for people in a safe environment and protecting them from avoidable harm
- **Effectiveness**
Enhancing quality of life for people with long-term conditions
Helping people to recover from episodes of ill-health or following injury
- **Patient Experience**
Ensuring people have a positive experience of care

6. Financial Strategy

6.1 The Trust, like the rest of the NHS, is facing an extremely challenging financial environment. There has been a global financial crisis that has had an impact on the NHS and the financial outlook suggests that this impact will continue for the coming years. We already know that the NHS will receive no growth funding, smaller increases in inflation funding and be faced with increasing efficiency targets year-on-year. The result of this will be a net real term reduction in income year-on-year.

6.2 The financial strategy for the Trust for 2011/12-13/14 has been produced in response to this challenging economic environment, to find headroom from within existing resources to maintain and improve existing levels and quality of patient care. It is built on the firm financial foundations laid by the Trust in the previous three years, since becoming a Foundation Trust. The Trust will continue to be proactive in responding to the economic recession and the potential impact on public service funding, through:

- Strengthening financial governance
- Targeting reductions in overhead costs, including support service functions
- Ensuring real health gain in all investments
- Driving increased productivity and quality with no net increase in funding
- Planning for the delivery of national cash releasing efficiency targets at a level that is higher than seen before in the NHS
- Mitigating financial risk through forward planning and contingencies.

6.3 The track record of the Trust in Cost Improvement Programmes (efficiency savings) and financial performance provides a sound basis for moving forward, however, it is clear that the approach to financial management and efficiency savings in future must be highly structured and transformational in nature, while

focused on every single £1. In recognition of this, a revised efficiency savings governance and management framework has been developed and implemented.

- 6.4 To mitigate to some extent the impact of efficiency targets on operational services, all corporate back office and estates functions will be required to deliver a higher level of cost savings over five years.
- 6.5 The Oxford Health Financial Plan summary is attached at appendix 3.

7. Recommendation

- 7.1 The Members' Council is asked to note the requirements for the Monitor submission. To comment on the vision, aims and objectives for the Trust as part of the development of the submission to Monitor at the end of May 2011.
 - 7.1.1 The Members' Council are invited to email comments to James Venables up to the 17th May 2011. (Please email any comments to: James.Venables@oxfordhealth.nhs.uk)
 - 7.1.2 Additionally Stephen Cass would welcome discussions in person or over the telephone with Governors who wish to comment further on the annual plan.
- 7.2 Members are also asked to consider how they would like to be engaged in planning and shaping the strategic direction of the Trust during 2011/12.

Author and Title: James Venables, Head of Strategy
Lead Executive Director: Stephen Cass, Director of Strategy and Commercial Development

Proposed vision, aims and objectives for 2011/12:

<p>Vision</p> <p>“We will deliver excellent, high quality care, treatment and support which helps improve the health and well-being of the individuals and communities we serve”</p>
<p>Aims</p> <ol style="list-style-type: none"> 1. To achieve high levels of satisfaction from our patients. 2. To be at the forefront of innovation, involving staff, patients and carers, providing the most appropriate, timely and accessible care possible within available resources. 3. To employ a skilled workforce and provide the environment in which they can fulfill their potential and deliver high quality healthcare.
<p>Objectives</p> <ol style="list-style-type: none"> 1. <ol style="list-style-type: none"> a) To improve the quality, effectiveness, comprehensiveness and safety of our services working in partnership with patients and carers. b) To ensure that everyone in contact with, or delivering our services, behaves with dignity and respect towards one another. c) To use innovative areas of communication and engagement to support the promotion of positive health and wellbeing. 2. <ol style="list-style-type: none"> a) To use the funding we receive effectively to bring about excellence of care and patient satisfaction. b) To work in partnership with other organisations, including voluntary organisations, higher education and the commercial sector, to share learning and innovation to avoid duplication, meet unmet need and avoid gaps in services, demonstrating the dissemination and implementation of innovation within our services. 3. <ol style="list-style-type: none"> a) To give our staff the opportunities to deliver services which are caring, safe and excellent through the way we manage and support, and develop and value them. b) To achieve high levels of staff satisfaction through communications and engagement across all areas.

Oxford Health NHS FT Clinical Division Core Purpose

Clinical divisions are currently in the process of reviewing and updating detailed service plans.

The core purpose of divisions can be summarised as:

Mental Health Services (Oxon and Bucks)	Providing specialist mental health services for adults and older adults across Oxfordshire and Buckinghamshire both in inpatient and community settings.
Children and Family Services	Providing a range of services with a 'whole family', health and wellbeing, mainstream and preventative approach and public health focus.
Oxfordshire Community Services	Supporting adults and older adults with long term conditions and rehabilitation needs with an emphasis on keeping people out of acute hospitals and providing care close to home.
Specialised Services	Providing care to two groups of people – people with forensic mental health needs (those patients requiring care in conditions of security) and disadvantaged and hard to reach groups of adults (eg offenders, substance misusers, homeless adults) who find it hard to access mainstream primary and community services and need more specialised input and support before moving towards mainstream services.

Financial Plan 2011-14

Table 1 - Key Metrics for the FY12 Financial Plan

£m	FY11	FY12
	Outturn	Plan
TOTAL INCOME	181.1	259.7
EBITDA	13.2	13.0
I&E SURPLUS	5.3	1.8
CIP REQUIREMENT	5.6	12.5
CAPITAL INVESTMENT PROGRAMME	3.5	23.6
LAND SALES	0.6	5.8
CLOSING CASH BALANCE	13.2	20.0
FINANCIAL RISK RATING	4.1	3.9

Summary Financial Plan FY12 – FY 14

Table 3 summarises the Long Term Financial Plans (LTFP) for FY12–FY14.

Table 3 - Income Statement Summary FY12 - FY14

£m	FY11 F/Cast	FY12 Plan	FY13 Forecast	FY14 Forecast
<u>I&E</u>				
Income	162.5	259.6	249.9	245.8
Pay	(108.2)	(179.0)	(170.9)	(167.0)
Non-pay	(44.8)	(67.6)	(64.5)	(64.5)
<u>Normalising adjustments</u>				
Prior Year Financial Support				
Non recurring cost		1.0	1.3	1.2
Non recurring income		(0.4)		
EBITDA	13.4	13.6	15.8	15.4
Depreciation & Amortisation	(3.1)	(3.1)	(3.3)	(3.4)
Interest	(1.2)	(1.3)	(1.7)	(1.9)
PDC Dividend	(3.6)	(3.6)	(3.8)	(3.8)
Normalised Surplus / (Deficit)	5.6	5.6	7.0	6.4
Profit / (loss) on asset disposals				
Fixed Asset impairment losses		(3.2)	(4.9)	(9.2)
Non recurring costs	(0.4)	(1.0)	(1.3)	(1.2)
Non recurring income	0.2	0.4		
Surplus / (Deficit)	5.4	1.8	0.8	(4.0)
<u>CIPs</u>	5.6	12.5	10.6	10.0