

Solent NHS Trust: 2016/17 Operational Plan Narrative

1. Our approach to activity planning

a) Approach to activity planning with commissioners

Our growth assumptions for 2016/17 are in line with those of our commissioners:

- 0.8% growth in referrals, consultant-led outpatient and follow-up attendances
- 0.9% growth in diagnostics, elective and non-elective admissions

We have agreed with commissioners, as part of 2016/17 contract negotiations, that there will be no change to 2015/16 commissioned activity unless agreed by contract variation. We have agreed a joint approach to reviewing activity levels to identify areas where further discussion may be warranted.

The majority of contracted activity for Solent NHS Trust is commissioned through block contracts, with a small number of cost and volume contracts.

For **block contract** activity, we have forecast year-end activity numbers based on the numbers recorded already for 2015/16. These activity numbers are then reconciled against the previous year's activity at Point of Delivery (POD) level. Any variances of over 5% or 10% over or under these levels are highlighted, reviewed by the relevant service and then negotiated with commissioners to agree whether contracted levels need to be amended, service specifications need review or further capacity and demand analysis is required. All this information is shared openly with our commissioners and there are joint projects underway to align the POD lists between organisations. Whilst growth assumptions are calculated and taken into account during the analysis, they tend to have limited impact on the block contract element.

We have identified some contracts where the costs of providing the service are now greater than the income received to deliver them. This financial gap has been discussed with our commissioners and there agreed to as yet unspecified reductions in activity that will be implemented during the year in order to ensure costs are contained within the given financial envelope.

For the **cost and volume** elements of the contracts, we undertake more detailed analysis including trends, profiles and growth on a month by month basis; for example, an 8% growth in the HIV outpatient activity is factored in based on historical trends. This analysis is shared with commissioners and informs discussions around the associated financial envelope; this is mainly about re-profiling funding allocations within the same budget unless there is sufficient evidence for an increase or decrease in overall funding. We maintain complete transparency with commissioners during reporting and negotiations of these contracts to ensure the best activity models can be calculated.

b) Capacity and demand approach

As a community trust, it has historically proven difficult to use an established model for capacity and demand for Solent's services, despite using the IST recommended tools. We do undertake bespoke capacity and demand analysis when performance or waiting list issues have arisen, in order to

understand the pressure on services; this is a largely manual and resource-intensive process at present.

A work programme is being implemented during 2016/17 to build and implement bespoke tools for each of Solent's services that can be continually updated to understand and manage demand, including rostering of staff and management of waiting lists. Children's services are the first area to be addressed, in support of their change programme and disaggregation of the service-lines into City-based care groups.

c) Service capacity to meet agreed activity

Solent has again met **key operational standards** during 2015/16, achieving and maintain the highest Framework Assessment score all year. The majority of contractual key performance indicators (KPIs) are met and where not, action plans are implemented to rectify performance and monthly updates (as a minimum) are shared with commissioners.

Ongoing national shortages in key staff groups (Band 5 nurses and Occupational Therapists) are likely to impact waiting lists during 2016/17. This is being actively monitored and mitigated at service-level and a Trust-wide monitoring tool is being implemented to identify and respond to pressures as early as possible.

We have agreed **winter resilience plans** with commissioners and local partners, and are actively engaged in system resilience groups that govern this process. Our community teams have put in place a range of mechanisms and responses intended to support the system at time of high demand. This includes:

- Regular (weekly/daily) operational resilience conference calls in Portsmouth and Southampton with partners to assess current position and agree mitigating actions.
- All community inpatient wards reviewing and flexing their criteria safely to meet system demand. This is discussed with system partners and any support needed to improve flow through the beds is requested and accessed. Where this may have a negative impact i.e. increased length of stay or delayed transfers of care, this will be highlighted in advance so the system, service, and commissioners are aware of the risk, and are a part of that decision making process.
- Portsmouth Rapid Response teams have flexed their criteria to support the system and assist with pulling discharges from inpatient beds. Staffing levels have been enhanced to support the winter plan and resources are focused on admission avoidance and enhancing links with GPs to act early and prevent deterioration and so support discharge to assess.
- Southampton Rapid Response teams are working with inpatient areas to identify ways in which they can assist in admissions or discharges from the wards. It is anticipated that this will increase capacity in the system during the winter period. If successful it is likely that this will become business as usual.
- Portsmouth Community Nursing - Staffing levels have been enhanced with bank and agency in response to significant vacancies. Social work vacancies and constraints in Portsmouth City Council are also of concern and being actively discussed and risks mitigated.
- We are currently in discussion with Local Authority commissioners about how the reductions in public health budgets will impact on capacity within health visiting, school nursing and a range of

health promotion services in 2016/17. We have agreed revised contractual activity plans for sexual health services with all three Local Authorities.

2. Our approach to quality planning

a) Our approach to quality improvement

Delivering high quality, safe and affordable care remains at the core of Solent NHS Trust's plan for the year ahead. This has particular significance in a year where we, like other NHS providers, will need to deliver significant transformation of services in order to increase our resilience and contribution to wider system plans to bring the local health economy back into financial balance by the end of the year.

A key priority for Solent NHS Trust in 2016/17 is to strengthen our approach to quality improvement and ensure a culture of continuous learning is fully embedded Trust-wide. This is a critical enabler to delivering the required transformation safely and effectively, with our staff fully engaged in the process. We are establishing a programme of Total Quality Management (TQM) to drive this approach across the Trust.

Delivery of the TQM programme will be underpinned by the Model for Improvement methodology, where changes are tested and evaluated in PDSA (Plan, Do, Study, Act) cycles, thus building momentum and a culture for continuous quality improvement that can be replicated across multiple areas. We want our staff to have a greater focus on reducing harm, unnecessary waste and variations in care to deliver better outcomes more efficiently; and at the same time feel empowered to do the right thing for service users and their families every time with a clear understanding and ownership of "this is how we do things around here".

The TQM delivery programme will formally commence in April 2016 and will be delivered to cohorts of multi-disciplinary teams which include clinical, non-clinical and support staff. Key components of the TQM programme will include a focus on:

- Leadership for Change
- Spread of innovation
- Improvement methodology
- Understanding measurement
- Human Factors (including social movement development and motivation)
- Engaging and energising the workforce

We are planning to run three cohorts in 2016/17. There will be around 50 members of staff in each cohort. Improvement projects will be locally developed, owned at service-line level and linked to audit programme priorities. The first cohort will commence in early May 2016.

Quality improvement governance

The TQM programme will be assured and monitored by the Trust's Quality Improvement and Risk (QIR) Group, chaired by the Chief Nurse. This group has oversight of the full quality, safety and risk agenda across the Trust and provides appropriate direction and guidance to care groups and corporate functions, including the dissemination of shared learning within the Trust and with partner organisations. The QIR group seeks updates and assurance from a range of sub-groups that collectively shape and influence the Trust's quality agenda. This includes, but is not limited to:

- Care Group/Service-Line Clinical Governance Groups
- Serious Incidents Requiring Investigation (SIRI) Panel
- Health & Safety Group
- Medicines Management Group
- Clinical Audit & Effectiveness Group
- Safeguarding Steering Group
- Emergency Planning & Resilience Group
- Research & Development Group
- Infection Prevention & Control Group
- Policy Group

The QIR group is responsible for ensuring compliance with all statutory and regulatory requirements, including publication of the Quality Account and monitoring of progress against the associated priorities. It reports directly to the Trust's Assurance Committee and will make recommendations on quality improvement requirements in addition to highlighting key areas of risk that need visibility and response at Board level. The Assurance Committee reports to the Trust Board in turn.

Each clinical area has a dedicated clinical governance group, chaired by a Clinical Director, which monitors the progress and impact of local quality improvement schemes, including lead quality indicators, and takes appropriate action to mitigate any areas of clinical risk at the earliest opportunity. This is supplemented by a monthly performance review in each Care Group which undertakes an overall 'healthcheck', looking at financial, workforce and activity data alongside quality metrics, and taking remedial action as required. All clinical governance groups report monthly to the QIR group.

Progress against Trust-wide quality improvement milestones, as defined in the Quality Account and 'Sign Up to Safety' Plan, is monitored at the Trust's corporate performance review meeting which is chaired by the Chief Executive Officer. Action is taken to address any slippage and/or address any unmitigated risk.

Well-led Framework

The Trust currently uses the Quality Governance Assurance Framework (QGAF) as a tool to self-assess the strength of our quality governance arrangements. This considers the same four domains as the Well-Led Framework. Our self-assessment in November 2015 concluded that we scored 0-0.5 on Strategy, Processes and Capabilities elements and 1 on Measurement, giving an overall score of 5. Agreed actions included:

- Further development of service level dashboards
- Reinstatement of Board reports on benchmarking projects
- Systematic productivity review programme of comparable services
- Alignment of current reporting under strategic goals
- Roll-out of data quality dashboard to all service-lines
- Further work to assure compliance with agreed processes for managing quality performance
- Further work to strengthen engagement activities with staff and other stakeholders on quality

- Introduction of quality governance learning sets for Board
- Include internal audit of QGAF as part of annual audit plan for 2016/17
- Improvement in messages from Board to the wider organisation consistently promoting quality focused culture
- Chief Medical Officer leading review of processes and arrangements for Mortality Reviews, taking opportunities to engage in wider regional and national guidance development where available.

We have recently completed our first self-assessment against the Well-Led Framework and have produced an action plan to address areas of improvement. Both the assessment and the action plan will be reviewed by an internal scrutiny panel in late March 2016. This panel will include representatives from the non-executive and executive teams alongside key senior leaders. The output of the scrutiny panel will be presented to the Trust Board in April 2016 for consideration.

Service-lines are currently completing a high-level self-assessment against the 10 Well-Led questions for their own areas. This will be discussed at extraordinary performance review meetings in April, alongside final sign-off of their 2016/17 business plans.

As part of the TQM preparatory work, we have commissioned an external review of our quality governance systems. Phase one of this review was completed in February 2016 and focused on our quality governance systems with a particular focus on staff engagement and the effectiveness of Board to floor communications. This is due to report at the end of March.

Phase two of the review will commence in early April; it will focus on an end-to-end review of our processes for serious incidents requiring investigation (SIRIs), complaints and incident management. This phase will be completed by the end of April 2016.

Outputs of this review and the resulting action plan will be reported and monitored through the Trust's Assurance Committee and onto Trust Board.

2016/17 Quality Improvement Priorities

We are currently refreshing our Quality Account priorities for the year ahead. These priorities reflect the areas of quality improvement that are most important to the Trust and have been developed in response to:

- Our understanding of the local health and social care needs, as evidenced by local health data, commissioner requirements and feedback from service users, families and carers;
- National guidance and directives issued by the Department of Health and NHS England;
- The five CQC domains
- Our Trust strategy

The priority areas have been drafted and we are currently confirming the improvement measures that will indicate our progress in the year ahead. This will be formally presented to Trust Board in May 2016 in advance of final submission in June 2016.

Priority	Key workstreams
1. Quality Improvement (Safe)	<ul style="list-style-type: none"> ✓ Delivery of sign-up to safety plan - reduce avoidable harm by 50% by Jan 2018 (3 target areas) ✓ TQM programme delivery (3 cohorts; 150 participants)
2. Parity of esteem (Effective)	<ul style="list-style-type: none"> ✓ Development of integrated care teams ✓ Every contact counts approach
3. Service User Experience (patients and carers) (Caring)	<ul style="list-style-type: none"> ✓ Review of all patient experience intelligence ✓ Develop range of methods to publicise and communicate outcomes from feedback and associated service improvement. ✓ 95% satisfaction score on FFT ✓ Carer awareness training for all staff and focus on identifying and supporting carers in community settings and primary care services ✓ Inclusivity (protected characteristics)
4. Acuity and dependency (Responsive)	<ul style="list-style-type: none"> ✓ Develop tools and weighting system for caseload management and measurement of acuity/ dependency ✓ Staff feel supported to work within safe parameters
5. Professional standards (Well-led)	<ul style="list-style-type: none"> ✓ Launch Nursing and AHP strategic frameworks ✓ Single competency frameworks ✓ Standardised job descriptions ✓ Professional leadership and reporting frameworks

Risks to Quality

The most significant risks are captured in the Board Assurance Framework (March 2016) and are as follows:

<p>1. ICT Systems and Infrastructure</p> <p>Solent NHS Trust is part-way through implementation of new clinical records systems in parallel to necessary improvements to the ICT infrastructure.</p> <p><i>Potential impact:</i> <i>Electronic systems are vulnerable during this period which may impact on service delivery and reduced staff productivity. Solent could be unable to report against local and national KPI's, impacting on finances and reputations.</i></p>	<p><u>Systems</u></p> <ul style="list-style-type: none"> • Capacity and Capability – dedicated programme team in place to oversee development and deployment and ensure end user acceptance. Completion by March 2016 • Existing patient systems team to evolve by April 2016 • Chief Operating Officers working with clinical service to ensure benefit plans in place by March 2016 <p><u>Infrastructure</u></p> <ul style="list-style-type: none"> • Implementation of transition plan by end Sept 2016 • Layer 3 now being executed • Robust stakeholder management plan in place
<p>2. Financial Sustainability</p> <p>Persistent challenge of finding year-on-year efficiencies across organisation coupled with managing impact of cuts in the wider system (public health) presents a risk to care delivery and may make</p>	<ul style="list-style-type: none"> • Strong focus on converting non-recurrent 2015/16 CIP savings into recurrent schemes for 2016/17, linked to business plan delivery and workforce reviews • Care groups and corporate services to operate full programme management approaches to

<p>some services untenable for quality or financial purposes</p> <p><i>Potential impact: Services /functions are devolved / acquired by other provider. - ultimately the Trust would cease to exist in its current form</i></p> <p><i>In the short term there could be quality issues due to lack of appropriate funding for services</i></p>	<p>delivery of savings</p> <ul style="list-style-type: none"> • Discussions being held with commissioners regarding level of funding required – April 2016. • Refreshed commercial strategy by Q1 2016/17 • Estates rationalisation • Ongoing discussions with LAs on impact of public health cuts and consideration by the Board of the services that Solent should be providing - to conclude July 2016
<p>3. Quality governance and quality improvement</p> <p>There is a risk that a safety culture will not be maintained due to lack of capacity in the Trust. There is a risk that there is insufficient assurance of quality governance and improvement due to lack of effective clinical leadership.</p> <p><i>Potential impact: This would result in poor patient outcomes, lack of compliance with professional standards and the inability to retain and attract staff.</i></p>	<ul style="list-style-type: none"> • CQC preparedness programme underway • TQM programme under development and implemented from April 2016 onwards. • Quality Improvement Framework to be presented to Trust Board in May 2016 • Develop a nursing professional strategy and AHP professional strategy by Q4 2015/16 • Draft quality governance reporting and professional leadership structure discussed with Chief Operating Officers and Clinical Governance leads and due for discussion with Clinical Directors by end Q4 2015/16 • Transformation Board to confirm quality governance arrangements for integrated services by March 2016
<p>4. Workforce Capacity</p> <p>There is a risk that we are unable to recruit sufficient numbers of clinical staff with the skills and experience required</p> <p><i>Potential Impact: This would adversely affect quality of service provision resulting in potential patient harm, breach of contracts, performance notices, breach of regulatory compliance</i></p>	<ul style="list-style-type: none"> • Finalise Workforce Strategy for future workforce requirements within Solent by April 2016 • Work with local health providers to develop a system wide workforce plan 2016-17 by March 2016 • Develop recruitment & workforce development plans to underpin the workforce strategy by March 2016 • Increase in house Bank clinical resources to mitigate risk of vacancies and minimise use of agency by March 2016 • Progress plans to integrate health & social care for Portsmouth • Portsmouth Community Nursing - Action plan to address gaps being implemented (including actions to enable attraction and retention of staff)

b) Seven Day Services

We are continually looking at how we can improve access for our service users, including how we work with our partner organisations to ensure there is an appropriate care response at all time of the day and at the weekend. Key areas of focus include:

- Development of ‘digital front door’ in sexual health services, providing increased on-line access to appointments and ordering of tests and condoms
- Extension of our primary care services to deliver extended hours and more integrated working with other community services to provide streamlined ‘one-stop’ shop approaches

- Working with our system partners to increase access and resilience in urgent care and rapid response pathway, including single point of access and triage where appropriate. This is likely to be a key theme in emerging system transformation plans.

c) Quality Impact Assessment (QIA) Process

All change schemes, irrespective of source, are required to be assessed via the Trust's quality impact assessment process. This process is well-established and intrinsically linked to the CIP programme, but is equally applied to improvement programmes where financial savings are not the primary driver. We have recently strengthened the QIA tool to include an assessment of the impact on equality as well as quality (EQIA tool)

The EQIA tool is completed for all proposed schemes; however the level of detail required is determined by an initial assessment of risks impacting on quality or equality for service users. The assessment considers both positive and adverse impact of the proposed change and the cumulative impact on other parts of the system. It identifies what further measures are required to reduce the risk to an agreed level, supported by an action plan to deliver this. Leading indicators are assigned to all schemes where a potential impact on quality or equality has been identified.

All EQIAs are signed off by the Clinical Director, Operations Director and Clinical Governance Lead for the relevant clinical areas (Directors and Associate Director for corporate services). If there is no quality risk identified, the scheme is passed to the quality team for review and approval. Once approved, the scheme will be managed by the service subject to local governance arrangements

All schemes with potential possible adverse quality and/or equality impacts are presented to the QIA panel for review and approval by the Medical Director and Chief Nurse. The QIA Panel will give each scheme one of four possible outcomes:

- **Approved and closed** – no further monitoring required. This is usually for schemes with a purely financial impact and no change to service delivery. For example, a procurement saving that changes a contract from one supplier to another for the same product at a lower cost. The service will manage the project/scheme with no requirement to submit indicators or updates to panel.
- **Approved and to be monitored.** These are projects/schemes with an impact on service delivery where quality needs to be monitored through lead indicators. For example, a service decides that it can reduce the number of staff and still maintain the same level of service. In such cases it is common to monitor waiting times, complaints relating to access and/or staff sickness levels. Indicators will be reviewed monthly through performance review meetings and bi-annually through the QIA panel.
- **Agreed pending more information.** In such cases a project/scheme has been presented which may have an impact on quality but often more information needs to be available for the panel to make a decision. The panel may say 'this is agreed in principle' but more details of the implementation plan are required, for example.
- **Rejected.** In this instance the panel says the service cannot proceed with the proposal.

Following sign-off, lead indicators for schemes 'approved for monitoring' will be reviewed on a monthly basis through the relevant service-line clinical governance group and performance review

meetings. In addition, these schemes will be reviewed every 6 months by the QIA panel with updates provided by the service.

Evidence of declining performance and/or increased clinical risk is reported through the Clinical Governance groups where an action plan is agreed. This is subsequently reported through to QIR group and onwards to Assurance Committee. Reporting to Board on QIA status is by exception.

In the event of significant quality risk that cannot be resolved at service-line level, the Medical Director and Chief Nurse will be asked to recommend a course of action. This may include stopping the scheme if an acceptable solution cannot be found.

d) Triangulation of Indicators

Each Care Group has a performance dashboard that reports on quality, finance, workforce, patient experience and operational performance. These are reviewed each month at an Executive-led Performance Review meeting.

Trend graphs are incorporated into the dashboard as early warning indicators of any pressure or sub-performance building in the services. Each section is supported by an in-depth report providing further detail for investigation; this includes a Quality Governance Report and a Finance Operational Report. Both the dashboards and the Executive commentary are then built monthly into the Trust's Performance Report to provide a high level monthly summary to the Board.

The Trust Board is briefed monthly on quality performance; this includes reviewing any concerns and understanding any underlying trends in order to assess if additional actions are required over and above what has already been put in place via Assurance Committee and Care Group clinical governance arrangements.

Performance Reporting and Key Indicators

The quality of our performance reporting is routinely reviewed by the Executive team and at Board workshops to ensure that satisfactory levels of assurance are being provided. Recent improvements have included the inclusion of a Finance Recovery Programme Dashboard for each service-line, detailing safe staffing figures; savings plan performance and specific productivity metrics.

Key indicators that are routinely monitored at Care Group and Trust level are:

Quality Indicators	Finance Indicators	Workforce Indicators
<ul style="list-style-type: none"> • Number of SIRIs reported • Number of complaints • % of patient incidents rated minor or below • Number of SIRIs not uploaded to STEIS within 48 hours • Number of Information Governance breach incidents reported • Number of waiting time breaches • % of patient likely to recommend Solent care • % of patients unlikely to recommend Solent care 	<ul style="list-style-type: none"> • YTD achievement against stretch target • Forecast year end against stretch target • Contribution level as % of income and spend on agency staff 	<ul style="list-style-type: none"> • % of substantive vacancies • % in-month sickness rate • % staff appraised • % staff completed mandatory training • % staff likely to recommend Solent care • % staff unlikely to recommend Solent care • % Staff Likely to Recommend Solent as a Workplace • % of Staff Unlikely to Recommend Solent as a Workplace

We are currently strengthening our focus on productivity improvement. Progress was limited in 2015/16 due to the roll-out of the new clinical records system but is a key objective for the coming year. We are already reporting monthly productivity figures for services not affected by the Clinical Records System (CRS) transition (sexual health and dental services) and have undertaken an initial benchmarking exercise in community nursing in both cities which will be progressed in the coming months.

3. Our approach to workforce planning

Workforce planning is an integral part of our 2016/17 business planning process and a key enabler to the delivery of the transformation changes and efficiency that are required for both organisational and system plans in the years ahead.

a) Current workforce plan

Future workforce requirements have been identified by Clinical and Operational leads as part of care group and corporate planning processes. Detailed workforce analysis has been undertaken and changes in size and composition of the workforce have been phased in line with the overall deficit.

Future workforce requirements have been shaped by a range of internal and external factors including:

- Known and /or anticipated changes to service due to changes in contractual arrangements.
- Commissioning intentions leaning towards greater workforce integration and skill-mixing as a means to improve system resilience and cost efficiencies without adversely impacting on quality.
- Community nursing transformation schemes in Portsmouth and Southampton designed to improve patient safety alongside productivity gains through improved skill-mix and succession planning, and greater flexibilities across city community nursing services.
- Proposed efficiency savings linked to the 'Working Differently' programme. A key priority for the Trust is to realise benefits from the new clinical records systems and improved ICT infrastructure that facilitates more flexible working models that increase staff productivity and potentially changes the shape and structure of clinical teams.
- Reduction in reliance on agency staffing
- Recruitment of staff in areas where recruitment has proven challenging to date
- Integration of health and social care teams and alignment of community nursing and primary care teams to GP localities
- Development of locality based services in child and family services
- Engagement with HEIs locally to ensure under graduate programmes are fit for purpose, that skilled clinicians are working with students, and to increase placement capacity in community providers..
- The workforce impact of the Sustainability Transformation Plan will be assessed as system plans emerge over the next few months but is expected to be in line with our current plans.

Workforce and finance leads have worked with operational and clinical directors along with service managers to identify the WTE changes needed to transform service delivery, ensure delivery of safe services and make required saving contributions. Work is progressing to align budget and workforce trajectories. Assurance has been provided to Executives at key intervals and subject to established EQIA processes where an impact on quality or equality has been noted.

Care Group and Corporate workforce plans are signed off the Clinical Director, Chief Operating Officers, Director of HR and Director of Finance prior to Board sign-off.

b) E-Rostering

Improved usage of e-rostering is a key enabler to the effective delivery of workforce plans in 2016/17. Improvement plans will provide a clear framework of roster management, monitoring and reporting, thus enabling more effective resource management and deployment of staff. Plans are progressing to develop roster dashboards for managers to use this data more effectively to identify areas of inefficiency or risk. The Roster Manager is working with Deputy Director of Nursing to identify areas for action and ensure a joint approach which maximises clinical engagement.

A roster quality audit was undertaken by the workforce team in November 2015 to assess the status of the current rosters, with a particular focus on the nursing rosters. The key findings indicate that whilst there has been significant improvement in the number of unfilled nursing shifts, there is scope to improve the rosters further to generate additional workforce efficiency benefits. In addition to the dashboard, recommended actions include strengthening of performance management arrangement via Operation Directors and Performance Review meetings underpinned by additional training materials and resource to improve local capability. This will be a key area of focus in 2016/17.

c) Agency Usage and Safe Staffing

Solent has a 3% cap on agency staff usage each month. We are currently operating at 5.75%; this is almost wholly attributable to the Portsmouth community nursing services where we have 20% plus numbers of vacancies that we are unable to fully recruit to. This is being actively managed with a comprehensive recruitment and retention plan and commissioner oversight but inhibits our compliance with the cap at this time.

In support of the new regulations, we have put in place systems and procedures that ensure agency staff are only used where absolutely critical to maintaining safe service provision and that only framework agencies are used at the capped rates agreed.

Guidance has been issued to all managers and the Chief Nurse and HR colleagues are reviewing usage on a weekly basis. Actions are being taken by the Chief Nurse to reiterate the requirements for booking agency staff and the inconsistencies of temporary staffing (both bank and agency) usage. This includes weekly scrutiny by the Chief Nurse of usage by each ward/service area including how effectively substantive staff are being rostered.

Safe Staffing

Inpatient data is published via an upload to Unify each month. These reports outline the actual staff on duty on each shift and compare these numbers with the planned levels awarding a RAG rating which has been nationally defined. The Service Line Governance leads report by exception to the Quality Improvement and Risk group which reports in turn to the Assurance Committee. It is a further requirement as outlined in the National Quality Board guidance that there is a report on safe staffing provided to Board every six months. The last report was prepared in November 2015.

Solent NHS Trust remains committed to ensuring that the levels of nursing staff, including registered nurses and unregistered support workers, are appropriate and reflect the acuity and dependency needs of individual patient groups within clinical ward areas. This includes an appropriate skill mix and level of nursing staff to provide safe and effective care.

Merging of two wards in the Older Persons Mental Health service in Portsmouth has enabled a safer and more effective staffing model and less reliance on inpatient beds with care being delivered in the community.

Over the last six months the number of areas reporting red or amber has improved. The matrons and ward managers have confirmed that on each occasion where the actual staffing did not match the planned level, a risk assessment was made using clinical judgement to ensure that staffing levels were safe for the numbers and dependency levels of the patients on the ward at that time.

All areas, with the exception of one in-patient area, meet the core nursing establishment recommended within the NICE guidance of 1:8 (Registered Nurse: patient) by day. The registered nurse requirement by night is not clearly articulated within the guidance and there are wards within the Trust where one registered nurse is on duty during the night shift. The nature of the wards and acuity of patients is taken into consideration when determining the appropriate number of registered nurses on duty by night.

We are currently completing an establishment review process for each inpatient area as part of a wider assessment of workforce requirements; evidence-based tools, in conjunction with professional judgement and scrutiny, will be used to inform staffing requirements, including numbers and skill mix. Senior nursing staff and managers will use quality data and triangulate this information and results from any evidence based tools used along with their local knowledge of what is required to achieve better outcomes for their patients

All inpatient areas are compliant with displaying planned and actual staffing levels on all ward areas and further work is being undertaken to ensure consistency of presentation of this information in a manner which is meaningful for patients and visitors to these areas.

Community Teams - In the absence of national guidelines on safe staffing for the community, we are using quality data alongside clinical judgement to assess acuity and dependency against capacity to assess safe staffing levels.

- **Southampton** – The quality information review did not indicate any issues relating to safe staffing in Southampton community teams, although there have been staffing issues in the night nursing services which have impacted capacity. The mitigation has been to reallocate the work (which is mostly scheduled) to the Rapid Response team and any unscheduled requests which cannot wait until the next morning were referred to the 111 number for appropriate management.
- **Portsmouth** – There is a Recovery Action Plan (RAP) in place with commissioners to address the ongoing issues with nursing vacancies in the Portsmouth system, and the subsequent impact on capacity. The RAP remains live and is updated monthly following review meetings with Portsmouth CCG. Key Performance Indicators attached are being reported weekly and reflect the ability for current capacity to meet demand whilst there are still vacancies within the Community Nursing Teams. RAP, HR and transformation action plans are collated into a single action plan to ensure cohesive delivery within the teams.

d) Workforce indicators and management of risk

Successful delivery of our 2016/17 plan is contingent on having an appropriately skilled and motivated workforce able to deliver the required levels of transformation safely and effectively.

Delivering change at this scale can be unsettling for staff, particularly at a time when budgets are continuing to reduce and resources are constrained. The Trust has systems in place to continually assess and monitor workforce risks via monthly Care Group clinical governance and performance reviews.

Each Care Group has a performance dashboard which captures workforce metrics alongside quality and financial indicators. These are a tool for management teams to monitor the safety, effectiveness and efficiency of their services, and take remedial action as and when required.

All changes schemes have approved QIAs and lead indicators which are largely focused on monitoring the impact on service users and staff (e.g. complaints, sickness and vacancy rates). Any deterioration in these indicators is treated as an early warning of potential adverse impacts and necessitates action by the Care Group and/or Executive team to mitigate.

Key issues and risks are reviewed monthly at the Workforce sub-committee. This is chaired by the Director of HR supported by the Chief Nurse and Chief Operating Officers. These are also discussed at the Joint Consultative Committee. Workforce metrics and risks are reported to Board monthly as part of the Trust's performance report.

At the same time the Trust is investing in a refreshed organisational and staff development programme that will drive the development of the right skills, behaviours and culture for delivery. This is a major area of focus in 2016/17 and critical to ensuring we have the an appropriately skilled and motivated workforce to deliver our plan.

4. Our approach to financial planning

a) Financial forecasts and modelling

The 2016-17 plan has used the assumptions and information detailed in the following sections to arrive at the planned deficit of £4.5m.

Income

Contract income to remain consistent with 2015-16 with the following adjustments:

- A national tariff inflator of 1.1% on CCG and NHS England income; there are some minor exceptions to this, for example, it is assumed that there is no uplift on the pass-through of HIV drug costs to NHS England.
- CQUIN is included at 2.5% of CCG and NHS England income value (the differential on Specialised Commissioning at 2.0% is negligible)
- Transfer of £8.1m of children's services income from NHS England to local authorities.
- Reduction in income due to Public Health cuts of £0.7m in Children's Services; this is offset by a reduction in pay.
- £0.93m reduction of sexual health income of. This is to reflect the levels of activity delivered in Southampton and Portsmouth.
- Additional non-recurrent estates income of £1.2m from CCGs to support the Trust's occupation of St James hospital, this is offset with additional non-recurrent estates costs.
- No material changes in activity for cost and volume contracts.
- Transformation fund income of £0.1m included in plan.
- The loss of the Hampshire substance misuse contract during 2015/16 has reduced contract income by £1.6m. In addition, the Baytrees substance misuse in-patient facility is expected to close in May 2016, reducing income by £1.1m from 2015/16 levels.

The majority of our contracts are block activity where income is known at the beginning of the year. For the few cost and volume contracts currently provided, trajectories based on previous year delivery and population uplifts are calculated and updated regularly to manage any variances. Therefore the risk to income during the year is limited and performance on volume contracts is closely monitored.

Pay

The following changes have been reflected in the 2016-17 plan:

- Increase in pay costs due to the removal of 3.4% rebate on NI, c£2.6m.
- National pay increase c£0.7m.
- Reduction in pay within the Children's Service to reflect the reduction in Public Health income.

Where there is unidentified CIP, this has been flat-phased across the year with an equivalent reduction in workforce WTEs. Although a crude approach, our conversations with commissioners have centred on the gap between funding available and costs being closed by reductions in service delivery.

Non Pay

Recurrent non pay expenditure has remained consistent with 2015-16 with the following exception:

- Additional non-recurrent non pay costs within estates for occupation of St James hospital.
- £0.8m has been set aside for Organisational Development.

Cost Improvement Targets

CIPS targets have been set at 3.5% for clinical services based on the 2015/16 budget envelope and 8% for non-clinical services and departments. Where the CIP target is unachievable due to cost and volume contracts or significant fixed costs, the CIP target has been adjusted to reflect an achievable target. The impact on individual service lines varies depending on how successful previous years' savings have been delivered recurrently.

b) Efficiency Savings

Cost Improvement Schemes

We have plans in place to deliver 78% of our cost improvement plan total. Our largest schemes are focused on savings through workforce transformation and estates rationalisation.

96% of the schemes are cost reduction schemes, reflecting the limited ability of a community and mental health trust to generate additional income. Discussions are on-going with our major commissioners as there is currently a significant gap between what the savings schemes can deliver and the financial resources available.

Each service line has been through a programme of star chambers since November 2015 to assess the strength of each financial plan. These have been reviewed in detail by the Solent Executive. These are now subject to quality impact assessments, which are chaired by the Solent Chief Nurse.

Lord Carter review

In response to the Carter recommendations, the Trust has established an efficiency improvement programme to improve our assurance of benefits delivery from major change programmes and improvement/savings schemes. In addition to improving benefits delivery, the programme will also focus on benchmarking and comparing progress with other Trusts working on similar initiatives in order to share learning and identify further improvement opportunities.

Where appropriate, the Trust will work towards the same efficiency targets applied to acute trusts in the Carter Review. This includes:

- 10% reduction in non-pay expenditure by April 2018
- No more than 7% of income spend on corporate/administrative functions by April 2018 (6% by 2020)
- Operate at maximum of 35% of non-clinical floor space and 2.5% of unoccupied or under-used space by 2020 (plan by April 2017)

- Reduction in unwarranted clinical variation - plan in 2016/17 and delivery in 2017/18

Delivery of Trust-wide enablers and benefits will be managed through a number of Executive-led change programmes focused on our priority areas:

- Quality Improvement
- Organisational Development
- Estates Rationalisation
- Information Improvement/ Working Differently
- Efficiency Improvement
- Integration (Southampton and Portsmouth)

Agency Rules

The Trust has a cap on agency spend in 2016/17 to the value of £3.577m; our workforce plan is aligned to deliver this.

Control of procurement practices

The Trust has recently refreshed its procurement delivery plan for 2016/17. The core objective of the plan is to realise benefits from improved procurement analysis and processes and tighter controls of non-pay spend. Non-pay costs are expected to reduce by at least 10% by April 2018.

Total identifiable non-pay spend for 2015-16 will be in the region of £72 million. Around £55 million of this is spent on procuring goods and services, including sub-contractors to commissioned services.

Our top 30 suppliers account for 73% of this spend (£39.7m) and contract coverage is at 93%. The remaining spend is with non-contracted suppliers and we have around 1390 suppliers on our database; a large proportion of these are single payments for low value goods or services.

Our procurement plan responds to this position and is focused in two key areas:

- Realisation of cash-releasing savings through review and rationalisation of existing suppliers and securing the best value price for good and services going forward
- Improved Trust systems and processes for the purchase of goods and services that facilitates better spend analysis; legal compliance and improved control of non-pay spend at local level.

Non-pay spend reduction

Category	Target Reduction
Retender of expiring contracts/new contracts	5%
Renegotiation of existing contracts including commitment/volume discounts	1%
Collaboration with other providers	5%
Rationalisation of suppliers and/or product standardisation	5%

Improved systems and processes

Short Term	Medium Term	Long Term
Analysis of Non Pay Spend	Category Management	Joint working with Southern Health
Procurement Delivery Plan	Procurement Delivery Plan 2017-18	Joint Working with Southern Health

Procurement Processes and Procedures	Development of supporting documentation to enable end users	NHS Standards Peer Review
Top 20 Suppliers	Supplier Rationalisation	Supplier Relationship Management
Standardisation	Stock Management	Materials Management
Operational Procurement	Integration of function	e-Enablement
Raise Procurement Profile	Develop Account Management	Trust Induction Procurement

c) Capital Planning

Capital Resource Limit (CRL)

The 2016-17 CRL is funded by the following:

- Depreciation
- Sale of property, plan assumes disposal of two properties in quarter 4 to the value of £2.1m
- Capital loan

A capital loan is required to fund the Portsmouth Rationalisation Project Phase 2 along with the sale of the two properties. The loan required in 2016-17 is £3.9m

Capital Expenditure

Capital expenditure for 2016-17 of £10.9m will be invested in assets as follows, in line with the Trust's strategy and objectives for the year:

- Portsmouth Rationalisation Project Phase 2 £6.0m
- CRS Phase 3 £1.2m
- IT devices £1.2m
- Backlog maintenance £0.6m
- Estates infrastructure £0.7m
- Medical equipment £0.5m
- Enterprise Data Warehouse £0.5m
- Capital reserve £0.2m

Any underspend on capital will be carried forward into 2017-18 and will continue to fund the Portsmouth Rationalisation Project Phase 2 and reduce the need for a capital loan.

Asset valuation

A valuation exercise has been carried out in Quarter 4 2015/16. The Trust has received the final valuation resulting in a reduction in asset value in 2015-16 of £23.6m. This has been reflected in the 2016-17 plan.

5. Link to emerging 'Sustainability and Transformation Plan'

The local Sustainability and Transformation Plan (STP) will cover Hampshire, Portsmouth, Southampton and the Isle of Wight and in doing so covers all of the areas in which Solent NHS Trust operates.

Solent is actively engaged with commissioners and providers in the development of aligned organisational plans for 2016/17. This is particularly strong in the two cities where we are actively discussing with the local authorities how we manage the impact of public health budget cuts.

Our plan is aligned to the emerging key strategic priorities for the Hampshire and Isle of Wight system:

- Delivery of high quality and safe services
- Integrated and joined up health and social care with care closer to home, through delivery of new models of care
- Easily accessible urgent care and planned care, delivering the best outcomes
- Reducing the potential years of life lost from causes healthcare can influence over the next five years
- Improving the health related quality of life of people with one or more long term conditions
- Reducing emergency admissions from causes healthcare can influence
- More people will live independently at home following discharge from hospital
- Increasing the number of people having a positive experience of care outside hospital in primary care and in the community
- Making progress towards eliminating avoidable deaths in our hospitals caused by problems in care
- Driving efficiencies and ensure value for money due to the increasing scarcity of financial resources
- Delivery of the NHS England national 'must-dos'

We will be an active contributor to the development and implementation of the STP as more guidance becomes available and detailed plans develop.